

Aquados (UK) Limited

(Incorporated in Scotland, Registered Number SC204973)

WRITTEN RESOLUTION

Pursuant to Section 381A of the Companies Act 1985 (the "Act"), I, the undersigned, being a member of Aquados (UK) Limited (the "Company"), entitled to attend and vote at a meeting of the members of the Company convened for the purpose of passing the following resolutions, hereby consent to the passing of the following resolutions as Ordinary Resolutions and Special Resolutions respectively of the Company, to the effect that such resolutions shall be as effective as if they had been passed at a general meeting of the Company duly convened and held:-

ORDINARY RESOLUTIONS

1. THAT the authorised share capital of the Company be and is hereby increased from £38,824 to £46,700 by the creation of an additional 7,876 ordinary shares of £1.00 each in the share capital of the Company.
2. THAT the Directors are hereby authorised, pursuant to Section 80(1) of the Act, to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £13,700, such authority to expire on 31st May 2005 unless previously revoked, varied or extended by the Company in general meeting.

SPECIAL RESOLUTIONS

3. THAT pursuant to Section 95(1) of the Companies Act 1985, Section 89(1) of that Act shall not apply to the allotment of equity securities (within the meaning of section 94 of that Act) up to a nominal amount of £13,700.
4. THAT the regulations, annexed hereto and for the purposes of identification signed by me as relative to the Written resolution, be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

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Gerald Thomas Hinton

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4. May 2005
Date

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Elizabeth Jane Hinton

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Stuart William Christie

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Gerald Maloney

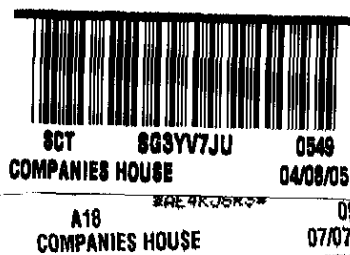
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A18
COMPANIES HOUSE
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07/07/05

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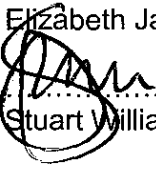
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4/5/05

4/5/05


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Kent Fraser

4th of May 2005
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Date

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Ross Caven

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Jane Davidson

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Date

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Rod Davidson

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Alan Bertie

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Richard Masters

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Kent Faser

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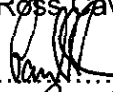
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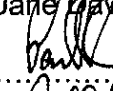
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Date

 (AS ATTORNEY)

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Jane Davidson

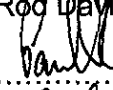
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THE COMPANIES ACTS 1985 AND 1989
PRIVATE COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
of
AQUADOS UK LIMITED

(Adopted by Special Resolution passed on 4 May 2005)

*John for Special
Agreed for
Document*

*John for Special
for Special
Agreed*

PRELIMINARY

1 The Regulations (the "Regulations") contained in 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 ("Table A") so far as not excluded or modified by the following Articles shall apply to the Company.

2

2.1 Regulations 5, 8, 33, ~~64~~, 73 to 76 inclusive, 80, 89, 94, 95 and 118 of Table A shall not apply to the Company and the following Regulations thereof shall be modified:-

Regulation 6 by the deletion of the words "sealed with the seal" and the substitution of the words "executed in accordance with section 36A(4) of the Act";

Regulation 32 by the deletion of paragraph (a) and the consequential re-lettering of the subsequent paragraphs and the addition to the original paragraph (b) of the words "but so that any such consolidation and/or division shall not result in any member becoming entitled to fractions of a share";

Regulation 40 by the addition at the end of the second sentence of the words "provided that if the Company shall have only one member, one member present in person or by proxy shall be a quorum";

Regulation 46 by the deletion of paragraphs (a) to (d) inclusive and the substitution of the words "by the chairman or by any person present entitled to vote upon the business to be transacted";

Regulation 50 by the addition of the word "not" between the words "shall" and "be";

Regulation 54 by the addition of the words "or by proxy" between the words "vote," and "shall" and the words "fully paid" between the words "every" and "share";

Regulation 65 by the deletion of the words "approved by resolution of the directors";

Regulation 66 by the addition of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)" between the words

"shall" and "be" and the deletion of the final sentence thereof;

Regulation 67 by the deletion of the words from "but" until the end;

Regulation 72 by the addition of the words "Subject to the approval of the Special Directors (as defined below) any committee shall have power to co-opt as a member or members of the committee for any specifically approved purpose any person, or persons, not being a Director of the Company." at the end;

Regulation 77 by the deletion that the words "(other than a director retiring by rotation at the meeting)", "or reappointment" and "or reappointed" each time they appear;

Regulation 78 by the deletion of the words "and may also determine the rotation in which any additional directors are to retire";

Regulation 79 by the deletion of the second and third sentences;

Regulation 82 by the addition of the words "by way of directors' fees" between the words "remuneration" and "as";

Regulation 84 by the addition of the words "Unless the contrary shall be provided in the terms of his appointment" at the beginning of the third sentence and the deletion of the fourth sentence;

Regulation 85(c) by the addition of the words", subject to the terms of any contract of employment between the Company and the Director," between the words "shall" and "not";

Regulation 88 by the addition at the end of the third sentence of the words "unless such director shall have given the Company an address within the United Kingdom at which notice may be served upon him" and of the word "not" between the words "shall" and "have" in the penultimate sentence of that regulation;

Regulation 115 by the deletion of the number "48" and the substitution of the number "24".

