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**THE COMPANIES ACT 1985**  
**KENNEDY CONSTRUCTION GROUP LIMITED**  
**(Company Number.01521006)**  
**SPECIAL RESOLUTIONS**

AT an Extraordinary General Meeting of the above named Company held at **50 ATHOL ST** on 13.8.1997 the following Resolutions were passed as Special Resolutions of the Company:

1. **THAT** the provisions (as the same may be amended, varied, supplemented or substituted from time to time) of the documents and transactions referred to below which the Company is proposing to enter into and grant, where relevant, in connection with (inter alia) the acquisition by Dream Offer Limited (the "Parent") of the entire issued share capital of Bertrem Limited ("Bertrem") including Bertrem's wholly owned subsidiary Proby Limited ("Proby") including the wholly owned subsidiary of Proby, the Company and the Company's wholly owned subsidiaries, Kennedy Pipelining Limited ("Kennedy Pipelining"), Kennedy Asphalt Limited ("Kennedy Asphalt"), STH Plant Limited ("STH") and STH's wholly owned subsidiary Astley Self Drive ("Astley"), Joseph Kennedy & Co (Manchester) Limited ("Joseph Kennedy") and Joseph Kennedy's wholly owned subsidiaries Kennedy Utility Services (Scotland) Limited ("Kennedy Utility") and Kendat Cabling Services Limited (Kendat Cabling) and Hale Brooks Insurance Company Limited ("Hale Brooks") (together the Parent, Bertrem, Proby, the Company, Kennedy Pipelining, Kennedy Asphalt, STH, Astley, Joseph Kennedy, Kennedy Utility and Kendat Cabling being the "Original Charging Companies" and each being an "Original Charging Company" and the Original Charging Companies with the exception of the Parent, Bertrem, Proby and the Company being the "Subsidiaries") (the "Acquisition") 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 term loan, revolving credit, overdraft and temporary daylight facility agreement for the provision of:
    - 1.1.1 a £17,500,000 secured term loan (the "Term Loan Facility") and a £3,000,000 revolving credit facility (the "Revolving Credit Facility") to the Parent by the financial institutions referred to therein as lenders (the "Lenders"); and
    - 1.1.2 a £250,000 overdraft facility to the Original Charging Companies (the "Overdraft Facility") by The Royal Bank of Scotland plc as overdraft bank (the "Overdraft Bank"); and
    - 1.1.3 a temporary daylight facility of up to £15,752,000 (the "Daylight Facility")



to the Parent by the Overdraft Bank;

to be made between the Parent (as borrower), the Original Charging Companies, The Royal Bank of Scotland plc as agent (the "Agent"), the Lenders and the Overdraft Bank (the "Facilities Agreement");

- 1.2 a form of composite guarantee and debenture to be given by the Company and each of the other Original Charging Companies to The Royal Bank of Scotland plc as security trustee for the Agent, the Lenders and the Overdraft Bank as beneficiaries (the "Beneficiaries") (the "Security Trustee") securing, among other obligations, sums due under the Facilities Agreement, the Standard Security (as defined below), the Bond and Floating Charge (as defined below), the Bank Account Security (as defined below) and the Hedging Agreement (as defined in the Facilities Agreement) and pursuant to which the Company will guarantee the payment of sums due under the Facilities Agreement, the Standard Security (as defined below), the Bond and Floating Charge (as defined below), the Bank Account Security (as defined below) and the Hedging Agreement (the "Debenture");
- 1.3 forms of standard security over the feudal properties known as the subjects lying to the south west side of Union Street, Hamilton registered under title number LAN95859 and the subjects lying on the north west side of Gail Avenue, Bellshill registered under title number LAN90356 both to be granted by the Company to the Security Trustee securing, among other obligations, sums due under the Facilities Agreement (the "Standard Security");
- 1.4 a form of bond and floating charge to be given by Kennedy Utility to the Security Trustee securing, among other obligations, sums due under the Facilities Agreement (the "Bond and Floating Charge");
- 1.5 a form of cash collateral security to be granted by each of the Company, Joseph Kennedy, Kennedy Asphalt, Kennedy Pipelining and STH to the Security Trustee in respect of monies held blocked deposit accounts with The Royal Bank of Scotland International Limited in the name of each of such companies (the "Accounts") securing, among other obligations, sums due in respect of the Daylight Facility (the "Bank Account Security");
- 1.6 an intra group funding agreement to be made between the Parent (as borrower), the Company and each of the other Original Charging Companies (as lenders) (the "Intra Group Funding Agreement") whereby the Original Charging Companies will advance monies to the Parent by way of releasing and transferring the monies from the Accounts to enable the Parent to repay the Daylight Facility;
- 1.7 an investor deed regulating certain rights and obligations as between the Security Trustee, PJ Kennedy Investments Limited as investor (the "Investor"), the Parent, the Company and each of the other Original Charging Companies and to which the Beneficiaries were also to be a party (the "Investor Deed");

