

3522780

DATED 30th October 1998

<b>SPIRE GROUP LIMITED</b>	<b>(1)</b>
<b>HEDLEY CHARLES BRUNT</b>	<b>(2)</b>
<b>INGLEBY (1076) LIMITED</b>	<b>(3)</b>
<b>INGLEBY (1077) LIMITED</b>	<b>(4)</b>
<b>INGLEBY (1078) LIMITED</b>	<b>(5)</b>
<b>and</b>	
<b>G L BROWN and OTHERS</b>	<b>(6)</b>

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**RECONSTRUCTION AGREEMENT  
pursuant to section 110 Insolvency Act  
1986 relating to the entire issued share  
capital of Spire Group Limited**

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THIS AGREEMENT is dated 30th October 1998 and made BETWEEN:

- (1) **SPIRE GROUP LIMITED** (company number 2159151) (in liquidation) whose registered office is at Union Street, West Bromwich, West Midlands, B70 6DB ("the Vendor") acting by its liquidator Hedley Charles Brunt; and
- (2) **HEDLEY CHARLES BRUNT** of Kidsons Impey, Bank House, 8 Cherwell Road, Birmingham, B2 5AD as liquidator of the Vendor ("the Liquidator"); and
- (3) **INGLEBY (1076) LIMITED** (No 3522780) whose registered office is at Union Street aforesaid ("New SGL"); and
- (4) **INGLEBY (1077) LIMITED** (No 3522782) whose registered office is at Union Street aforesaid ("GLBI"); and
- (5) **INGLEBY (1078) LIMITED** (No. 3522785) whose registered office is at Union Street aforesaid ("New AID"); and
- (6) The persons whose respective names and addresses are set out in Schedule 1 ("the Shareholders").



**WHEREAS:**

- (A) the Vendor was incorporated in England on 28.08.1987 as a company limited by shares with No 2159151 and has at the date hereof an authorised share capital of £10,000,000 divided into 10,000,000 Ordinary Shares of £1 each, of which 56,002 shares are issued and are fully paid;
- (B) the Shareholders between them own the entire issued share capital of the Vendor;
- (C) New SGL was incorporated in England on 6th March 1998 as a company limited by shares with No 3522780 and has at the date hereof an authorised share capital of £1,000 divided into 10,000,000 Ordinary Shares of 0.01p each, and is to be re-named Spire Group Limited;
- (D) GLBI was incorporated in England on 6th March 1998 as a company limited by shares with No 3522782 and has at the date hereof an authorised share capital of £1,000 divided into 10,000,000 Ordinary Shares of 0.01p each, and is to be re-named 77 GLB Limited.
- (D) New AID was incorporated in England on 6th March 1998 as a company limited by shares with No. 3522785 and has at the date hereof an authorised share capital of £1,000 divided into 10,000,000 Ordinary Shares of 0.01p each, and is to be re-named Air Industrial Developments Limited;
- (E) by a Special Resolution of the Vendor passed on 30 - 10 - 1998 it was unanimously resolved by all the shareholders of the Vendor that:
  - (i) the Vendor be wound up voluntarily;

- (ii) the Liquidator be appointed liquidator of the Vendor for the purposes of such winding up; and
  - (iii) the Liquidator be authorised pursuant to section 110 Insolvency Act 1986 to enter into this Agreement;
- (F) at Meetings of the Directors of each of the Transferee Companies (as defined below) held on 30th October 1998 it was resolved that the respective companies should enter into this Agreement.