- 2.2 Unless otherwise required by the context of the Articles, words or expressions which are defined in Table A shall have the same meaning in the Articles.
- 2.3 Unless otherwise required by the context of the Articles, words importing the singular only shall include the plural and vice versa; words importing any gender shall include the other genders; and words importing natural persons shall include corporations and vice versa.
- 2.4 In these Articles unless the context otherwise requires:-

"Act" means the Companies Act 1985 as amended;

"Change of Control" means the acquisition whether by purchase, transfer, renunciation or otherwise but excluding a transfer of Shares made in accordance with Articles 8, 9 or 10 by any Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him, would hold more than 50% of the voting rights attached to the issued Shares;

"Connected With" shall have the meaning ascribed to it in Section 839 of the Income and Corporation Taxes Act 1988;

"Directors" means the board of directors of the Company as appointed from time to time;

"equity share capital" shall have the meaning ascribed to it by Section 744 of the Act;

"Hanson" means Hanson Investment Company (No. 1) Limited, incorporated under the Companies Acts (No. 5129986) and having its Registered Office at Greenwood House, Albion Road, Greengates, Bradford, BD10 9TQ and/or its permitted transferees under these Articles and /or any subsequent permitted transferees thereof;

"Investor Approval" means the prior written approval by the holders of not less than 95% of the Shares;

"Jempak" means Jempak Canada, Inc (Ontario Corporation No. 1271655) of 200 Bay Street, Suite 2600, Toronto, Canada, M5J 2J4 and/or its permitted transferees under these Articles and /or any subsequent permitted transferees thereof;

"Mr Hinton" means Gerald Thomas Hinton of 7 Churchgate, Bramhope, Leeds, LS16 9BN;

"Original Investors" means Mr Hinton, Mrs Hinton, Stuart William Christie of 73 Fotheringay Road, Glasgow, G41 4LQ, Gerard Maloney of 10 Airemount, Wetherby, West Yorkshire, Colin Francis Gray of 44 Kingsborough Gardens, Glasgow, G12 9NL, Paul Richmond Davidson of The Old Manor, 129 Henderson Street, Bridge of Allan, FK9 4RQ, Kent Fraser of 54 Bracken Close, Mirfield, WF14 OHA and Ross Caven of 32 Inverary Drive, Bishopbriggs, Glasgow, G64 3HZ;

"Share" means an ordinary share of £1 each in the capital of the Company;

"Shareholder" means a holder of Shares;

"Third Party Purchaser" means a bona fide and arm's length third party purchaser who is not Connected With any of the Shareholders.

SHARE CAPITAL

- 3 The authorised share capital of the Company at the date of the adoption of these articles is £46,700 divided into 46,700 ordinary shares of £1 each.
- 4 The Company shall be entitled, but shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the Shares. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust (whether express, implied or constructive) in respect of any Shares and shall be entitled to recognise and give effect to the acts and deeds of the Shareholders as if they were the absolute owners thereof. For the purpose of this Article, "trust" includes any right in respect of any Shares other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in Table A.

LIEN

- 5
- 5.1 The Company shall have a first and paramount lien on every Share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share, and the Company shall also have a first and paramount lien on all Shares registered in the name of any person (whether solely or jointly with others) for all moneys owing to the Company from him or his estate either alone or jointly with any other person whether as a member or not and whether such moneys are presently payable or not. The Directors may at any time declare any Share to be wholly or partly exempt from the provisions of this Article. The Company's lien on a Share shall extend to all dividends and other payments or distributions payable or distributable thereon or in respect thereof.

- 5.2 The Directors shall be entitled to require any Shareholder whose Shares are not fully paid up and which are to be sold in the enforcement of the Company's lien or rights of forfeiture, to give an irrevocable Transfer Notice in respect of all or any such Shares, which Shares shall then be offered to the other Shareholders in accordance with Article 9.

ISSUE OF SHARES

6

- 6.1 The Directors shall not issue any shares in the capital of the Company except with Investor Approval and then only in accordance with the provisions of Articles 6.3 to 6.5 (inclusive) below:
- 6.2 Section 89(1) of the Act shall not apply to any allotment of Shares in the Company.
- 6.3 If Investor Approval shall be given to an issue of Shares by the Directors, then such Shares shall be offered by the Directors in the first instance to all Shareholders whose Shares are fully paid at the date of the offer, in proportion (as nearly as may be) to the proportion of fully paid Shares held by the Shareholders. Every such offer shall:
- 6.3.1 be in writing;
 - 6.3.2 be on identical terms for each Shareholder;
 - 6.3.3 state:
 - (a) the number of Shares to be issued;
 - (b) the terms of issue including the price per Share;
 - (c) *the aggregate number of Shares in issue (differentiating between fully paid and partly or nil paid Shares);*
 - (d) the number of Shares held by the Shareholder to whom the offer is addressed (differentiating between fully paid and partly or nil paid Shares); and
 - 6.3.4 be subject to the following conditions, which shall be incorporated in such offer:-
 - (a) that any acceptance thereof (which may be as regards all or any of the Shares offered) shall be in writing and be delivered to the Company's registered office within a period of 14 days from the date of service of the said offer. If no acceptance is received within such period of 14 days, then the offer shall be deemed to be declined; and
 - (b) that in the event of the aggregate number of Shares accepted being less than the number of Shares included in such offer, the Directors shall offer the declined Shares to the Shareholders who have accepted all the Shares initially offered to them in proportion (as nearly as may be) to the proportion of fully paid Shares held by such accepting Shareholders. This offer will be made and should be accepted in the same manner and on the same terms as the original offer, but the time limit for acceptance of such offer may at the discretion of the Directors, be limited to a period of seven days, after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.

