

THE COMPANIES ACT 1985

WRITTEN RESOLUTIONS

OF

CELSA (UK) HOLDINGS LIMITED

Company Number 4578086

(the "Company")

(Passed on 16 December 2002)

I, the undersigned, being the shareholder of the Company who (at the date of these resolutions) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which I was present, hereby agree to the following written resolutions:

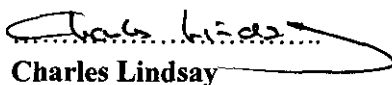
ORDINARY RESOLUTION

1. THAT the share capital of the Company be increased to £46,000,000 by the creation of an additional 45,999,000 ordinary shares of £1 each having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted by the resolution set out in paragraph 3.

SPECIAL RESOLUTIONS

2. THAT a new memorandum of association of the Company in the form contained in the draft memorandum initialled by the chairman for the purposes of identification be adopted as the memorandum of association of the Company in substitution for and to the exclusion of all previous memoranda of association.
3. THAT new articles of association in the form contained in the draft articles of association initialled by the chairman for the purposes of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.

Dated 16 December 2002


Charles Lindsay





Ashurst Morris Crisp

The Companies Acts 1985 to 1989

Memorandum of Association of Celsa (UK) Holdings Limited

Private Company Limited by Shares
(Incorporated on 31 October 2002)

The Companies Acts 1985 to 1989

Memorandum of Association of Celsa (UK) Holdings Limited

Private Company Limited by Shares

(Adopted by special resolution on 16 December 2002)

1. The Company's name is "Celsa (UK) Holdings Limited".
2. The Company's registered office is to be situated in England and Wales.
- 3.1 The object of the Company is to carry on business as a general commercial company.
- 3.2 Without prejudice to the generality of the object and the powers of the Company derived from section 3A of the Companies Act 1985, the Company has power to do all or any of the following things:
 - (a) to invest the capital or other moneys of the Company in and to acquire (by purchase, lease, concession, grant, licence or otherwise) and to hold, manage, develop, lease, sell or otherwise dispose of or deal in such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit in any part of the world; and to vary any of the investments of the Company, and to enter into, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings, and business of every description;
 - (b) to purchase or otherwise acquire and take over the whole or part of any company, business or undertaking which the Company may desire to acquire or become interested in, and the whole or any of the assets and liabilities of such company, business or undertaking, and to carry on the same, and to dispose of, remove, or put an end thereto, and otherwise deal with the same as may seem expedient;

- (c) to purchase, take on lease or otherwise acquire by way of investment and hold, occupy, let, underlet, cultivate, improve and manage freehold, leasehold, or other lands and property of every description, or any estate or interest therein, and subject or not to any leases, tenancies, mortgages, charges, rights, easements, restrictions or other encumbrances; and to erect, construct, lay down, alter, add to, enlarge and maintain upon or in any lands or property so purchased, taken or acquired, all manner of houses and other buildings, roads, pleasure grounds, parks, gardens, sewers, drains, gas, water, electric and other mains, pipes, wires, cables and other media, plant, machinery, apparatus and works;
- (d) to acquire, hold, sell, indorse, discount, or otherwise deal with or dispose of, shares, stocks, debentures, debenture stock, scrip, bonds, mortgages, bills, notes, credits, contracts, certificates, coupons, warrants and other documents, funds, obligations, securities and investments issued or guaranteed by any company, corporation, society or trust constituted or carrying on business in any part of the world, and in the funds or loans or other securities and investments of or issued or guaranteed by any government, state or dominion, international organisation, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;
- (e) to acquire any such shares, stocks, debentures, loans, scrip, bonds and/or securities or investments by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to make payments thereon as called up in advance of calls or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to vary and transpose from time to time as may be considered expedient, any of the Company's investments for the time being;
- (f) to manufacture, process, import, export, deal in and store any goods and other things and to carry on the business of manufacturers, processors, importers, exporters and storers of and dealers in any goods and other things;
- (g) to acquire and exploit lands, mines and mineral rights and to acquire, explore for and exploit any natural resources and to carry on any business involving the ownership or possession of land or other immovable property or buildings or structures thereon and to construct, erect, install, enlarge, alter and maintain buildings, plant and machinery and to carry on business as builders, contractors and engineers;
- (h) to provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind;
- (i) to advertise, market and sell the products of the Company and of any other person and to carry on the business of advertisers or advertising agents or of a marketing and selling organisation or of a supplier, wholesaler, retailer, merchant or dealer of any kind;
- (j) to provide technical, cultural, artistic, educational, entertainment or business material, facilities or services and to carry on any business involving any such provision;

