

Form of written resolution to be filed at Companies House under the 2006 Act

Company No: 454209

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

Bodycote Nominees No.2 Limited

(the "Company")

- 1. THAT** the Bodycote plc Group Authority Matrix – Divisional Presidents and Reports (version 2 issued 18 February 2011) ("**Authority Matrix**") attached hereto is referred to. It is noted that the Authority Matrix is intended to require that the officers and employees of the Company seek approval in respect of certain operational decisions which may be taken by the officers and / or employees of the Company. Having considered the Authority Matrix in detail it is hereby resolved that adoption of the Authority Matrix would promote the success of the Company for the benefit of its members as a whole and accordingly it is hereby resolved to adopt the Authority Matrix.
- 2. THAT** the directors be authorised to pass and to implement any such amendments to the Authority Matrix made to it from time to time as to be complied with by the officers and employees of the Company (from time to time) in respect of the operational decisions to which the Authority Matrix relates.

Dated

9 May 2011





BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

This matrix details the Bodycote plc (“**Plc**”) approvals required for key operational actions and decisions of companies within the Plc group (“**Group**”) made by Divisional Presidents and their direct and indirect reports which are either i at a level of materiality and/or importance as to require Plc sign off, and/or ii likely to have a material impact on the rest of the Group (“**Matrix**”) This Matrix may be subject to revision by the Executive Committee from time to time

Approval is required as indicated in the Matrix There will be further approvals or notifications required within Plc in respect of certain actions / decisions notified which the person who you have sought approval from will organise or discuss with you further Approval requests and responses should be given in writing

Operating divisions and individual plants should develop their own sub-group authority matrices in line with the format of this Matrix to ensure that actions and decisions outside of those requiring approval in this Matrix are appropriately approved

APPROVALS

This Matrix provides approvals for the following areas and you should refer to the appropriate area by reference to the part and page number detailed In addition **ANY MATTERS WHICH ARE NOT IN THE ORDINARY COURSE OF DAY TO DAY BUSINESS OR WHICH IMPACT IN ANY WAY UPON THE BUSINESS PROCESSES OR METHOD OF OPERATING OF ANY OTHER DIVISION MUST BE REFERRED TO** the Chief Executive, Group Finance Director or Group HR Director, as appropriate If you have any queries or comments in respect of approvals required you should speak to the Group General Counsel

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Please also consult the Group policies in addition to this Matrix In the event of any conflict between any Group policies and their supporting documents and this Matrix, please refer to the Group General Counsel or the Group Financial Controller

DEROGATIONS

In the event that you consider you require a specific continuing derogation (rather than a one off authority) to any approvals set out in this Matrix such request should be made by the appropriate Divisional President or their nominee in writing to the Group Finance Director using the form at the appendix The request will be considered and you will be notified promptly if approved The Group Finance Director will contact you in the event a derogation is required to be reapproved

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

1. BRANDING

	Action / decision	Financial level - above which approval is required	Approval
1 1	Any branding not applied in accordance with the Bodycote Group Sales & Marketing Manual	NIL	Group General Counsel
1 2	Use of any trade mark (registered or unregistered), where not previously used	NIL	Group General Counsel
1 3	License in or out of any trade mark	NIL	Group General Counsel
1 4	Register or lapse of registration of any trade mark	NIL	Group General Counsel
1 5	Create, change, release or dispose of any domain name	NIL	Group Finance Director

2. CONTRACTS – CUSTOMERS OF BODYCOTE

	Action / decision	Financial level - above which approval is required	Approval
2 1	Any customer contract not on Bodycote standard terms with a duration of more than 12 months	NIL	Group Finance Director
2 2	Any customer contract with a duration of more than 36 months	NIL	Group Finance Director
2 3	Any customer contract not on Bodycote standard terms with an annual value above	GBP500K/USD800K/EUR600K	Group Finance Director
2 4	Any customer contract to provide services on a fixed price basis for a duration of more than 12 months	NIL	Group Finance Director
2 5	Any customer contract which commits to obligations outside of the scope of the Group's insurance cover, including any contract which passes the risk for a customer's goods to Bodycote when on Bodycote's premises	NIL	Group Finance Director
2 6	Any customer contract which gives a warranty or guarantee of services/goods for more than 12 months	NIL	Group General Counsel