- 6.4 The Regulations regarding the service of notices contained in Table A shall apply to any offers made by the Directors in terms of this Article 6.
- 6.5 If any such offer shall not be accepted in full, the Directors may within three months after the date of such offer, subject to Investor Approval, dispose of any Shares comprised therein and not accepted as aforesaid to such person or persons as they may think fit but only at the same price and upon the same terms as to payment, if any, as were specified in such offer.

TRANSFER AND TRANSMISSION OF SHARES

7 Definitions

For the purposes of Articles 8, 9 and 10:

"Family Member" means, in relation to a Shareholder, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren);

"Family Trust" means, in relation to a Shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Shareholder or any of his Family Members or any charity and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Shareholder or any of his Family Members; and

"a member of the same group" shall have the meaning ascribed to it in Section 53(1) of the Companies Act 1989.

8 Transfers to relations and trustees

- 8.1 Any Shareholder who is an individual may at any time during his lifetime transfer Shares originally allotted to and still held by him to a person or persons shown to the reasonable satisfaction of the Directors to be:

8.1.1 a Family Member of his; or

8.1.2 trustees of a Family Trust for that Shareholder under which the Shares are to be held.

- 8.2 Where Shares are held by a trustee or trustees under a Family Trust or by a Family Member of a Shareholder and any such person ceases to be:

8.2.1 a trustee of the Family Trust of the Shareholder; or

8.2.2 a Family Member of the Shareholder,

such person will, on or before such cessation, transfer such Shares to a permitted transferee under article 8.1.

- 8.3 If a Shareholder fails or refuses to execute and deliver any transfer in respect of Shares pursuant to its obligations under Article 8.2.2 such Shareholder shall be deemed to have irrevocably appointed any Director to execute and deliver the necessary transfer on the defaulting Shareholder's behalf. The Directors will authorise the registration of the transfer,

and of the transferee of the Shares so transferred. After registration, the title of the transferee as Shareholder will not be affected by an irregularity in or invalidity of such proceedings, which, will not be questioned by any person.

9 Transfers by Jempak

For so long as Jempak (or its permitted transferees) hold shares, it may at any time transfer all (but not part only) of the Shares held by it to Abraham Greenberg or to any company, limited liability partnership, limited liability partnership, partnership or other legal entity in which Abraham Greenberg has a controlling interest PROVIDED THAT the remaining Shareholders may require to be satisfied that such entity does not directly or indirectly compete with the business of the Company, and if not so satisfied the Directors shall refuse to register the transfer.

10 Transfers within groups of companies

10.1 Any Shareholder which is a body corporate may at any time transfer any Shares held by it to a member of the same group.

10.2 Where Shares have been transferred under Article 10.1 (whether directly or by a series of such transfers) from a Shareholder (the "Transferor") to a member of the same group as the Transferor (the "Transferee") and subsequent to such transfer the Transferee shall cease to be a member of the same group as the Transferor then the Transferee shall forthwith transfer all the Shares held by it to the Transferor, for such consideration as they agree and if they do not do so within 28 days of the date upon which the Transferee ceased to be a member of the same group the Directors may require the Transferee to serve a Transfer Notice in respect of such Shares.

11 Except with the consent in writing of all the Shareholders of the fully paid Shares no Share, or any interest therein, shall be transferred, except pursuant to Articles 8, 9, 10, 12, 14, 15, 16 or 17.

12 Pre-emption provisions

12.1 Any Shareholder (or other person entitled to transfer Shares) who wishes to dispose of any Shares, or any interest therein, (hereinafter called "the Retiring Member") shall give notice in writing to that effect (hereinafter called "the Transfer Notice") to the Company, sent by post to or left at the Company's registered office.

12.2

12.2.1 The Transfer Notice shall specify the number of Shares proposed to be disposed of by the Retiring Member ("Sale Shares") and the proposed price of the Sale Shares and shall constitute the Directors the agents of the Retiring Member for the Sale Shares in terms of these Articles.

12.2.2 A transfer of Shares, or any interest therein, other than a transfer pursuant to Articles 8, 9, 10, 14, 15, 16 or 17 not preceded by a Transfer Notice shall, when presented to the Company for registration, have the effect of a Transfer Notice in regard to the Shares comprised therein and the Directors shall be entitled to refuse to register such transfer.

12.2.3 The Retiring Member may stipulate in the Transfer Notice that unless acceptances are received pursuant to Article 12.4 or Article 12.5 in respect of

all the Sale Shares, none shall be sold. Such stipulation may be revoked at any time prior to the final date for acceptances in terms of Article 12.4 by the Retiring Member by notice in writing to the Directors.

- 12.2.4 The Retiring Member may within 14 days of the fair value being fixed in terms of Article 12.3 by notice in writing to the Directors withdraw the Transfer Notice and in such event the whole cost of having the fair value fixed by a Chartered Accountant in terms of Article 12.3 shall be borne by the Retiring Member. Save as provided in this Article 12.2.4, a Transfer Notice shall not be revocable other than with the sanction of the Directors.

12.3

- 12.3.1 Within 7 days of receiving the Transfer Notice, the Directors shall give notice in writing to the other Shareholders of the number and the proposed price of the Sale Shares and whether the Retiring Member has made the stipulation referred to in Article 12.2.3 as specified in the Transfer Notice. The Directors shall be entitled in their absolute discretion to accept or reject such price as the fair value of the Sale Shares which are the subject of the Transfer Notice. If the Directors do not accept the price specified in the Transfer Notice as the fair value they shall inform the Retiring Member to that effect within the period of 28 days after receipt of the Transfer Notice and, failing such notice, the fair value shall be held to be the price specified in the Transfer Notice and to have been fixed as at the expiry of such period.