- (k) to lend money, and grant or provide credit and financial accommodation, to any person and to carry on the business of a banking, finance or insurance company;

- (l) to invest money of the Company in any investments and to hold, sell or otherwise deal with such investments, and to carry on the business of a property or investment company;
- (m) to acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company;
- (n) to enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same;
- (o) to borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities;
- (p) to enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of any person, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company;
- (q) to enter into any forward rate transaction, option, swap, cap, collar, any combination or hybrid of the foregoing and any other financial derivative transaction;
- (r) to amalgamate or enter into partnership or any profit sharing arrangement with, or to co-operate or participate in any way with, or to take over or assume any obligation of, or to assist or subsidise, any person;
- (s) to accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise;
- (t) to apply for, take out, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, service marks, names, designs, protections and concessions and to disclaim, alter, modify, use and

turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving the new patents, inventions or rights which the Company may acquire or propose to acquire and to carry on the business of an inventor, designer or research organisation;

- (u) to remunerate any person, employed by or rendering services to the Company, whether by cash payment or by the allotment of shares or securities of the Company credited as paid up in full or in part or by the grant of an interest in any property of the Company or by establishing any trust for the benefit of such person and doing any of the aforementioned in favour of such trust for the benefit of any such person, including the giving of the property of the Company to such trust;
- (v) to sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities;
- (w) to issue and allot securities of the Company for cash or in payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose;
- (x) to give any remuneration or other compensation or reward for services rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company or in or about the formation of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of company, fund, trust or business promoters or managers and of underwriters or dealers in securities, and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustees of any kind and to undertake and execute any trust;
- (y) to act as agents or brokers or as trustees for any person, firm or company, and to undertake sub-contracts;
- (z) to pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the Company, and to procure the registration and/or incorporation of the Company in or under the laws of any place outside England;
- (aa) to establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in

business of any of them, and to the wives, widows, families, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or who the Company considers ~~have any moral claim on the Company or to their wives, widows, families,~~ connections or dependants, and to establish subsidiaries or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its members and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its members or for any national, charitable, benevolent, educational, social, public, general or useful object;

- (aa) (i) to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest, whether direct or indirect, or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company or of such other company or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company, or any such other company, subsidiary undertaking or pension fund; and
- (ii) to such extent as may be permitted by law otherwise to indemnify or to exempt any such persons against or from any such liability; for the purposes of this clause "**holding company**" and "**subsidiary undertaking**" have the meanings given to them in the Companies Act 1989;
- (cc) to cease carrying on or wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory;
- (dd) to distribute any of the property of the Company among its creditors and members in specie or kind;
- (ee) to give, whether directly or indirectly, any kind of financial assistance (as defined in section 152(1)(a) of the Act) for any such purpose as is specified in section 151(1) and/or section 151(2) of the Act, so far as permitted by the Act and subject where necessary to due compliance with sections 155 to 158 of the Act;
- (ff) to procure the Company to be registered or recognised in any part of the world;

- (gg) to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others;
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- (hh) to carry on any other business or activity and do anything of any nature which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with the above, or likely, directly or indirectly, to enhance the value of or render more profitable all or any part of the Company's undertaking, property or assets or otherwise to advance the interests of the Company or of its members;
- (ii) to do all such other things as in the opinion of the Company are or may be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that:

- (i) none of the provisions set forth in 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 clause, or by reference to or inference from the terms of any other clause of this clause, or by reference to or inference from the name of the Company;
- (ii) in this clause, "**company**", except where used in reference to the Company, includes any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere; "**person**" includes any company as well as any other legal or natural person; "**securities**" includes any full, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation; "**and**" and "**or**" mean "and/or" where the context so permits, "**other**" and "**otherwise**" shall not be construed ejusdem generis where a wider construction is possible;
- (iii) in this clause the expression the "**Act**" means the Companies Act 1985, but so that any reference in this clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

4. The liability of the members is limited.
5. The Company's share capital is £46,000,000 divided into 46,000,000 ordinary shares of £1 each.

