

THE COMPANIES ACT 1985
WRITTEN RESOLUTIONS
OF
CHANDLER MATERIALS SUPPLIES LIMITED
(REGISTERED NUMBER: 1480021)

Pursuant to section 381A of the Companies Act 1985 ("the Act") passed on the
29th December 1999

We, the undersigned members of the above-named Company being all the members who at the date hereof would be entitled to attend and vote at a general meeting of the Company, resolve as follows and such resolutions shall be deemed to be as effective as if they had been passed at a general meeting of the Company duly convened and held:

1. ORDINARY RESOLUTION

That the share capital of the Company be increased from £100 to £750,000 by the creation of 1,400 new Ordinary Shares of £1 each ranking pari passu in all respects with the existing shares in the capital of the Company and by the creation of 748,500 new Preference Shares of £1 each which shall entitle the holders thereof to the rights set out in article 2(b) of the draft new articles of association attached hereto.

2. SPECIAL RESOLUTION

That the present articles of association of the Company be abrogated and thereupon replaced by adopting new articles of association in the form of the draft annexed hereto.

3. ORDINARY RESOLUTION

That the sum of £660,910 standing to the credit of the Company's reserves be capitalised and apportioned to the members who would have been entitled to it if it were distributed and applied on their behalf in paying up in full 910 unissued Ordinary Shares of £1 each in the Company and 660,000 unissued Preference Shares of £1 each in the Company in the proportions set out below, that the directors be authorised and directed to do all acts and things necessary to give effect thereto and that the first half-year's dividend to be paid on the new Preference Shares shall be paid on the 30th June 2000:



Member	New Ordinary Shares to be allotted and distributed, credited as fully paid up	New Preference Shares to be allotted and distributed, credited as fully paid up
David Oliver Chandler	303	220,000
John Richard Chandler	303	220,000
Peter Anthony Chandler	304	220,000
Totals:	<u>910</u>	<u>660,000</u>

[Signature] X
D O Chandler

[Signature] X
J R Chandler

[Signature] X
P A Chandler

Date: X 29-12-1999. X

We, being the auditors to the above-named Company, hereby acknowledge that a copy of the above resolutions has been sent to us and notify the Company that in our opinion the above resolutions do not concern us as auditors/ ~~do concern us as auditors~~ but need not be considered by the Company in general meeting.

[Signature]
HLB Kidsons, Auditors

CHANDLER MATERIAL SUPPLIES LIMITED

COMPANY NUMBER 1480021

DRAFT NEW
ARTICLES OF ASSOCIATION

LEONARD GRAY
SOLICITORS
72-74 DUKE STREET
CHELMSFORD
ESSEX CM1 1JY
(REF: JRO/KL/CHANDLER)

THE COMPANIES ACTS
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF CHANDLER MATERIAL SUPPLIES LIMITED
("the Company")

PRELIMINARY

1. (a) The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) ("Table A") shall apply to the Company save insofar as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- (b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles 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.

SHARE CAPITAL

2. (a) The authorised share capital of the Company at the date of the adoption of these Articles is £750,000 divided into 1,500 Ordinary Shares of £1 each ("the Ordinary Shares") and 748,500 Preference Shares of £1 each ("the Preference Shares").
- (b) The following rights shall attach to the Preference Shares:
 - (i) with regard to income, the Preference Shares shall entitle the holders thereof in priority to any dividend or return of capital on any other class of shares to a variable cumulative preferential dividend on the capital for the time being paid up thereon at an annual rate (inclusive of any associated tax credit) in respect of each accounting reference period of the Company equal to 2% above the base rate published on the 31st December in the preceding accounting reference period by National Westminster Bank Plc or the bank which is the successor to the business of that bank or, if any such bank ceases to trade in circumstances that no one bank succeeds to