- 12.3.2 In the event of the Directors not accepting the proposed price as the fair value for the Sale Shares and in the event of the Retiring Member and the Directors being unable to agree upon a price the Sale Shares shall be offered for sale at a price to be fixed as their fair value by an independent Chartered Accountant to be nominated, failing agreement between the Retiring Member and the Directors, by the President for the time being of The Institute of Chartered Accountants for Scotland. The Retiring Member and the Directors may make representations as to the fair value of the Sale Shares to such Chartered Accountant for consideration by him before the granting of his certificate but, notwithstanding such representations, he shall be entitled to fix such value in his own absolute discretion subject to the following provisions of these Articles.

- 12.3.3 For the purposes of these Articles, the fair value of each Sale Share shall be on the following basis, namely:-

- (i) by determining the sum which a willing purchaser would offer to a willing vendor for the whole of the issued equity share capital of the Company (taking into account goodwill (if any); and
- (ii) by dividing the resultant figure by the total issued equity share capital of the Company and multiplying the result by the number of Sale Shares.

- 12.3.4 The certificate of such Chartered Accountant (who shall act as an expert and not as an arbiter) as to such value shall be final and binding on all concerned. The whole cost of having the fair value of the Sale Shares comprised in the Transfer Notice fixed by a Chartered Accountant as aforesaid shall, subject to Article 12.2.4, be borne by the Retiring Member and the Company in equal portions.

12.4

- 12.4.1 The remaining Shareholders of fully paid Shares shall be entitled to purchase the Sale Shares. Upon the fair value of the Sale Shares being fixed in terms of Article 12.3 the Directors shall offer such Sale Shares to the remaining Shareholders at the fair value thereof.
- 12.4.2 Every such offer shall:
- (a) be in writing;
 - (b) be on identical terms for each Shareholder;
 - (c) state the number of Sale Shares and the fair value thereof;
 - (d) state whether or not the Retiring Member has made the stipulation stated in Article 12.2.3;
 - (e) state the aggregate number of Shares in issue in the capital of the Company (differentiating between fully paid and partly or nil paid Shares); and
 - (f) state the number of Shares held by the relevant Shareholder (differentiating between fully paid and partly or nil paid Shares);
 - (g) be served within a period of 14 days after the fair value of the Shares has been fixed pursuant to Article 12.3; and
 - (h) be subject to the following conditions, which shall be incorporated in such offer:-
 - (i) that any acceptance thereof (which may be as regards all or any of the Sale Shares offered) shall be in writing and be delivered to the Company's registered office within a period of 14 days from the date of service of the said offer,
 - (ii) that in the event of the aggregate number of Sale Shares accepted exceeding the total number of Sale Shares included in such offer, the Shareholders accepting shall be entitled to receive, and bound to accept, an allocation of either the number of Sale Shares accepted by them respectively or a proportionate number of the Sale Shares offered according to the proportion which the number of fully paid shares held by the accepting Shareholder bears to the aggregate number of fully paid shares held by all the accepting Shareholders at the date of the offer, whichever number be the less; and
 - (iii) that any Shareholders to whom such offer shall have been made and whose requirements shall not have been fully met by such allocation as referred to in (ii) above shall further be entitled to receive, and bound to accept, an allocation among them of any surplus shares in proportion, as nearly as may be, to the number of Sale Shares accepted by them respectively in excess of the number of shares to which they may respectively be entitled on the first allocation thereof as aforesaid.

The Regulations regarding the service of notices contained in Table A shall apply to any offers made by the Directors in terms of this Article.

- 12.5 If offers in terms of Article 12.4 shall be refused or shall not be timeously accepted as regards all or any of the Sale Shares, the Directors shall be entitled to offer such Sale Shares at the fair value thereof fixed in terms of Article 12.3 to such person or persons as may be selected by them provided that any acceptance of an offer in terms of this Article shall be in writing and be delivered to the Company's registered office within a period of 28 days after the offer in terms of Article 12.4 shall have been refused or the time for acceptance thereof shall have expired as the case may be.
- 12.6 Subject to the provisions of Article 12.2.3, if the Directors shall receive an acceptance of any offer made in terms of Article 12.4 or Article 12.5 as regards any Sale Shares or Sale Shares and shall give notification thereof to the Retiring Member within a period of 14 days after the expiry of the period allowed for acceptance of such offer the latter shall thereupon be bound forthwith, subject to payment of the price, to transfer such Sale Share or Sale Shares to the acceptor of such offer.
- 13 If in any case the Retiring Member, after having become bound in terms of Article 12.6, makes default in transferring any Sale Share or Sale Shares, the Directors may receive the purchase money and authorise one of their number, or some other person, to execute a transfer or transfers of the Sale Share or Sale Shares in favour of the purchaser or purchasers and, on that being done, the Directors shall cause such transfer to be registered and the name of the purchaser or purchasers to be entered in the Register of Members as the holder of the Sale Share or Sale Shares and shall hold the purchase money in trust for the Retiring Member. The receipt of the Directors for the purchase money shall be a good discharge to the purchaser and, after his name has been entered in the Register of Members in exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.
- 14 The Retiring Member shall be entitled (subject to the provisions of Article 16 below) at any time within six months after the fair value of any Sale Share shall have been fixed in terms of Article 12.3 and in respect of which any offer made in terms of Article 12.4 or Article 12.5 shall not have been accepted as aforesaid or the price of which shall not have been paid within 14 days after notification of acceptance in terms of Article 12.6, to dispose of the Sale Shares comprised in the Transfer Notice or any of them to any third party or parties at any price not being less than the fair value fixed in terms of Article 12.3 PROVIDED THAT the remaining Shareholders may require to be satisfied that such Sale Shares are being transferred in pursuance of a *bona fide* sale to a transferee that does not directly or indirectly compete with the business of the Company for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied the Directors shall refuse to register the transfer.
- 15 **Compulsory transfers**
- 15.1 **Trigger Event transfers**
- 15.1.1 For the purposes of this Article 15.1 a "Trigger Event" shall be deemed to have occurred in relation to any Shareholder who is an individual and who holds 5% or more of the issued Shares (a "Major Shareholder") upon any of the following events having occurred:
- (a) the Major Shareholder ceasing, by his own volition, to be an employee or save in accordance with Article 22.1 a director of the Company; or

