

**Barrhead International Limited**  
**Company Number 177682**



**The Companies Acts 1985 and 1989**

**Written Resolutions**

We the undersigned, being all the members for the time being of the above-named Company entitled to receive notice of and to attend and vote at General Meetings HEREBY PASS the following resolutions and agree that the said resolutions shall, (pursuant to regulation 53 of Table A (which Clause is embodied in the Articles of Association of the Company)) for all purposes be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held:-

**Written Resolution 1 (as an ordinary resolution)**

"THAT the 20,000 Ordinary Shares of £1 each in the capital of the Company held by Kevin Durose be and are hereby reclassified as 20,000 'A' Ordinary Shares of £1 each in the capital of the Company; the 12,500 Ordinary Shares of £1 each in the capital of the Company held by Andrew Plenderleith be and are hereby reclassified as 12,500 'A' Ordinary Shares of £1 each in the capital of the Company; and the 12,500 Ordinary Shares of £1 each in the capital of the Company held by Ian Hay be and are hereby reclassified as 12,500 'A' Ordinary Shares of £1 each in the capital of the Company, the said 'A' Ordinary Shares, each having the rights and being subject to the restrictions contained in the articles of association as amended pursuant to Written Resolution 5 below."

**Written Resolution 2 (as an ordinary resolution)**

"THAT the remaining 30,000 Ordinary Shares of £1 each in the capital of the Company which are authorised but unissued, be and are hereby reclassified as 'B' Ordinary Shares of £1 each, having the rights and being subject to the restrictions contained in the articles of association of the Company as amended pursuant to Written Resolution 5 below"

**Written Resolution 3 (as an ordinary resolution)**

"THAT the authorised share capital of the Company be increased from £75,000 to £1,529,906 by the creation of 1,439,906 'B' Ordinary Shares of £1 each and 15,000 'C' Ordinary shares of £1 each, such shares having the rights and being subject to the restrictions contained in the articles of association of the Company as amended pursuant to Written Resolution 5 below"

**Written Resolution 4**

"THAT with effect from the date of this resolution, the directors be unconditionally authorised, pursuant to section 80 of the Companies Act 1985 ("the Act") and the articles of association of the Company, to allot relevant securities (as defined in the Act) up to a maximum amount of the authorised share capital of the Company at any time or times during the period of five years from the date hereof and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of this authority and that by Section 95(1) of the Act, Section 89(1) of the Act should not apply to the allotment of equity

securities (as defined in Section 94 of the Act) made pursuant to the director's general authority."

### **Written Resolution 5**

"THAT, with immediate effect, the existing articles of association of the Company be amended by the insertion of the following new articles 1 (c) and 5, with subsequent articles to be renumbered accordingly :-

1(c) In these articles, unless the context otherwise requires, the following expressions have the following meanings:-

"**A' Shares**" means 'A' Ordinary Shares of £1 each in the capital of the Company;

"**A' Shareholder**" means a holder of 'A' Shares;

"**Act**" means the Companies Act 1985 as amended or re-enacted from time to time;

"**B' Shares**" means 'B' Ordinary Shares of £1 each in the capital of the Company;

"**B' Shareholder**" means a holder of 'B' Shares;

"**BSW**" means Barrhead Sanitary Ware Limited;

"**C' Shares**" means 'C' Ordinary Shares of £1 each in the capital of the Company;

"**C' Shareholder**" means a holder of 'C' Shares;

"**Controlling Interest**" means an interest (within the meaning of Schedule 13 Part I and Section 324 of the Act) in shares in the Company conferring in aggregate 50% or more of the total voting rights conferred by all the issued shares in the Company;

"**Disposal**" means the date of completion of a sale or other disposal of the whole or substantially the whole of the undertaking of the Company and its Subsidiaries or any or all of them accompanied by a distribution of some or all of the proceeds of such sale or other disposal whether by virtue of the winding up of the Company, the payment of dividends or the purchase by the Company of shares or otherwise;

"**Listing**" means the date on which any of the share capital of the Company is admitted to the Official List of the London Stock Exchange Limited or permission for any of the share capital of the Company to be dealt in the Alternative Investment Market or on any other recognised investment exchange becomes effective;

"**Sale**" means the date of completion of a sale or transfer of shares in the Company which would if such were registered result in any person (or persons who in relation to each other are acting in concert (and persons acting in concert shall comprise persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate through the acquisition by any of them of shares in the Company to obtain

or consolidate a Controlling Interest in the Company)) acquiring a Controlling Interest; and

“**Subsidiary**” has the meaning ascribed to it by section 736 of the Act.