- that business, such member of the Committee of London and Scottish Bankers as the auditor for the time being of the Company may nominate, such dividend to be payable by equal half-yearly instalments on the 30th June and the 31st December in each year in respect of the half-yearly periods ending on those dates, the first payment to be made on the date specified in the resolution authorising their issue;
- (ii) with regard to capital, the Preference Shares shall entitle the holders thereof on a winding up or on a reduction of capital involving a return of capital in priority to any return of capital on any other class of shares to repayment of the capital paid up or credited as paid up thereon, together with a sum equal to any arrears or accruals of the cumulative preferential dividend thereon calculated down to the date of repayment, whether or not such dividend shall have been declared or earned;
 - (iii) with regard to voting, the Preference Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company unless either (a) the dividend on the Preference Shares is 6 months or more in arrear and for this purpose such dividend shall be deemed to be payable on the 30th June and the 31st December in each year or (b) the business of the meeting includes the consideration of a resolution for winding up the Company, or for a reduction in the capital, or any resolution directly or adversely modifying or abrogating any of the special rights or privileges attaching to the Preference Shares, in which case the holders thereof shall only be entitled to vote at the relevant meeting in respect of such resolution or resolutions;
 - (iv) the Preference Shares shall not confer on the holders thereof any further rights to participate in the profits or assets of the Company or to vote.
 - (c) The Company may, without any consent or sanction of the holders of the Preference Shares, create and issue further preference shares either ranking pari passu and identically in all respects and so as to form one class with the Preference Shares or ranking pari passu therewith as regards priority in respect of income and/or capital but carrying a different rate of dividend or

- a premium or otherwise differing from the Preference Shares, provided that:
- (i) no further preference shares ranking *pari passu* therewith shall be issued unless at the time of issue the auditor for the time being of the Company shall have certified in writing to the Company that the aggregate of the nominal amount of the Preference Shares and any further preference shares ranking *pari passu* therewith (including the preference shares proposed to be issued) which would be outstanding immediately after such issue and the amount of the fixed or minimum premium payable (if any) on all such preference shares will not exceed an amount equal to the aggregate of the nominal amount of the issued and paid up share capital of the Company ranking as to dividend and capital after all such preference shares; and
 - (ii) no such shares shall be issued as redeemable preference shares.
 - (d) No further shares ranking as to dividend or repayment of capital in priority to or (except as provided in paragraph (c) above) *pari passu* with the Preference Shares shall be created or issued except with the consent or sanction of the Preference Shareholders given in accordance with this Article and in this paragraph the expression "the Preference Shareholders" means the holders of the Preference Shares and any further preferences shares ranking *pari passu* and identically in all respects and so as to form one class therewith.
 - (e) If the Company shall have issued and there should be outstanding any further preference shares ranking *pari passu* but not identically in all respects and so as form one class with the Preference Shares, then such further preference shares shall be deemed to constitute a separate class of shares for the purposes of these Articles.
 - (f) In the winding up of the Company the surplus assets shall be applied to the following purposes and in the following order of priority:
 - (i) to the repayment of capital paid up or credited as paid up and the payment of the premium (if any) on the Preference Shares and on any further preference shares ranking *pari passu* therewith as regards priority in respect of capital, together also with any arrears or accruals of dividend in

- accordance with the rights of all such shares;
- (ii) to the repayment of the capital paid up or credited as paid up on the Ordinary Shares and any surplus assets shall be divided amongst the holders of Ordinary Shares in proportion to the number of the Ordinary Shares held by them respectively.

ALLOTMENT OF SHARES

3. (a) All shares which the directors propose to issue shall be offered to the members holding shares of the same class in proportion as nearly as may be to the number of the existing shares of that class held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares and class offered and a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to have been declined. After the expiration of that period, those shares of each class so deemed to have been declined shall be offered in the same proportion to the persons holding shares of the same class who have, within the said period, accepted all the shares of the same class offered to them; such further offer shall be made in the same manner as the original offer. Any shares not accepted pursuant to such offer or further offer or not capable of being so offered except by way of fractions and any shares released from the provisions of this Article by any such special resolution shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of any shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The provisions of this paragraph shall have effect subject to section 80 of the Act and to paragraph (c) below.
- (b) In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- (c) The directors are generally and unconditionally authorised for the purposes

of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised but unissued share capital of the Company at the date of adoption of these Articles at any time or times during the period of five years from that date and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to section 80 of the Act) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.