- (b) the Major Shareholder ceasing to be an employee or director of the Company by reason of him being dismissed or removed (as the case maybe) by reason of his gross misconduct.
- 15.1.2 In the event that the Directors and the Major Shareholder cannot agree as to whether or not the action giving rise to the dismissal as referred to in Article 15.1.1 (b) constituted gross misconduct, the matter shall be determined by a Queen's Counsel experienced in employment law who shall be appointed by agreement between the Directors and the Major Shareholder or, failing agreement on such appointment within seven days of commencing negotiations on such appointment by the Chairman of the Bar Council on the application of either party (the Q.C.). The parties shall jointly instruct the Q.C. and shall submit, so far as possible and as soon as reasonably practicable, an agreed statement of facts or, failing such agreement, their separate statements of fact. The parties shall use their reasonable efforts to ensure that the Q.C. shall give and be able to give his determination of whether or not the action giving rise to the dismissal as referred to in Article 15.1.1 (b) constituted gross misconduct within 14 days after the dispute has been referred to him. Any determination of the Q.C. shall be final and binding on the parties (in the absence of manifest error) and he shall act as expert and not as arbitrator. The costs of the Q.C. shall be borne by the Company.
- 15.1.3 Upon the occurrence of a Trigger Event the Major Shareholder may within 60 days of a Trigger Event occurring in terms of Article 15.1.1 (a) or within 90 days of a Trigger Event occurring in terms of Article 15.1.1 (b) (where in the event of any dispute as to whether the action giving rise to the dismissal as referred to in Article 15.1.1(b) constituted gross misconduct, the Trigger Event shall be deemed to have occurred on the date upon which the Q.C. determines such matter in accordance with Article 15.1.2) serve an irrevocable written notice ("Trigger Notice") on the Company sent by post or left at the Company's registered office signed by or on behalf of the Major Shareholder, stating that the Major Shareholder makes an offer, ("the Purchase Offer") to purchase all the Shares held by the Shareholders other than the Major Shareholder and any Shareholder Connected With the Major Shareholder (the "Remaining Shareholders") for a price per Share calculated in terms of Article 15.1.10 (the "Trigger Price").
- 15.1.4 In the event that the Major Shareholder does not for any reason serve a Trigger Notice in accordance with Article 15.1.3 within the period(s) specified for service in Article 15.1.3 (as the case may be) or the Major Shareholder has so served a Trigger Notice but fails for any reason to pay the Trigger Price to the Remaining Shareholders in accordance with Article 15.1.6 ("a Failure"), then the provisions of Article 15.2.2 shall apply to all the Shares held by the Major Shareholder and any Shares held by any person Connected With the Major Shareholder ("the Trigger Shares").
- 15.1.5 Within 7 days after the date of service of a Trigger Notice on the Company in accordance with Article 15.1.3 the Directors shall serve the Trigger Notice on the Remaining Shareholders in accordance with the Regulations regarding service of notices contained in Table A.
- 15.1.6 Upon expiry of 14 days after the service of the Trigger Notice in accordance with Article 15.1.3 (the "Trigger Period"), the Remaining Shareholders shall become

bound forthwith, subject to payment of the Trigger Price by the Major Shareholder, to transfer their Shares to the Major Shareholder and the Major Shareholder shall become bound forthwith, to purchase all the Shares held by the Remaining Shareholders and to forthwith pay the Trigger Price to the Remaining Shareholders.

15.1.7 If in any case any Remaining Shareholder so bound to transfer any Shares under this Article 15.1, makes default in transferring any such Shares, the Directors may receive the Trigger Price and authorise one of their number, or some other person, to execute a transfer or transfers of such Shares in favour of the transferee(s) and, on that being done, the Directors shall cause such transfer to be registered and the name of the transferee to be entered in the Register of Members as the holder of such Shares and shall hold the Trigger Price in trust for the transferor. The receipt of the Directors for the Trigger Price shall be a good discharge to the transferee(s) and, after his name has or their names have been entered in the Register of Members in exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

15.1.8 Any Shares sold pursuant to this Article 15.1 shall be transferred at the Trigger Price and free from any encumbrances and with all rights attached to the relevant Shares as at the date of service of the Trigger Notice but without the benefit of any other warranties or representations whatsoever.

15.1.9 For the purpose of Article 15.1.3, the Trigger Price shall be the higher of (i) fair value per Share (as calculated in accordance with Article 12.3) and (ii) an amount per Share which is equal to £214.13 per Share (being £10,000,000 divided by the total number of issued shares in the capital of the Company as at the date of the adoption of these Articles) plus 10% per Share per annum calculated on a daily basis.

15.1.10 Upon the happening of a Trigger Event, any right of the Major Shareholder and any person Connected With the Major Shareholder to appoint a Special Director (in accordance with Article 22.1) shall forthwith cease to apply and the Major Shareholder and any person Connected With the Major Shareholder shall not be entitled to exercise any voting rights at general meetings of the Company or otherwise in respect of the Trigger Shares on and from the date of the Trigger Event occurring in accordance with Article 15.1.3 until any of the following dates as appropriate (i) if the Directors do not exercise their entitlement in terms of Article 15.2.2 (a), the expiry of the relevant period specified in Article 15.2.2 (b); or if the Directors do exercise their entitlement in terms of Article 15.2.2 (a) (ii) date on which completion of the acquisition of any of the Trigger Shares pursuant to Article 15.2.2 takes place; or (iii) if the Trigger Shares are not accepted by the Remaining Shareholders, the date on which time for such acceptance has expired.