## **1 Definitions**

### **1.1 In this Agreement:**

**"A Assets"** means the assets and undertaking of the Vendor (including, in particular, those listed in schedule 3 to this Agreement) other than the assets defined as B Assets and C Assets below;

**"B Assets"** means the freehold land and premises situate at 372 Farm Street, Hockley, Birmingham subject to the lease granted to H Samuel Limited, the investments in quoted securities and money market or other accounts or deposits listed in schedule 4 to this Agreement, and all cash at bank or in hand held by the Vendor (other than that properly attributable to the businesses comprised in the A Assets and the C Assets);

**"C Assets"** means the assets and undertaking of that part of the Vendor's business known as the Air Industrial Developments Division including the AID Property as more particularly specified in the AID Business Transfer Agreement;

**"the AID Property"** means the freehold land and premises at Units 19 and 20 Empire Close, Aldridge, Walsall.

**"the Gill Air Property"** means the freehold and leasehold land and premises at Rustington, Sussex;

**"the Matthews and Yates Property"** means the freehold land and premises at Peartree Lane, Colchester, Essex;

**"the AID Business Transfer Agreement"** means the agreement proposed to be entered into between the Vendor (1), New AID (2) and the Liquidator (3) for the transfer to New AID of the Vendor's AID division, in the form agreed between the parties thereto;

**"the Gill Air Business Transfer Agreement"** means the agreement proposed to be entered into between the Vendor (1), New Gill (2) and the Liquidator (3) for the transfer to New Gill of the Vendor's Gill Air division, in the form agreed between the parties thereto;

**"the Management Services Business Transfer Agreement"** means the agreement proposed to be entered into between the Vendor (1), New SGL (2) and the Liquidator (3) for the transfer to New SGL of the Vendor's management services business, in the

form agreed between the parties thereto;

**"Shareholders"** means the shareholders of the Vendor who hold Ordinary Shares in the capital of the Vendor in the numbers set out in Schedule 1 at the time of execution of this Agreement;

**"Transferee Company"** means any one of New SGL, GLBI or New AID.

## **2 Shareholders Consideration**

- 2.1 In consideration of the Liquidator on behalf of the Vendor agreeing (as he hereby does) to transfer the parts of the Vendor's business and undertaking as follows:

<b>Part of Vendor's Business</b>	<b>Transferee Company</b>
A Assets	New SGL
B Assets	GLBI
C Assets	New AID

each Transferee Company listed in the above table shall:

- (a) indemnify the Vendor and the Liquidator from and against all expenditure, obligations, liabilities and outgoings of that part of the Vendor's business transferred to it as set out in the table above; and
- (b) issue credited as fully paid to the Shareholders the number of its Ordinary Shares of 0.01p stated in column (2) opposite their respective names in Schedule 2 of this Agreement.

- 2.2 Pursuant to this Agreement, the Liquidator on behalf of the Vendor shall execute transfers of the respective Assets in favour of each relevant Transferee Company and the Liquidator (on behalf of the Vendor) and each relevant Transferee Company will enter into the AID Business Transfer Agreement, the Gill Air Business Transfer Agreement and the Management Services Business Transfer Agreement .

## **3 Distribution**

- 3.1 As soon as practicable after the execution of this Agreement, each Transferee Company shall deliver to the Liquidator and the Liquidator shall distribute among the Shareholders the relevant share certificates for their respective Ordinary Shares in each Transferee Company.

## **4 Discharge and Satisfaction**

- 4.1 Each of the Shareholders shall accept their said respective shares in full satisfaction and discharge of their interests as members of the Vendor in relation to the assets described in this agreement as Assets A to C inclusive.

**5      Companies Act**

- 5.1      The Transferee Companies shall cause copies of this Agreement to be filed with the Registrar of Companies pursuant to section 88 Companies Act 1985.

**6      Exclusion of Liquidator's Personal Liability**

- 6.1      The Liquidator shall incur no personal liability under, in connection with or by virtue of this Agreement or in connection with any related matter or claim howsoever, whenever and wherever arising and whether in contract or tort or both or by reference to any remedy or right. The Liquidator shall not be liable under or in connection with any deed or document executed with a view to or for the purpose of putting this Agreement into effect whether or not such deed or document so provides.
- 6.2      For the avoidance of doubt the Liquidator shall incur no personal liability in respect of any of the obligations undertaken by the Vendor or in respect of any failure by the Vendor to observe, perform or comply with any such obligation.