SHARES

4. The lien conferred by regulation 8 of Table A shall attach also to fully paid-up shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all monies presently payable by him or his estate to the Company. Regulation 8 of Table A shall be modified accordingly.
5. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

GENERAL MEETINGS AND RESOLUTIONS

6. Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.
7. (a) If a quorum is not present within half an hour from the time appointed for a general meeting, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and

at such other time and place as the directors may determine and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor, such adjourned general meeting shall be dissolved.

- (b) Regulation 41 of Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

- 8. (a) Regulation 64 of Table A shall not apply to the Company.
- (b) The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the minimum number of directors shall be one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the directors generally and regulation 89 of Table A shall be modified accordingly.
- (c) The directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.
- (d) No person shall be appointed a director at any general meeting unless either:-
 - (i) he is recommended by the directors; or
 - (ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
- (e) Subject to paragraph (d) above, the Company may by ordinary resolution in general meeting appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- (f) The directors may appoint a person who is willing to act to be a director,

either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of directors and for the time being in force.

BORROWING POWERS

9. The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into shares) to section 80 of the Act, to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

10. (a) An alternate director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct and the first sentence of regulation 66 of Table A shall be modified accordingly.
- (b) A director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate director to represent more than one director and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

GRATUITIES AND PENSIONS

11. (a) The directors may exercise the powers of the Company conferred by clause 3(Q) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

- (b) Regulation 87 of Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

12. (a) A director may vote at any meeting of the directors or of any committee of the directors on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution he shall (whether or not he shall vote on it) be taken into account in calculating the quorum present at the meeting.

- (b) Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

THE SEAL

13. (a) If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

- (b) The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the directors.

INDEMNITY

14. (a) Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or 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 under section 144 or section 727 of the Act in which relief is granted to him by the Court and 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 section 310 of the Act.

- (b) The directors shall have power to purchase and maintain for any director or officer of the Company insurance against any such liability as is referred to in section 310(1) of the Act.
- (c) Regulation 118 of Table A shall not apply to the Company.

TRANSFER OF SHARES

15. (a) Subject to the provisions of paragraph (h) below, any person ("the proposing transferor") who wishes to transfer a legal or beneficial interest in any of the Ordinary Shares in the Company shall give notice in writing ("transfer notice") to the Company of that wish stating the number of shares which the proposing transferor desires to transfer and specifying the price per share which in the opinion of the proposing transferor constitutes the fair value thereof. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some of) the shares comprised in the transfer notice to any member or members holding shares of the same class willing to purchase the same ("purchasing members") at the price specified therein or at the fair value certified in accordance with paragraph (c) below (whichever shall be the lower). A transfer notice shall not be recoverable except with the sanction of the directors.
- (b) The shares comprised in any transfer notice shall be offered to the members holding shares of the same class (other than the proposing transferor) as nearly as may be in proportion to the number of shares of that class held by them respectively. Such offer shall be made by notice in writing ("offer notice") within twenty-eight days after receipt by the Company of the transfer notice. The offer notice shall state the price per share specified in the transfer notice and shall limit the time in which the offer may be accepted, not being less than twenty-one days nor more than forty-two days after the date of the offer notice, provided that if a certificate of fair value is requested under paragraph (c) below, the offer shall remain open for

acceptance for a period of twenty-eight days after the date on which notice of the fair value certified in accordance with that paragraph shall have been given by the Company to the relevant members or until the expiration of the period specified in the offer notice, whichever is the later. For the purpose of this Article an offer shall be deemed to be accepted on the day on which acceptance is received by the Company. The offer notice shall further invite each recipient to state in his reply the number of additional shares (if any) in excess of the recipient's proportion which the recipient desires to purchase and if all the recipients do not accept the offer in respect of their respective proportions in full, the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares of the same class as those comprised in the transfer notice already held by the relevant members respectively, provided that no member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the members of the same class as those comprised in the transfer notice in proportion to their existing holdings, the same shall be offered to those members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto and the lots shall be drawn in such manner as the directors may think fit.