15.2 Other transfers

15.2.1 The Directors shall be entitled at any time within six months after the occurrence of the following events by notice in writing to require the Shareholder (or the executors, testamentary trustees, trustee in bankruptcy or liquidator, of such member, as the case may be) to give a Transfer Notice in terms of Article 12 (save that such Transfer Notice shall not be revocable) as regards all of the Shares held by him at the date of the relevant event:

(a) where the Shareholder is an individual:

- (i) in the event of his death or bankruptcy or the making of any arrangement or composition with his creditors generally;
 - (ii) his Shares are transmitted or transferred to a person not within Article 8;
- (b) where the Shareholder is a corporate body:
- (i) shall have a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets;
 - (ii) shall have an administrator appointed in relation to it; or
 - (iii) shall enter into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
 - (iv) shall have any equivalent action in respect of it taken in any jurisdiction outside England and Wales.
- 15.2.2 (a) In the event of a Failure as defined in Article 15.1.4, the Directors shall be entitled (at any time within the relevant period specified in Article 15.2.2 (b)) after such Failure to require the Major Shareholder and any person Connected With the Major Shareholder to give a Transfer Notice in respect of all the Trigger Shares in terms of Article 12 (save that such Transfer Notice shall not be revocable, must be for all and not some only of the Trigger Shares so that the provisions of Article 12.2.3 shall not apply to any Transfer Notice required to be given under this Article 15.2.2 and save that the fair value shall be calculated in accordance with Article 15.2.2 (c) below).
- (b) The Directors shall be entitled to exercise their entitlement in terms of Article 15.2.2 (a) above as follows:
- (i) if the Failure occurs within 12 months of the date of adoption of these Articles ("the Initial Period"), the entitlement may be exercised within the period of 24 months from the date of the Failure;
 - (ii) if the Failure occurs after 12 months but not later than 24 months following the date of adoption of these Articles ("the Secondary Period"), the entitlement may be exercised within the period of 18 months from the date of the Failure;
 - (iii) if the Failure occurs after the expiry ("the Tertiary Period") of 24 months from the date of adoption of these Articles, the entitlement may be exercised within the period of 12 months from the date of the Failure.
- (c) for the purpose of any Transfer Notice given in terms of Article 15.2.2 (a), the fair value shall be calculated as follows:
- (i) for any Transfer Notice given in the Initial Period the higher of (a) fair value per Trigger Share (as calculated in accordance with Article 12.3) and (b) £107.07 per Trigger Share (being £5,000,000 divided by the total number of issued shares in the capital of the Company as at the date of the adoption of these Articles);

- (ii) for any Transfer Notice given in the Secondary Period the higher of (a) fair value per Trigger Share (as calculated in accordance with Article 12.3) and (b) £160.60 per Trigger Share (being £7,500,000 divided by the total number of issued shares in the capital of the Company as at the date of the adoption of these Articles);
- (iii) for any Transfer Notice given in the Tertiary Period the higher of (a) fair value per Trigger Share (as calculated in accordance with Article 12.3) and (b) £214.13 per Trigger Share (being £10,000,000 divided by the total number of issued shares in the capital of the Company as at the date of the adoption of these Articles).

15.2.3 In the event of such Transfer Notice not being received by the Directors within 14 days after such notice given by the Directors, the Directors shall be entitled to proceed as if such Transfer Notice had actually been received by them on the last of such 14 days. The provisions of this Article shall have effect in precedence to the provisions of Regulations 29 and 30.

15.2.4 The Major Shareholder shall not be entitled to transfer any Shares pursuant to Articles 8, 9 or 10 or to serve a Transfer Notice in accordance with Article 12 between the date of a Trigger Event occurring in accordance with Article 15.1.3 and the later of any of the following dates as appropriate (i) if the Directors do not exercise their entitlement in terms of Article 15.2.2 (a), the expiry of the relevant period specified in Article 15.2.2 (b); or if the Directors do exercise their entitlement in terms of Article 15.2.2 (a) (ii) date on which completion of the acquisition of any of the Trigger Shares pursuant to Article 15.2.2 takes place; or (iii) if the Trigger Shares are not accepted by the Remaining Shareholders, the date on which time for such acceptance has expired.

15.2.5 In the event of the Directors not exercising their entitlement in terms of Article 15.2.2 (a), the Major Shareholder shall be entitled to retain his Shares but for the avoidance of doubt any right of the Major Shareholder and any person Connected With the Major Shareholder to appoint a Special Director (in accordance with Article 22.1) shall continue to cease to apply and from thereon for so long as Jempak and/or Hanson continue to be a Shareholder Article 17 shall be amended by deleting the words "if the holders of at least 85% in nominal value, of the fully paid Shares" and inserting the words "if Jempak and Hanson or if only one of them continues to be a Shareholder that Shareholder".

16 Tag Along

16.1 Subject to Article 17 but notwithstanding any other provision of these Articles, no sale or transfer or any other disposition of any Shares ("Specified Shares") may be made or validly registered nor have any effect if it would result in a Change of Control unless before the transfer is lodged for registration the Third Party Purchaser has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 16.3) all the Shares held by Shareholders who are not acting in concert or otherwise connected with the Third Party Purchaser (the "Uncommitted Shares").