**IN WITNESS** whereof the parties hereto have executed this Agreement as a deed the day and year first before written.

**SCHEDULE 1**  
**(Shareholders in the Vendor)**

<u>Name</u>	<u>Address</u>	<u>Number of £1 Ordinary Shares Held in the Vendor</u>
Gordon Lewis Brown	First Floor, Kenrick Buildings, Hall Street South, West Midlands, B70 6DB	35,600
Ann Teresa Brown	First Floor, Kenrick Buildings, Hall Street South, West Midlands, B70 6DB	2,102
Alison Kathleen Murray	21 Wroughton Road, Battersea, London, SW11 6BE	4,575
Tracey Jane O'Donnell	Hurnard Lodge, Hurnard Drive, Lexden, Colchester, CO3 3SH	4,575
Richard Charles Rogan Brown	65 St Georges Avenue, Tufnell Park, London, N7 0AJ	4,575
Angela Rogan Sheeran	Oakwood, Old Coach Lane, Brocton, Staffs, ST17 0TU	<u>4,575</u>
<b>TOTAL</b>		56,002

**SCHEDULE 2**  
**(Consideration shares)**

<u>Name</u>	<u>Number of Ordinary 0.01p Consideration Shares to be issued by each Transferee Company</u>
Gordon Lewis Brown	35,600
Ann Teresa Brown	2,102
Angela Sheeran	4,575
Alison Murray	4,575
Tracey O'Donnell	4,575
Richard Brown	<u>4,575</u>
<b>TOTAL</b>	56,002



### **SCHEDULE 3**

#### **(A Assets)**

- 1 The Vendor's shareholdings in the following companies:-
  - Matthews & Yates Limited
  - BEM Industries Limited
  - Probus Mayfair plc
  - Alldays Peacock & Company Limited;
- 2 The assets and undertaking of that part of the Vendor's business known as the Gill Air Division (including the Gill Air Property) as more particularly specified in the Gill Air Business Transfer Agreement;
- 3 The Matthews & Yates Property
- 4 The Management Services Business of the Vendor, proposed to be transferred to New SGL pursuant to the Management Services Business Transfer Agreement.

**SCHEDULE 4**

**(Quoted securities and money market or other accounts and deposits)**

See attached schedule

SPIRE GROUP LIMITED

DEPOSITS AS AT 31.10.98

DUNBAR BANK	Placed 12.10.98	Maturing 12.11.98	539380.49
SINGER & FRIEDLANDER	Placed 18.09.98	Maturing 18.12.98	1018383.56
WOOLWICH	Placed 21.10.98	Maturing 23.11.98	1124566.76
CAPITAL BANK ACC NO.1	Placed 22.09.98	Maturing 23.11.98	1141861.92
CAPITAL BANK ACC NO.2	Placed 21.09.98	Maturing 21.12.98	894235.11
BARCLAYS BANK PLC	Placed 28.10.98	Maturing 28.1.99	US\$ 604,702.61

4718427.84

<del>BARCLAYS BANK US\$</del>	<del>Maturing 28.10.98</del>	<del>US\$</del>	<del>602255.95</del>
<del>BARCLAYS BANK US\$ (AID)</del>	<del>Maturing 09.12.98</del>	<del>US\$</del>	<del>171301.69</del>

All cash and investments (+ accrued interest)  
held for the account of  
the Vendor by the following institutions:

INVESTMENTS

CHARLES SCHWAB EUROPE

PRUDENTIAL BACHE SECURITIES (UK) INC

WILLIAMS DE BRÖE PLC

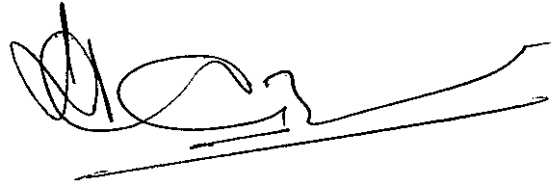
SINGER & FRIEDLANDER INVESTMENT MANAGEMENT LIMITED.