Dated this 16 day of December 2002

Witness to the above signatures:



Ashurst Morris Crisp

The Companies Acts 1985 to 1989

Articles of Association of Celsa (UK) Holdings Limited

Private Company Limited by Shares
(Incorporated on 31 October 2002)

The Companies Acts 1985 to 1989

Articles of Association of Celsa (UK) Holdings Limited

Private Company Limited by Shares

(Adopted by special resolution on 16 December 2002)

PRELIMINARY

1. In these articles:

"Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

"Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985).

2. The Company is a private company. The regulations contained in Table A save insofar as they are excluded or varied hereby, and the regulations hereinafter contained, shall constitute the regulations of the Company.

SHARE CAPITAL

3. In accordance with section 95(1) of the Act, section 89(1) of the Act shall not apply to the Company.
4. The directors are hereby generally and unconditionally authorised for the purposes of section 80 of the Act, to exercise all powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £46,000,000 for a period expiring on 15 December 2002 which is the date falling five years after the date of adoption of these articles (unless previously renewed, varied or revoked by the Company in general meeting) but the Company may before such expiry make an offer or agreement which

would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred by this article had not expired. Without prejudice to the generality of the foregoing any shares unissued at the date of adoption of these articles shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.

TRANSFER OF SHARES

5. The directors shall have no discretion to refuse to register a transfer of shares in the Company and the first sentence of regulation 24 of Table A shall not apply to the Company.

GENERAL MEETINGS

6. In regulation 38 of Table A, the following shall be substituted for the second paragraph:

"The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. All business transacted at an extraordinary general meeting shall be deemed special. All business transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors shall be deemed special."

In regulation 38 of Table A, the words "or a resolution appointing a person as a director" shall be deleted.

7. In regulation 40 of Table A, the following shall be added at the end of the second sentence: "provided that for so long as the Company shall have only one member, one person entitled to vote upon the business to be transacted being a member or a proxy of a member or a duly authorised representative of a corporation, shall be a quorum."
8. With respect to any such resolution in writing as is referred to in regulation 53 of Table A:
 - 8.1 in the case of joint holders of a share, the signature of any one of such joint holders shall be sufficient for the purposes of regulation 53;
 - 8.2 in the case of a corporation which holds a share, the signature of any director or the secretary thereof shall be sufficient for the purposes of regulation 53.
- 9.1 A proxy shall be entitled to vote on a show of hands and regulation 54 of Table A shall be read as so modified.
- 9.2 In regulation 62 of Table A (time for deposit of proxy) the words "not less than 48 hours" and "not less than 24 hours" shall be deemed to be deleted.

NUMBER OF DIRECTORS

10. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum and the minimum number of directors shall be two. Regulation 64 of Table A shall not apply to the Company.

SPECIAL DIRECTORS

11. For so long as Catalunya Steel, S.A. holds any of the ordinary share capital of the Company it shall have the right from time to time to appoint two persons to be special directors of the Company (each, a "Special Director") and to remove from office any person so appointed and to appoint another person in his place. Any Special Director shall be entitled to be a member of (i) each committee or sub-committee of the Board and (ii) the board of each subsidiary of the Company and each committee or sub-committee of such board.
12. Any appointment or removal pursuant to article 11 shall be in writing served on the Company and signed by Catalunya Steel, S.A.. Such appointment or removal (which may consist of several documents) may be signed by or on behalf of Catalunya Steel, S.A. by any of its director or the secretary.
13. If, at any time, no Special Director has been appointed under article 11 then references in these articles to the consent or approval of the Special Directors shall be construed as references to the consent or approval of Catalunya Steel, S.A..