16.2 An offer made under Article 16.1 shall be in writing, given in accordance with the Regulations regarding service of notices contained in Table A, open for acceptance for at least 15 business days, and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase. The remaining Shareholders shall not be bound to accept such offer. The rights of pre-emption and

other restrictions contained in these Articles shall not apply on the sale or transfer of Shares made in accordance with the provisions of this Article 16.

16.3 For the purposes of Article 16.1:

16.3.1 the expressions "transfer", "transferor" and "transferee" include respectively the renunciation of a renounceable letter of allotment, and any renouncer and renounee of such letter of allotment;

16.3.2 the expression "specified price" means in the case of Uncommitted Shares, the higher of a price per share at least equal to the highest price paid or payable by the Third Party Purchaser or persons acting in concert with him or connected with him for any Shares within the last six months (including to avoid doubt the Specified Shares) plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares provided always that an equal value shall be attributed to all Shares including the Specified Shares;

16.3.3 if any part of the specified price is payable otherwise than in cash any Shareholder may require as a condition of his acceptance of the Offer, to receive in cash on transfer all or any of the price offered for his Uncommitted Shares;

16.3.4 if the specified price or its cash equivalent cannot be agreed within 15 business days of the proposed sale or transfer referred to in Article 16.1 between the Third Party Purchaser and a majority of the holders of the Uncommitted Shares (excluding the Third Party Purchaser and persons acting in concert with him), it may be referred to an arbiter (acting as an expert and not as arbiter) nominated by the parties concerned (or, in the event of disagreement as to nomination), appointed by the President for the time being of the Institute of Chartered Accountants in Scotland whose decision shall be final and binding and pending determination of the specified price in accordance with this Article 16.3.4, the sale or transfer referred to in Article 16.1 shall have no effect. The costs of the arbiter shall be borne by the Company.

16.3.5 the proceeds of the Shares on the sale or transfer effected under this Article 16, shall be distributed amongst the Shareholders *pro rata* to their respective holdings of Shares which have been transferred pursuant to such sale.

17 Drag along

17.1 Subject to Article 17.5, if the holders of at least 85% in nominal value, of the fully paid Shares (together "the Selling Shareholders") have agreed to transfer all their Shares ("the Relevant Shares") to a Third Party Purchaser on arm's length terms and conditions and at an arm's length price and have served written notice on the Directors and each of the other Shareholders in the Company of such fact and provided full details of the contract terms and conditions of purchase, the Selling Shareholders shall after serving such notice have the option ("the Drag Along Option") to serve notice ("a Drag Along Notice") on all the other Shareholders ("the Called Shareholders") requiring them subject to the prior sale by the Selling Shareholders of all their shares to transfer all their Shares free from any lien, charge, option or encumbrance to the Third Party Purchaser at the same price per Share as has been offered to the Selling Shareholders.

- 17.2 The Selling Shareholders may exercise the Drag Along Option by giving the Drag Along Notice to the Called Shareholders at any time before the registration of the transfer of the Relevant Shares. The Drag Along Notice shall specify that the Called Shareholders must, subject to Article 17.4, transfer all their Shares ("the Called Shares") pursuant to Article 17.3.1 to the Third Party Purchaser, the price (in pounds Sterling, including the cash equivalent value attributed to any non cash element) at which the Called Shares are to be transferred, the date of transfer and the identity of the Third Party Purchaser.
- 17.3 In the event that a transfer is not delivered by any Called Shareholder by the date properly specified in the Drag Along Notice, then the Called Shareholder shall be deemed, to have irrevocably appointed each of the Selling Shareholders severally to be his attorney to execute any stock transfer and to do such other things as may be necessary or desirable to transfer and complete the sale of the Called Shares pursuant to this Article 17. The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale and transfer of Shares to the Third Party Purchaser in accordance with the provisions of this Article 17.
- 17.4 This Article 17 shall prevail over any contrary provisions of these Articles other than Article 17.5. Any Transfer Notice or deemed Transfer Notice served in respect of any Share shall automatically be revoked by the acceptance of an offer in accordance with the provisions of this Article 17.
- 17.5 Save with the prior written consent of Hanson, no Drag Along Notice may be served by any Shareholder prior to the date which is three months after the date of the adoption of these Articles.
- 17.6 The proceeds of the Shares on the sale or transfer effected under this Article 17, shall be distributed amongst the Shareholders pro rata to their respective holdings of Shares which have been transferred pursuant to such sale.
- 18.1 The Directors shall not be entitled to decline to register a transfer of any Shares made pursuant to the provisions of Articles 8, 9, 10, 12, 14, 16 or 17 except:-
- 18.1.1 when they have reason to believe that a transfer purportedly within Article 8, 9 or 10 should on the facts have been the subject of a Transfer Notice; or
 - 18.1.2 where expressly provided in Article 14; or
 - 18.1.3 where the Company has a lien over any of the Shares comprised in such transfer; or
 - 18.1.4 where it is in favour of more than four transferees; or
 - 18.1.5 where it is a transfer of nil or partly paid Shares and it has not been executed by or on behalf of both the transferor and the transferee.
- 18.2 For the purpose of ensuring that a transfer of Shares is in accordance with these articles or that no circumstances have arisen whereby a Shareholder may be bound to give or be deemed to have given a Transfer Notice the Directors may from time to time require any Shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Directors such information and evidence as they reasonably deem relevant for such purpose.
- 18.3 Failing such information or evidence being furnished to their reasonable satisfaction within

a reasonable time after request under Article 18.2 the Directors may in their absolute discretion refuse to register the transfer in question or require by notice in writing to the Shareholder(s) concerned that a Transfer Notice to be given in respect of the Shares concerned.