J. & M. ROTHSCHILD INTERNATIONAL LIMITED

£ 4,718,427.84  
+ US\$ 604,702.61

Howard Masl

**EXECUTED** as a **DEED** by )  
**SPIRE GROUP LIMITED** )  
acting by its liquidator )  
**HEDLEY CHARLES BRUNT** )



in the presence of:

CAROLE HANCOX, SOLICITOR

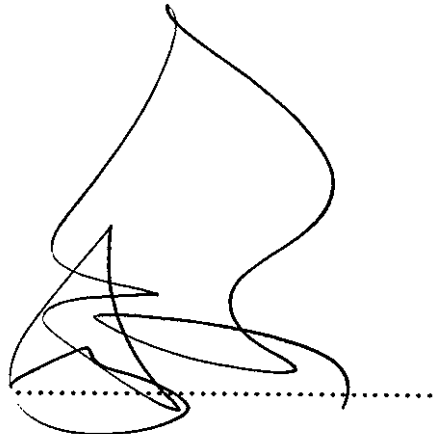
**SIGNED** as a **DEED** by )  
**HEDLEY CHARLES BRUNT** )



in the presence of:

CAROLE HANCOX, SOLICITOR

**EXECUTED** as a **DEED** by )  
**INGLEBY (1076) LIMITED** )  
acting by: )



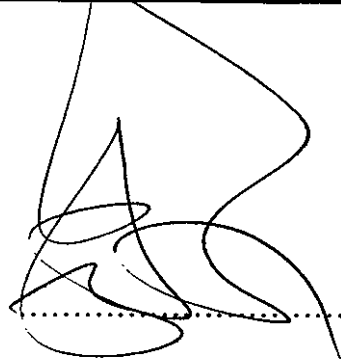
Director

.....Howard Marshall.....

Director/Secretary

**EXECUTED as a DEED by**  
**INGLEBY (1077) LIMITED**  
acting by:

)  
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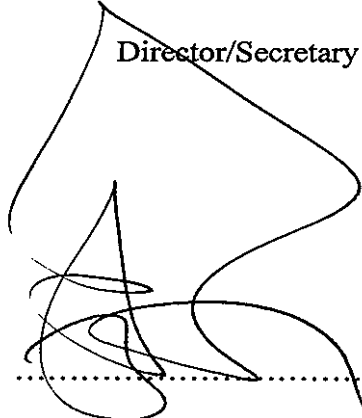
Director

Howard Marsh

Director/Secretary

**EXECUTED as a DEED by**  
**INGLEBY (1078) LIMITED**  
acting by:

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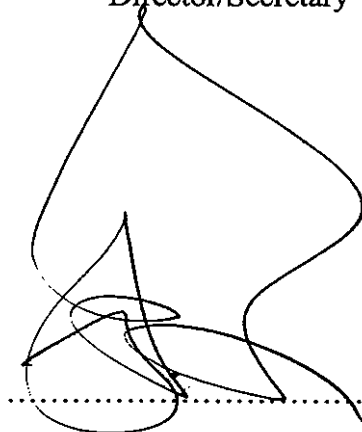
Director

Howard Marsh

Director/Secretary

**SIGNED and DELIVERED**  
as a **DEED** by  
**GORDON LEWIS BROWN**  
in the presence of:

)  
)  
)  
)



CAROL HANCOX, SOLICITOR

**SIGNED and DELIVERED**

)

as a **DEED** by *her attorney*

)

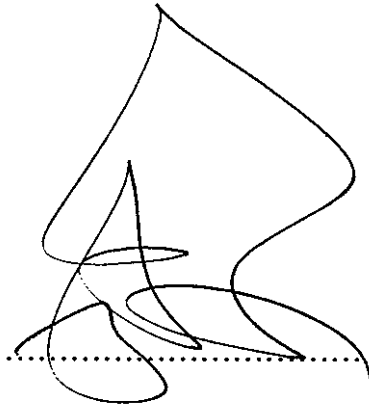
**ANN TERESA BROWN**

)

in the presence of :

)

*CAROLE HANCOX, SOLICITOR*

A large, stylized handwritten signature in black ink, appearing to be 'Ann Teresa Brown', written over a horizontal dotted line.