- 1.8 a deed of apportionment regulating the respective apportionments between: the Security Trustee, the Beneficiaries, the Investor, the Parent and the Managers (as defined therein) in respect of claims under the reports referred to therein (the "Deed of Apportionment");
  - 1.9 a deed of instruction to be entered into by the Parent, PJ Kennedy Investments Limited as vendor (the "Vendor"), certain of the Original Charging Companies, the Agent and The Royal Bank of Scotland International Limited in respect of the movement of monies held in certain bank accounts with the Agent and The Royal Bank of Scotland International Limited (the "Bank Instruction Letter");
  - 1.10 a disclosure letter addressed by the directors of the Parent to the Bank (the "Disclosure Letter");
  - 1.11 the forms of mandates to be executed by each of the Original Charging Companies in respect of each of the Agent, The Royal Bank of Scotland International Limited and The Royal Bank of Scotland plc Treasury and Capital Markets (the "Bank Mandates");
  - 1.12 Prior to completion of the Acquisition the Company and certain of the other Original Charging Companies (including certain of the Subsidiaries) would pay in aggregate the sum of £16,000,000 into the Accounts which sum would be equal to the amount of the Daylight Facility (plus interest) (the sum paid into the Accounts by the Company being the "Payment"). Immediately prior to completion of the Acquisition the Company and certain of the other Original Charging Companies (including certain of the Subsidiaries) will grant the Bank Account Security to the Security Trustee to secure the obligations of the Parent to the Security Trustee, in particular in respect of the Daylight Facility. Upon or shortly after completion of the Acquisition and in accordance with the terms of the Bank Instruction Letter the Company and certain of the other Original Charging Companies (including certain of the Subsidiaries) are to transfer the monies held in the Accounts to the Parent by way of loan pursuant to the terms of the Intra Group Funding Agreement to fund the repayment of the Daylight Facility borrowed by the Parent in connection with the Acquisition.
2. **THAT** notwithstanding that the entering into and granting of the Facilities Agreement, the Debenture, the Intra Group Funding Agreement, the Standard Security, the Bank Account Security and the making of the Payment and the execution of the Bank Instruction Letter by the Company and the entering into and granting where relevant of the Facilities Agreement, the Debenture, the Bond and Floating Charge, the Bank Account Security and the Intra Group Funding Agreement and the making of the Payment and the execution of the Bank Instruction Letter in connection therewith by the Subsidiaries would constitute financial assistance within the meaning of sections 151-158 (inclusive) of the Companies Act 1985, such entry and grant and the giving of such financial assistance is in the best interests of the Company and the Subsidiaries;

3. THAT the giving of such financial assistance by the Company and the Subsidiaries be and is hereby approved and that the Company and the Subsidiaries where relevant, entering into and/or granting the Facilities Agreement, the Debenture, the Bond and Floating Charge, the Standard Security, the Bank Account Security, the Bank Instruction Letter, the Intra Group Funding Agreement and the Investor Deed and making the Payment be and is hereby approved.

4. THAT the Memorandum of Association of the Company be amended as follows:-

By the insertion of the following additional clauses:

"3(x) 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) and regulation 10 of Table "A" Part I of the Companies Act 1948 shall not apply to the Company.

5. THAT the Articles of Association of the Company be amended by the addition of the following as a new clause 18.

"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):-

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

18.1.1 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

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

18.1.3 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.

- 18.2 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 18.1 above).
- 18.3 The minimum number of Directors shall be one and there shall be no maximum number of Directors.
- 18.4. 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.
- 18.5 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."

- 18.6 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 and regulation 10 of Table "A" Part I of the Companies Act 1948 shall not apply to the Company.



CHAIRMAN