POWERS OF DIRECTORS

14. The undertaking of the matters set out in Schedule 1 shall not be carried out by the directors unless consented to by the prior approval of one of the Special Directors (which approval may be given either in writing or, if properly minuted, at the appropriate meeting of the Board convened to consider the relevant matter).
15. A director shall be entitled to vote as a director and be counted in the quorum in respect of any resolution concerning a matter in which he has, directly or indirectly, an interest or duty (whether or not it may conflict with the interests of the Company). Regulations 94 to 98 (inclusive) of Table A shall not apply to the Company.

APPOINTMENT AND RETIREMENT OF DIRECTORS

16. The holder or holders for the time being of more than one-half of the issued ordinary shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a director or directors either as additional directors or to fill any vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or, in the case of a member being a company, signed on its behalf by one of its directors and shall take effect upon lodgment at the registered office of the Company, or such later date as may be specified in the instrument. Regulation 81 of Table A shall be construed accordingly.

17. Unless and until otherwise determined by the Company by ordinary resolution, no director shall vacate or be required to vacate his office as a director on or by reason of his attaining or having attained the age of 70. Any director retiring or liable to retire under the provisions of these articles and any person proposed to be appointed a director shall be capable of being appointed or re-appointed as a director notwithstanding that he has attained the age of 70. No special notice need be given of any resolution for the appointment or re-appointment as a director of a person who shall have attained the age of 70, and it shall not be necessary to give to the members notice of the age of any director or person proposed to be appointed or re-appointed as such.

ROTATION OF DIRECTORS

18. The directors shall not be liable to retire by rotation, and accordingly regulations 73 to 77 (inclusive) and 80 of Table A shall not apply to the Company. In regulation 78 of Table A the words "and may also determine the rotation in which any additional directors are to retire." shall be deleted. The second and third sentences of regulation 79 of Table A shall be deleted.

PROCEEDINGS OF DIRECTORS

19. Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the Secretary at the request of a director shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
20. The quorum for the transaction of the business of the directors shall be either one Special Director or at least two directors comprising at least one Special Director at the commencement and throughout the whole of the meeting.
21. Any or all directors or members of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
22. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
23. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

24. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
25. For a signed resolution in writing to be effective it shall not be necessary for it to be signed by a director who is prohibited by the Articles or by law from voting thereon.

NOTICES

26. In regulation 115 of Table A, the words "48 hours" shall be deemed to be replaced by the words "24 hours".

INDEMNITY

Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this article shall only have effect insofar as its provisions are not avoided by the Act. Regulation 118 of Table A shall not apply to the Company.

Schedule 1
Consent Matters
(Article 14)

1. Share Issues

The creation, allotment or issue of any shares or securities by the Company, or the grant of any right to require the allotment or issue of any such shares or securities (other than the creation, allotment or issue of any shares or securities pursuant to this agreement).

2. Share reorganisations

The increase, reduction, repayment, purchase or re-purchase, sub-division, consolidation or other variation of the share capital of the Company, or the reduction of the amount (if any) standing to the credit of any non-distributable reserve (including the share premium account or capital redemption reserve), except for (i) the specific purposes set out in the Articles or (ii) as permitted by sections 130(2) and 170(4) of the Companies Act 1985.

3. Class 1 and 2 transactions

The undertaking or entering into of any transaction by the Company which, if the Company were admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities, would constitute a transaction falling within Class 1 or 2 (as defined from time to time in the Listing Rules) save that the calculation resulting from the consideration to market capitalisation shall not apply.

4. Change in nature of business

The making of any change in the nature of the Company, or permitting the making of any change in the nature of the business of the Company, or, in the case of a subsidiary undertaking acquired after the date of this agreement, the making of any change in the nature of the business of that subsidiary undertaking (as at the date of such acquisition), which change (in each case) would be material in the context of the Company as a whole.