**SIGNED and DELIVERED**

)

*her attorney*  
as a **DEED** by **ANGELA**

)

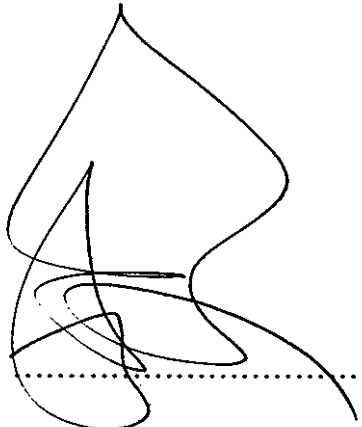
**ROGAN SHEERAN**

)

in the presence of :

)

*CAROLE HANCOX, SOLICITOR*

A large, stylized handwritten signature in black ink, appearing to be 'Rogan Sheeran', written over a horizontal dotted line.

**SIGNED and DELIVERED**

)

*her attorney*  
as a **DEED** by **ALISON**

)

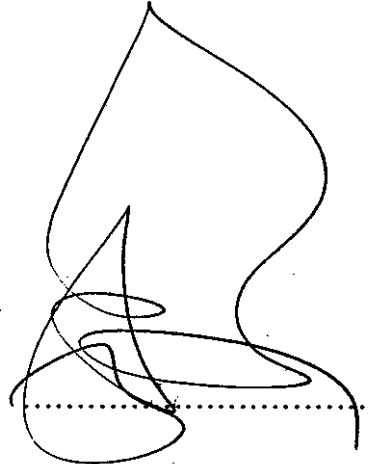
**KATHLEEN MURRAY**

)

in the presence of :

)

*CAROLE HANCOX, SOLICITOR*

A large, stylized handwritten signature in black ink, appearing to be 'Kathleen Murray', written over a horizontal dotted line.

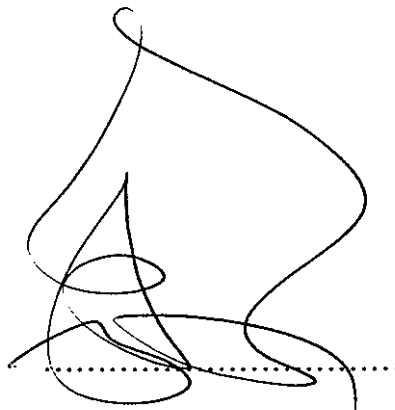
**SIGNED and DELIVERED** )

as a **DEED** by *her attorney* )

**TRACEY JANE O'DONNELL** )

in the presence of : )

*CAROLE HANCOX, SOLICITOR*

A large, stylized handwritten signature in black ink, appearing to be 'Tracey Jane O'Donnell', written over a horizontal dotted line.

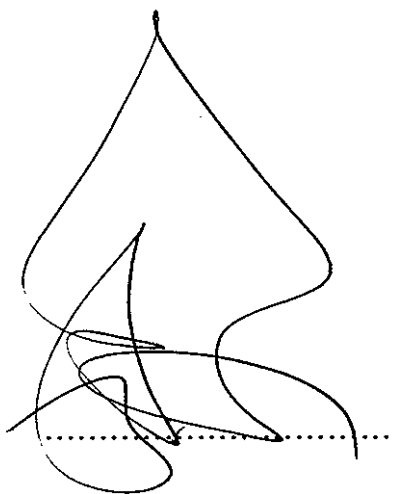
**SIGNED and DELIVERED** )

as a **DEED** by *his attorney* )

**RICHARD CHARLES ROGAN** )

**BROWN** in the presence of : )

*CAROLE HANCOX, SOLICITOR*

A large, stylized handwritten signature in black ink, appearing to be 'Richard Charles Rogan', written over a horizontal dotted line.