- (c) Any recipient may, not later than fourteen days after the date of an offer notice, serve on the Company a notice in writing requesting that the auditor for the time being of the Company (or, at the discretion of the auditor, a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales) certify in writing the sum which in his opinion represents the fair value of the shares comprised in the transfer notice as at the date of the transfer notice between a willing seller and a willing buyer and for the purpose of this Article reference to the auditor shall include any person so nominated. Upon receipt of such notice the Company shall instruct the auditor to certify as aforesaid and the costs of such valuation shall be apportioned among the proposing transferor and

the purchasing members or borne by any one or more of them as the auditor in his absolute discretion shall decide. In certifying the fair value as aforesaid the auditor shall be considered to be acting as an expert and not as an arbitrator and accordingly any provisions of law or statute relating to arbitration shall not apply. Upon receipt of the certificate of the auditor, the Company shall by notice in writing inform all members of the same class of shares as those comprised in the transfer notice of the fair value of each share and of the price per share (being the lower of the price specified in the transfer notice and the fair value of each share) at which the shares comprised in the transfer notice are offered for sale. For the purposes of this Article the fair value of each share comprised in the transfer notice shall be its value as a rateable proportion of the total value of all the issued shares of the Company of the same class and shall not be discounted or enhanced by reference to the number of shares referred to in the transfer notice.

- (d) If purchasing members shall be found for all the shares comprised in a transfer notice within the appropriate period specified in paragraph (b) above, the Company shall not later than twenty-eight days after the expiry of such appropriate period give notice in writing ("sale notice") to the proposing transferor specifying the purchasing members and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer those shares to the purchasing members.
- (e) If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any shares, the Company may receive the purchase money on his behalf and may authorise some person to execute a *transfer of such shares in favour of the purchasing members*. The receipt of the Company for the purchase money shall be a good discharge to the purchasing members. The Company shall pay the purchase money into a separate bank account.
- (f) If the Company shall not give a sale notice to the proposing transferor within the time specified in paragraph (d) above the proposing transferor shall,

during the period of thirty days next following the expiry of the time so specified, be at liberty to transfer all or any of the shares comprised in the transfer notice to any person or persons but in that event the directors may, in their absolute discretion and without assigning any reason therefor, decline to register any such transfer and regulation 24 of Table A shall, for these purposes, be modified accordingly.

(g) In the application of regulations 29 to 31 (inclusive) of Table A to the Company:-

- (i) any person becoming entitled to one (or more) of the Ordinary Shares in consequence of the death or bankruptcy of a member shall give a transfer notice before he elects in respect of any such share to be registered himself or to execute a transfer;
- (ii) if a person so becoming entitled shall not have given a transfer notice in respect of any such share within six months of the death or bankruptcy, the directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty days of such notice to give a transfer notice in respect of all such shares to which he has so become entitled and for which he has not previously given a transfer notice and, if he does not do so, he shall at the end of such period of thirty days be deemed to have given a transfer notice pursuant to paragraph (a) of this Article relating to those shares in respect of which he has still not done so;
- (iii) where a transfer notice is given or deemed to be given under this paragraph (g) and no price per share is specified therein, the transfer notice shall be deemed to specify the sum which shall, on the application of the directors, be certified in writing by the auditor in accordance with paragraph (c) of this Article as the fair value thereof.

(h) This Article shall not apply to any transfers to or by the Company's Employee Benefit Trust.

Note: These Articles were adopted by special resolution passed on the [].