5. Winding-up

The passing of any resolution to wind up the Company, or the filing of any petition for the appointment of an administrator or liquidator, or the making of an invitation to any person to appoint an administrative receiver.

6. Dividends

The declaration, making or payment of any dividend or other distribution to the holders of shares of the Company.

7. Borrowings

The borrowing of any money by the Company.

8. Guarantees

The creation, extension or variation of any guarantee by the Company, save as (i) implied by law, (ii) made in the normal course of the supply of goods and services by the Company.

9. Charges

The creation, extension or variation of any mortgage or charge by the Company.

10. Substantial acquisitions of assets

Any acquisition or disposal (including, without limitation, any purchase, sale, transfer, lease, licence or hire purchase) by the Company of any asset or group of assets, which acquisition or disposal is material to the context of the Company as a whole or which is for a consideration or having a value of more than £100,000.

11. Acquisition of undertakings and shares

The entering into by the Company of any agreement or commitment, or the variation of any agreement or commitment, for the acquisition or disposal of the whole or any substantial part of the Company, or the acquisition or disposal of any shares in the capital of the Company, where such agreement or commitment is material in the context of the Company but does not fall within paragraph 3.

12. Material contracts

The entry into of any contract by the Company under which the average annual revenues or profits of the contract or the capital expenditure in any one year under the contract, taking the capital expenditure budget in any one year, will exceed ten per cent. of the budgeted revenues, profits or capital expenditure (as the case may be) of the Company for the financial year in which the contract is to be entered into.

13. Subsidiary undertakings

The acquisition or formation by the Company of any subsidiary undertaking.

14. Joint ventures, partnerships

The formation, entry into, termination or withdrawal from any partnership, consortium, joint venture or any other unincorporated association by the Company.

15. Transactions not on arm's length terms

The undertaking or entering into of any transaction by the Company of any nature whatsoever other than by way of bargain at arm's length and upon normal commercial terms or other than

in the normal course of trading of the Company (including any transaction which, if the Company were admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities, would constitute a transaction with a related party (as defined from time to time in the Listing Rules)).

16. Lending

The lending of money by the Company (except to employees of the Company in amounts not exceeding £5,000 per employee, or in the normal course of trading, or to a wholly-owned subsidiary for use in the normal course of trading).

17. Litigation

The commencing or settlement by the Company of any material litigation.

18. Changes to accounting policies

Any change in the Company's accounting policies or principles or the basis of their application, save for any changes required from time to time to comply with changes in the law or with Statements of Standard Accounting Practice.

19. Appointment of directors and senior employees

The appointment to, or removal (other than a removal of a Special Director) from, office of any director of the Company or the chairman of the Company, or the entering into or termination of any employment contract, contract of service or consultancy or service agreement by the Company in respect of the services of any person where (i) such person is, or is to be, a director of the Company (or a person connected with a director of the company) or (ii) the remuneration (including pension contributions and anticipated bonuses) payable under such contract is or is to be in excess of £100,000 per annum (Index-linked).

20. Changes to service arrangements

The alteration of any of the terms of any contract or agreement falling within paragraph 19, or any increase or variation in the basis of calculating the remuneration paid by the Company (including any salary, fee, bonus or commission entitlement or arrangement or pension contribution) under any such contract or agreement but excluding in any such case, any increase or variation arising by reason of contractual entitlement.

21. Benefit schemes

- (a) The establishment of any new profit sharing, bonus or incentive scheme giving rise to payment of emoluments;
- (b) the variation to the terms of any existing profit sharing, bonus or incentive scheme giving rise to payment of emoluments;

- (c) the establishment of, or variation to the terms of, any share option scheme or shadow share option scheme;
- ~~(d) the establishment of, or variation to the terms of, any pension or life insurance scheme giving rise to payment of contributions or emoluments; or~~
- (e) the increase of the remuneration of any director of the Company (other than a Special Director) save as contractually required by his service agreement.

22. Pension contributions

The agreement to or variation of any schedule of contributions to any pension scheme of the Company.

23. Appointment of professional advisers

The appointment of any third party professional advisers by the Company, other than in the ordinary course of business.