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

	Action / decision	Financial level - above which approval is required	Approval
2 7	Any customer contract which contains a penalty or "liquidated damages" provision i.e. a fixed calculation for loss by reference to e.g. in the case of a delay, an amount per day/week of delay	NIL	Group General Counsel
2 8	Any customer contract where Bodycote's potential liability arising from a breach is above	GBP500k/USD800k/EUR600k	Group Finance Director
2 9	Any customer contract which does not exclude liability for consequential and indirect loss	NIL	Group Finance Director
2 10	Any customer contract which does not provide that all intellectual property specifically related to Bodycote's services (whether existing or developed during the provision of the services) belongs to Bodycote	NIL	Group General Counsel
2 11	Use of non-Group standard trading terms between Group companies (e.g. extension of payment terms)	NIL	Group Financial Controller
2 12	Use of third currency on trade between Group companies i.e. not the functional currency of either company	NIL	Group Financial Controller
2 13	Any customer rebate scheme	NIL	Group Finance Director
2 14	Any use of financial or commodity derivatives	NIL	Group Finance Director

3. **CONTRACTS – SUPPLIERS TO BODYCOTE**

	Action / decision	Financial level - above which approval is required	Approval
3 1	Any supplier contract which involves any security being granted by Bodycote including a charge, pledge, mortgage or equivalent or any parent guarantee	NIL	Group Treasurer
3 2	Engagement of any legal advisers not previously authorised by the Group General Counsel and/or for any matters other than in the ordinary course	NIL	Group General Counsel

BODYCOTE PLC GROUP AUTHORITY MATRIX - DIVISIONAL PRESIDENTS AND REPORTS

Action / decision		Financial level - above which approval is required	Approval
3 3	Engagement of any financial advisers	NIL	Group Finance Director
3 4	Engagement of any tax advisers	NIL	Group Finance Director
3 5	Engagement of any other types of adviser for matters other than in the ordinary course	NIL	Group Finance Director
3 6	Any supplier contract with an annual value above	GBP500k/USD800k/EUR600k	Group Finance Director
3 7	Any supplier contract with a duration of more than 12 months	NIL	Group Finance Director
3 8	Adopt, acquire, change, test, materially repair, release or terminate any IS strategy, policy, system or IS network whatsoever	NIL	Group Finance Director
3 9	Acquire or dispose of any IS software, hardware or licenses	NIL	Group Finance Director
3 10	Any use of financial or commodity derivatives	NIL	Group Finance Director
3 11	Any supplier contract which is in breach of the Energy Policy	NIL	Group Finance Director

4. CORPORATE DETAILS

Action / decision		Financial level - above which approval is required	Approval
4 1	Companies or partnerships – change of registered address	NIL	Group General Counsel
4 2	Companies or partnerships – change of name	NIL	Group General Counsel
4 3	Companies or partnerships – creation, merger or dissolution	NIL	Group General Counsel
4 4	Companies or partnerships – issue or cancel shares or capital	NIL	Group General Counsel
4 5	Companies or partnerships – invest in or divest of shares or capital	NIL	Group General Counsel

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

	Action / decision	Financial level - above which approval is required	Approval
4 6	Director or officer or equivalent – appoint or remove	NIL	Group General Counsel
4 7	Registered branches – create or close	NIL	Group General Counsel
4 8	Company Secretary or statutory administrator or equivalent – appoint or remove	NIL	Group General Counsel
4 9	Amend any corporate or divisional policies in a way which is inconsistent with the Group policies	NIL	Group General Counsel
4 10	Delegation of any matters reserved to the board of any legal entity or equivalent to any non-board member or equivalent employee	NIL	Group General Counsel
4 11	Any grant of a power of attorney by either an entity and / or a director, officer or equivalent	NIL	Group General Counsel