- 18.4 If such information or evidence requested under Article 18.2 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Shareholder may be bound to give or be required to give a Transfer Notice the Directors may by notice in writing to the Shareholders concerned require that a Transfer Notice be given in respect of the Shares concerned.
- 18.5 An obligation to transfer a Share in the capital of the Company under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.

DIVIDEND POLICY

- 19 Subject to there being sufficient distributable reserves, the Directors shall, in their absolute discretion, recommend a dividend be paid. Such dividend shall only be declared, if the Company in general meeting approves the Directors' recommendation by an ordinary resolution.

RESOLUTION OF MEMBERS

- 20 Subject to the provisions of the Act a resolution in writing signed by or on behalf of all the members who would have been entitled to vote upon it if it had been proposed at a General Meeting of the Company shall be as effective for all purposes as if the same had been duly passed at a General Meeting of the Company duly convened and held and may consist of several documents in the like form each signed by or on behalf of one or more members.

NUMBER OF DIRECTORS

- 21 The number of Directors (other than alternate Directors) shall not be more than six nor less than 2.

DIRECTORS

- 22.1 Notwithstanding any other provisions of these Articles, (for so long as they continue to be a Shareholder) each of the Original Investors, Mr Hinton, Mrs Hinton and Jempak shall be entitled to appoint as a Director any person (herein referred to as a "Special Director") and to remove from office any person so appointed by that Shareholder and to appoint another person in his place, notwithstanding how he is removed. For so long as it continues to be a Shareholder, Hanson shall be entitled to appoint two Special Directors and, in its absolute discretion, to remove from office any person so appointed by it and to appoint another person in his place,
- 22.2 If at any time there is no Special Director appointed by each of them, the Original Investors, Hanson, Mr Hinton, Mrs Hinton and Jempak shall each be entitled to appoint an observer to attend board meetings of the Company. The observer will be entitled to table items for discussion and speak at board meetings but will not be entitled to vote.
- 22.3 The quorum for the transaction of business at any meeting of the Directors shall be 2,

however no meeting of the Directors shall be quorate unless at least one of the Special Directors appointed by Hanson or his alternate are present. In the event that at a validly convened meeting of the Directors, a quorum is not constituted within half an hour of the appointed time, the meeting shall stand adjourned to the same time the following week at which time those present shall be a quorum.

- 22.4 Questions arising at a meeting shall be decided by a majority of votes. An alternate Director shall be entitled to a separate vote on behalf of each of his appointors, and in the event that he is also a Director in his own right, such votes shall be in addition to his own vote.
- 22.5 A resolution in writing signed or approved by letter, telemesssage, facsimile or telex by all the Directors for the time being entitled to receive notice of a meeting of Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the same terms each signed or approved by one or more of the Directors; and
- 22.6 Meetings of the Directors may be held by telephone communication or audiovisual communications media or other similar communicating equipment whereby all persons participating in the meeting can hear each other and such meeting shall, subject to notice thereof having been given in accordance with these Articles, be as effective as if the Directors had met in person, provided always that the number of Directors participating in such communication is not less than the quorum stipulated by these Articles. A resolution made by a majority of the said Directors in pursuance of this Article shall be as valid as it would have been if made by them at a meeting duly convened and held in person. Any meeting of the Directors held by such communicating equipment shall be deemed to be held at the place where the majority of the Directors are located for the meeting. In the event that there is no such majority, the meeting shall be deemed to be held at the place where the longest-serving Director who is located in the UK for the meeting, is located.
- 22.7 Any person of 18 years of age or greater age without limitation may be appointed a Director of the Company and no Director of the Company shall be required to vacate office at any time by reason of his age.
- 22.8 A Director may hold any other office or place of profit under the Company (except that of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to remuneration and otherwise as the Directors shall arrange.
- 22.9 The Directors may exercise the voting power conferred by the Shares in any other company held or owned by the Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing them or any of their number directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.
- 22.10 A Director may as a Director vote and be counted as one of a quorum upon a motion in respect of any contract, matter or arrangement which he shall make with the Company or in which he shall be in any way interested provided that he shall first have disclosed the nature of his interest to the Directors.
- 22.11 The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of, or shall have

rendered services of any kind to, the Company or any company which is the holding company or a subsidiary of the Company or such holding company or is allied to or associated with the Company or with any such holding company or subsidiary or which was a predecessor in business of the Company or of any such other company as aforesaid or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid or any person in whose welfare the Company or any such other company as aforesaid is or has been at any time interested and to or for the benefit of the wives, widows, families and dependants of any such persons, to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, to make payments for or towards the insurance of any such persons as aforesaid and to subscribe or guarantee money for any charitable or benevolent objects or for any exhibition or for any public, general or useful object and may do any of the matters aforesaid either alone or in conjunction with any other such company as aforesaid; Provided that the Directors shall not be entitled without the previous sanction of a Special Resolution of the Company to exercise the powers conferred by this Article in favour of any person who is or was a director of the Company or of any such other company as aforesaid but who does not hold or has not held any salaried employment or office in the Company or in any such other company as aforesaid or in favour of the wife, widow, family or dependants of any such person.

22.12 Subject to the provisions of the Act every Director or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur:-

22.12.1 in defending any proceedings, whether civil or criminal, in which decree is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty of his part, or

22.12.2 in connection with any application under section 144(3) or (4) or section 727 of the Act in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

INDEMNITY

23 Subject to the provisions of the Act every Director or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur:-

23.1 in defending any proceedings, whether civil or criminal, in which decree is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty of his part, or

23.2 in connection with any application under section 144(3) or (4) or section 727 of the Act in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

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