- 5 (a) The share capital of the Company is £1,529,906 divided into 45,000 ‘A’ Ordinary Shares of £1 (‘A’ Shares), 1,469,906 ‘B’ Ordinary Shares of £1 (‘B’ Shares) and 15,000 ‘C’ Ordinary Shares of £1 (‘C’ Shares). The rights attaching to the said shares shall be as set out in this article 5.

### **Income**

- 5 (b) Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in respect of the ‘A’ Shares but no dividend shall exceed the amount recommended by the Directors. The ‘B’ Shares and the ‘C’ Shares shall carry no rights to receive a dividend.

### **Capital**

- 5 (c) On a return of assets in liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-
- (i) first, in paying to the holders of the ‘A’ Shares the sum of £1 per share; and
  - (ii) the balance of such assets shall be distributed equally amongst the holders of the ‘A’ Shares, the ‘B’ Shares and the ‘C’ Shares (if any) in proportion to the number of shares held by them and pro rata to the capital paid up thereon, subject to a maximum of £1,469,906 in respect of all the ‘B’ Shares and the ‘C’ Shares in issue at the relevant time.

### **Voting rights**

- 5 (d) The ‘A’ Shareholders shall have full rights to attend and vote at general meetings of the Company and to consent to written resolutions of the Company either in person or by proxy by virtue of or in respect of their holding of shares.
- 5 (e) The ‘B’ Shareholders shall have the right to receive notice of all general meetings, or proposed members’ written resolutions, of the Company but shall have no right to attend or vote at such meeting or to consent to such proposed written resolution either in person or by proxy by virtue of or in respect of their holding of ‘B’ Shares.
- 5(f) The ‘C’ Shareholders (if any) shall have the same rights as to voting as the ‘A’ Shareholders.

### **Class rights**

- 5 (f) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with

the consent in writing of all the holders of the issued shares of that class, such consent not to be unreasonably withheld. Without prejudice to the generality of this Article, the special rights attached to the 'B' Shares shall be deemed to be varied by:-

- (i) The Company or any Subsidiary of the Company selling, transferring or otherwise disposing of the whole or a substantial part of its business;
- (ii) the sale, transfer or disposal of any share or warrant to subscribe for shares in the share capital of the Company or any Subsidiary of the Company;
- (iii) the issue of any share in the share capital of the Company or any Subsidiary of the Company, or any other alteration or variation of the issued or authorised share capital of the Company or any Subsidiary of the Company (including the subdivision or consolidation of any share) or the rights, privileges and restrictions attaching to any class of share in the share capital of either the Company or a Subsidiary of the Company;
- (iv) either the Company or any Subsidiary calling a meeting to effect or approve any matter which would, by virtue of the articles of association, be a variation of the class rights of the 'B' Shares;

#### **Sale, Disposal or Listing**

5 (g) Immediately prior to any Sale, Disposal or Listing, the 'B' Shares in issue at the relevant time (if any) shall be converted into 'C' Shares in such number as is necessary so that the total number of issued 'C' Shares represents one-third of the total number of 'A' Shares in issue immediately before the conversion of the 'B' Shares takes place. The proceeds of such Sale, Disposal or Listing shall be applied as follows:-

- (i) first, in paying to the 'A' Shareholders the sum of £1 per share; and
- (ii) the balance of such proceeds shall be distributed equally amongst the holders of the 'A' Shares and the 'C' Shares in the same proportions as the number of shares held by them respectively bears to the total number of issued shares in the capital of the Company immediately after the conversion of the 'B' Shares takes place, subject to a maximum of £1,469,906 in respect of all the 'C' Shares.

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Kevin Durose

..... 20/12/02  
Date

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Andrew Plenderleith

..... 20/12/02  
Date

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Ian Hay

..... 20/12/02  
Date