5 FINANCE – OPERATING

	Action / decision	Financial level - above which approval is required	Approval
5 1	Travel, entertainment, corporate credit cards and petty cash expenses per individual per claim above	GBP10k/USD16k/EUR12k	Group Finance Director
5 2	Customer credit limits (includes new accounts and any changes to existing accounts) above	GBP200k/USD320k/EUR240k	Group Finance Director
5 3	Credit notes, rebates and discounts above	GBP200k/USD320k/EUR240k	Group Finance Director
5 4	Fixed asset impairment (outside normal depreciation policy)	NIL	Group Financial Controller
5 5	Inventory items impairment above	GBP50k/USD80k/EUR60k	Group Financial Controller
5 6	Receivables impairment above	GBP200k/USD320k/ EUR240	Group Financial Controller
5 7	Revaluation of any assets	NIL	Group Financial Controller

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

	Action / decision	Financial level - above which approval is required	Approval
5 8	Transfer of assets between wholly owned Group companies other than at market value (normally net book value)	NIL	Group Financial Controller
5 9	Transfer of assets to or from any non-wholly owned Group company (i.e. JVs, investments)	NIL	Group Financial Controller

6. FINANCE – INVESTMENTS

	Action / decision	Financial level - above which approval is required	Approval
6 1	Capital Expenditure (includes acquisition of assets through operating or finance leasing and entire costs of capital projects including lease commitments, working capital requirements and non-capitalisable costs. Further approval required in the event of any material change to previously approved Capital Expenditure or if actual expenditure exceeds or is expected to exceed more than 110% of the previously approved Capital Expenditure) above	GBP200k/USD320k/EUR240k	Group Finance Director
6 2	Dispose, scrap or transfer of fixed assets (applies to the higher of the anticipated disposal proceeds of the asset and the net book value of the asset) above	GBP200k/USD320k/EUR240k	Group Finance Director
6.3	Business acquisition (further approval required in the event of any material change to a previously approved acquisition)	NIL	Group Finance Director
6 4	Dispose of business	NIL	Group Finance Director

7. HR AND PENSIONS

	Action / decision	Financial level - above which approval is required	Approval
7 1	Interview, appoint or dismiss any L1 employee (direct report of the Group CEO), L2 employee (direct report of L1 employee) or L3 employee (direct report of L2 employee) and / or any employee with a basic salary of above	GBP100k/USD160k/EUR120k	Group HR Director

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

	Action / decision	Financial level - above which approval is required	Approval
7 2	Effect any employee restructuring which impacts upon any L1 employee (direct report of CEO), L2 employee (direct report of L1 employee) or L3 employee (direct report of L2 employee) or 10 or more permanent employees at any level	NIL	Group HR Director
7 3	Recruitment of any finance, accounting and / or HR staff	NIL	Group HR Director
7 4	Implement any severance or social plans	NIL	Group HR Director
7 5	Appoint any employee without an appropriate employment agreement	NIL	Group HR Director
7 6	Appoint any employee to any newly created role or to any role which has not been filled within six months of it becoming vacant	NIL	Group HR Director
7 7	Establish, offer, change or remove any employee benefit or bonus scheme or other equivalent scheme	NIL	Group HR Director
7 8	Establish, offer, change or remove any pension, post retirement benefit, lump sum payment or equivalent scheme	NIL	Group HR Director
7 9	Establish, offer, change or remove any life assurance, medical cover, long term disability, death in service or equivalent scheme	NIL	Group HR Director
7 10	Establish, change or remove any arrangement with a trade union or other such employee representative body	NIL	Group HR Director
7 11	Agree any employee salary increase above agreed budgeted increase	NIL	Group HR Director

8. KNOW HOW AND TRADE SECRETS

	Action / decision	Financial level - above which approval is required	Approval
8 1	Acquire or dispose any know how (being the confidential information behind the processes of	NIL	Group General Counsel

