

No: 4140677



## THE COMPANIES ACT 1985

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### PRIVATE COMPANY LIMITED BY SHARES

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### SPECIAL AND ORDINARY RESOLUTIONS

#### OF

### THE DERITEND GROUP LIMITED

Pursuant to a resolution in writing passed on the 12 day of November 2003 resolution numbered 1 was duly passed as a Special Resolution and resolution numbered 2 was duly passed as an Ordinary Resolution:-

#### SPECIAL RESOLUTION

1. That in connection with the acquisition ("the Acquisition") of 100,000 ordinary shares and 150,000 ordinary shares in the capital of the Company from Lloyds TSB Development Capital Limited & Others ("Lloyds") by Deritend Industries Limited ("the Purchaser") and in accordance with Section 155(4) of the Act, the Company be and is hereby authorised to give the financial assistance (details of which are set out in the statutory declaration (Form 155(6)a) sworn by the directors of the Company on the date of the written resolution, which statutory declarations and the Auditors' reports are attached ).

#### ORDINARY RESOLUTION

- 2 That it is in the best interests of the Company and it be and is authorised to execute the following documents in the form accompanying this resolution:
  - 2.1 A share purchase agreement to be entered into between Lloyds (1), the Purchaser (2) and the Company (3);
  - 2.2 a value assurance agreement between the Company (1), Richard Hale & Others (2) the Purchaser (3) and the Vendor (4)
  - 2.3 a share exchange agreement between Richard Hale & Others (1) and the Purchaser (2);
  - 2.4 a development term loan in respect of a loan in the sum of £1,305,000 to be made to the Company by the Bank of Scotland ("BoS") ("the Development Term Loan");
  - 2.5 a property term loan in respect of a loan in the sum of £1,400,000 to be made to the Company by the BoS ("the Property Term Loan");

- 2.6 an overdraft facility in respect of a facility of upto £10,000 and in addition Business Visa and BASC facilities to be made available to the Company by BoS for a period of 12 months ("the Overdraft Facility");
- 2.7 an intra company loan agreement whereby the Company agrees to lend to the Purchaser any cash balances available to them to fund the Acquisition the Purchaser's working capital requirements following the Acquisition;
- 2.8 a debenture in favour of BoS securing all the Company's liabilities to BoS, including but not limited to those incurred pursuant to the Development Term Loan, Property Term Loan and the Overdraft Facility;
- 2.9 a cross guarantee in favour of BoS to be executed by the Company and the Purchaser guaranteeing repayment of the liabilities of each other to BoS;
- 2.10 a deed of subordination regulating the relationship between Lloyds (1) BoS (2) the Purchaser (3) and the Company (4).
- 2.11 legal charges in favour of BoS over each of the following properties (1) Land on the East side of Hand Street, Tunstall, (2) Land and Buildings on the North side of Sheffield Road, Sheffield, (3) Robust Works, Rollingmill Street, Walsall, (4) Land on the South East side of Cumberland Street, Luton, (5) Cyprus Works, Cyprus Street, Wolverhampton and (6) Land on the North side of Armstrong Street, Grimsby.
- 2.12 assignments of keyman insurance policies in respect of Richard Hale, Stuart Smith, Gordon Bridges and Ian Davis to BoS.

Dated 12 November 2003



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**Director**