

1778545/18 Certified a true copy.

ANDERSON (TIMBER MERCHANTS) LIMITED

*[Signature]*  
Director

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING of the above named Company will be held at *2nd Floor, Agnis House, Casketgate, Lincoln* on *24 July* 1987 at *1* a.m./p.m. for the purpose of considering and, if thought fit, passing the following resolutions.

To be proposed as

SPECIAL RESOLUTIONS

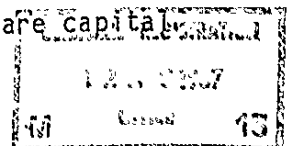
Increase in authorised capital

1. That the authorised share capital of the Company be hereby increased from £100 to £40,000 by the creation of:-
  - (a) 29,900 ordinary shares of £1 each ranking pari passu in all respects with the existing 100 ordinary shares in the Company
  - (b) 10,000 'A' ordinary shares of £1 each;

all such shares having the respective rights set out in the articles of association of the Company as proposed to be amended by the resolutions set out below.

Approval of share allotment and  
share subscription and exclusion of pre-emption rights

- 2(A) That the directors are unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot and dispose of or grant options over the Company's shares to such persons, on such terms and in such manner as they think fit, up to a total issued share capital



of the Company of £40,000 at any time during the period of five years from the date hereof;

- (B) That by virtue of section 95(1) of the Companies Act 1985, section 89(1) shall not apply to the allotment of shares pursuant to the authority conferred by the preceding paragraph of this resolution;
- (C) That the subscription by Investors in Industry plc ('3i') for 10,000 'A' ordinary shares of £1 each in the Company representing 25% of the issued equity share capital of the Company after such subscription on the terms set out in an agreement to be entered into between the Company and 3i (a copy of which has been produced to this meeting) be and is hereby approved;

Amendment of articles of association

- 3. That the articles of association of the Company be hereby amended
  - a) by deleting existing articles 2 and 18
  - b) by redesignating existing articles 3 - 17 inclusive as new articles 9 -23 (inclusive) and existing articles 19 to 30 inclusive as new articles 24 to 35 (inclusive) and
  - c) by inserting the following as new articles 2, 3, 4, 5, 6, 7 and 8
  - d) by inserting the words "except in the case of a transfer made pursuant to Article 6 after the words "the Directors may in redesignated Article 12
  - e) by inserting the words "Regulations 4 and 62 of Table A shall not apply to the company at the end of Article 1

### Share capital

2. The share capital of the Company at the date of the adoption of this article is £40,000 divided into 10,000 'A' ordinary shares of £1 each and 30,000 ordinary shares of £1 each

The rights attaching to the respective classes of shares shall be as follows:

- (i) Income.

The profits of the Company in respect of each financial year shall be applied as follows:-

- (A) First in paying to the holders of the 'A' ordinary shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Fixed Dividend') of 15 pence per annum on each share payable half yearly on the 30th September and the 31st March
- (B) Second in paying to the holders of the 'A' ordinary shares as a class in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Participating Dividend') of a sum equal to 5% of the Net Profit (calculated as hereinafter provided) of the Company and its subsidiaries for the relevant financial year provided that there shall be deducted from the Participating Dividend a sum equal to the total of any Fixed Dividend paid on the 'A' ordinary shares. The Participating Dividend (if any) shall be paid not later than 6 months after the end of each successive accounting reference period of the Company or not later than 14 days after the annual general meeting at which the audited accounts of the Company for the

relevant financial year are presented, whichever is earlier.

For the purpose of calculating the Participating Dividend, the expression 'Net Profit' shall mean the net profit of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest £1):-

- (1) before any payment or provision is made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to reserve and before charging or crediting extraordinary items;
  - (2) before deducting any corporation tax (or any other tax levied upon or measured by reference to profits or gains) on the profits earned and gains realised by the Company and its subsidiaries;
  - (3) before deducting any sum in excess of £50,000 in the aggregate in respect of emoluments (including amounts referred to in paragraph 22(3) of schedule 5 of the Companies Act 1985) payable to the Company's and any subsidiary's directors and former directors where such directors are interested in shares in the Company and their connected persons (as defined by section 533 Income and Corporation Taxes Act 1970)
- (C) Third in paying to the holders of the 'A' ordinary shares a cumulative preferential net cash dividend ('the Additional Dividend') for such year on each share of an amount equal to the Excess Remuneration (as hereinafter defined) divided by the number of ordinary shares in issue (excluding the 'A' ordinary

shares) on the date this article was adopted as an article of association of the Company.

For the purpose of calculating the Additional Dividend the expression 'Excess Remuneration' shall mean emoluments (including amounts referred to in paragraph 22(3) of schedule 5 of the Companies Act 1985) in excess of £50,000 in the aggregate (or such other sum as may be agreed in writing from time to time by the holders of the 'A' ordinary shares) payable in respect of the relevant financial year to the Company's and any subsidiary's directors and former directors where such directors are interested in shares in the Company and their connected persons (as defined by section 533 Income and Corporation Taxes Act 1970) after deducting income tax at the basic rate on such excess sum. The Additional Dividend (if any) shall be paid on the due date for payment of the Participating Dividend.

Any remaining profits which the Company determines to distribute in any financial year shall be applied as follows:-

- (1) first in paying to the holders of the ordinary shares a dividend for such year on each share of an amount equal to the amount of dividend excluding the amount of any Additional Dividend paid in respect of that financial year on each 'A' ordinary share;
- (2) second in distributing the balance of the profits amongst the holders of the 'A' ordinary and ordinary shares (pari passu as if the same constituted one class of shares).