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

Action / decision		Financial level - above which approval is required	Approval
	our business)		
8 2	Disclose any confidential information to a third party without an appropriate confidentiality agreement signed	NIL	Group General Counsel
8 3	Disclose secret behind know how and/or any confidential information which may be commercially damaging to Bodycote	NIL	Group General Counsel
8 4	License in or out of any know how	NIL	Group General Counsel
8 5	Register or lapse of registration of any know how	NIL	Group General Counsel

9. LITIGATION AND INSURANCE

Action / decision		Financial level - above which approval is required	Approval
9.1	Commence any litigation or other dispute or claim resolution proceedings (applies whether claims insured or not) involving amounts or potential amounts above	GBP200k/USD320k/EUR240k	Group Finance Director
9 2	Defend, admit liability and settle any dispute or claim (not the subject of any proceedings), litigation or other dispute or claim resolution proceedings (applies whether claims insured or not) involving amounts or potential amounts above	GBP200k/USD320k/EUR240k	Group Finance Director
9 3	Broker any insurance policies outside of the Group's policies	NIL	Group Finance Director

10. PROPERTY / REAL ESTATE

Action / decision		Financial level - above which approval is required	Approval
10 1	Acquire or dispose of any interest	NIL	Group Finance Director

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

	Action / decision	Financial level - above which approval is required	Approval
10 2	Agree to take any lease or sub-lease or to grant any lease or sub-lease	NIL	Group Finance Director
10 3	Assign/transfer any lease and/or licence to and/or from Bodycote	NIL	Group Finance Director
10 4	Charge, pledge or mortgage of any interest	NIL	Group Finance Director
10 5	Extend, renew and/or alter any lease or licence to and/or from Bodycote	NIL	Group Finance Director
10 6	Take any action in response to receipt of notice of any request for information, inspection, audit, instruction to remediate or prosecution concerning any environmental issue, contamination or pollution	NIL	Group General Counsel

11. TAX

	Action / decision	Financial level - above which approval is required	Approval
11 1	Take any action in response to receipt of notice of any tax audits by Revenue Authorities	NIL	Group Finance Director
11 2	Take any action in response to receipt of notice of any exposure to financial penalties for non-compliance with taxes or late filings	NIL	Group Finance Director
11 3	Any tax planning or non-ordinary course tax positions taken	NIL	Group Finance Director

12. TREASURY

	Action / decision	Financial level - above which approval is required	Approval
12 1	Enter into any external funding by or for any Group company and/or any non-wholly owned subsidiary	NIL	Group Treasurer

BODYCOTE PLC GROUP AUTHORITY MATRIX - DIVISIONAL PRESIDENTS AND REPORTS

Action / decision		Financial level - above which approval is required	Approval
12 2	Enter into any intra-group funding	NIL	Group Treasurer
12 3	Enter into any off-balance sheet lease finance	NIL	Group Finance Director
12 4	Change currency of external debt and/or enter any cross currency or interest rate swap agreements	NIL	Group Finance Director
12 5	Pledge of assets as security	NIL	Group Treasurer
12 6	Receivable financing, factoring, discounting or securitisation	NIL	Group Finance Director
12 7	Provide guarantees (other than ordinary course trading guarantees) and/or bonds or similar	NIL	Group Treasurer
12 8	Hedge of any foreign currency cash flows or any interest rates	NIL	Group Treasurer
12 9	Open and/or close any bank account or enter into any new bank relationship or hold any non-functional currency cash balances	NIL	Group Treasurer
12 10	Bank payments above	GBP500k/USD800k/EUR600k	Group Finance Director



BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

APPENDIX – DEROGATION REQUEST FORM

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS

DEROGATION REQUEST FORM

Note: please complete a separate form for each derogation sought

Applicant and Division:	
Part and action/decision reference(s) concerned	
Matter giving rise to action/decision approval(s):	
Derogation sought and period derogation to cover	
To whom derogation should apply.	
Signed:	Date:
Derogation approved / declined	
Signed by Group Finance Director	Date:
If declined state reason:	

BODYCOTE PLC GROUP AUTHORITY MATRIX – DIVISIONAL PRESIDENTS AND REPORTS**DEROGATION REQUEST FORM**

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If declined state reason:	

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