Every dividend shall be distributed to the appropriate shareholders

pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Companies Act 1985 the Fixed Dividend and the Participating Dividend and the Additional Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A of the Companies (Tables A - F) Regulations 1985 or any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.

provided that if due to delays in the preparation of the audited accounts of the Company the Participating Dividend cannot be calculated by the date it is due for payment then there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable (ii) Capital.

On a return of assets on liquidation or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (a) First in paying to the holders of the A' ordinary shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals of the dividends on the 'A'

ordinary shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not;

- (b) Second in paying to the holders of ordinary shares per share a sum equal to the amount of capital paid on each 'A' ordinary share; and

the balance of such assets shall be distributed amongst the holders of the 'A' ordinary shares and ordinary shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the 'A' ordinary shares and ordinary shares held by them respectively.

(iii) Conversion.

The holders of the 'A' ordinary shares may at any time convert the whole of their 'A' ordinary shares into a like number of ordinary shares and the following provisions shall have effect:-

- (a) the conversion shall be effected by notice in writing given to the Company signed by the holders of a 75% majority of the 'A' ordinary shares and the conversion shall take effect immediately upon the date of delivery of such notice to the Company;
- (b) forthwith thereafter the holders of the ordinary shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of 'A' ordinary shares and the Company shall issue to such holders respectively certificates for the ordinary shares resulting from the conversion;
- (c) the ordinary shares resulting from the conversion shall rank

from the date of conversion pari passu in all respects with the remaining ordinary shares in the capital of the Company;

- (d) on the date of conversion the Company shall pay a dividend to the holders of the 'A' ordinary shares of a sum equal to any arrears, deficiency or accruals of the dividends on the 'A' ordinary shares calculated on a daily basis to the date of conversion and the Participating Dividend shall be calculated pro rata according to the profits of the Company and its subsidiaries for the relevant financial year down to the date of such conversion such profits to be calculated by the Company on a basis acceptable to the holders of the 'A' ordinary shares

#### Class Rights

3. Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of a majority of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the 'A' ordinary shares be deemed to be varied:-

- (i) by any alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or

- (ii) by the sale of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof; or
- (iii) by the disposal of any share in the capital of any subsidiary of the Company; or
- (iv) by any alteration of the restrictions on the powers of the directors of the Company and its subsidiaries to borrow give guarantees or create charges; or
- (v) by the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company; or
- (vi) by the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company; or
- (vii) by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase any of its shares; or
- (viii) by the calling of a meeting of the Company for the purpose of considering a resolution for amending the memorandum or articles of association of the Company.

#### Further Issue of Shares

4. (i) Notwithstanding any other provisions of these articles of association the directors shall be bound to offer to any member of the 3i Group (as hereinafter defined) for the time being holding shares in the capital of the Company such a proportion of any shares forming part of the equity share capital of the Company which the directors determine to issue as the aggregate nominal value of shares in the equity share capital of the Company for the time being held by such member of the 3i Group

bears to the total issued equity share capital of the Company immediately before the issue of the shares. Any shares issued to a member of the 3i Group pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such shares shall at the request of 3i be registered in the name or names of any one or more members of the 3i Group.

- (ii) For the purposes of these articles of association the expressions '3i' shall mean Investors in Industry plc (a subsidiary of Investors in Industry Group plc) and 'a member of the 3i Group' shall mean Investors in Industry Group plc, 3i and any other subsidiary of Investors in Industry Group plc.

#### Transfer of shares

5. Notwithstanding any other provisions of these articles a transfer of any shares in the Company held by any member of the 3i Group may be made between the member in the 3i Group holding such shares and any other member in the 3i Group without restriction as to price or otherwise and the directors shall not have power to refuse to register such a transfer.

#### Limitation on transfer of control

6. (i) No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the previous written consent of 75% majorities of the holders of the 'A' ordinary shares and the holders of the ordinary shares respectively if as a result of such sale or transfer and

registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company:-

- (a) by a person or persons (other than a company to which paragraph (b) below applies) who was or were not a member or members of the Company on the date this article was adopted as an article of association of the Company unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the 'A' ordinary shares at the Specified Price (as hereinafter defined) or
- (b) by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the April 1985 Edition of the City Code on Takeovers and Mergers) with any member of the Company have or as a result of such sale or transfer will have a Controlling Interest:

(ii) For the purpose of this Article:-

- (a) the expression 'a Controlling Interest' shall mean an interest (within the meaning of Schedule 13 Part I and Section 324 of the Companies Act 1985) in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;
- (b) the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment; and

(c) the expression 'the Specified Price' shall mean the higher of:-

(i) a price per share of £1.50 plus a sum equal to any arrears, deficiency or accruals of the dividends on such share calculated down to the date of sale or transfer; and

(ii) a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other 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 such other shares provided that if any part of the price per share is payable otherwise than by cash the holders of the 'A' ordinary shares may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole;

and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) 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 England and Wales whose decision shall be final and binding;

- (iii) All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

#### Voting

7. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these articles of association, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every £1 nominal amount of shares in the capital of the Company of which he is the holder.

#### Directors' Borrowing Powers

8. Subject as hereinafter provided the directors may exercise all the powers of the Company (whether express or implied):-
- (a) of borrowing or securing the payment of money;
  - (b) of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and
  - (c) of mortgaging or charging the property assets and uncalled capital of the Company and (subject to section 80 of the Companies Act 1985) of issuing debentures
- but so that:-
- (i) the directors of the Company shall procure that the aggregate amounts for the time being remaining

undischarged by virtue of any of the foregoing operations and by virtue of any like operations by any subsidiary of the Company (including any liability (whether ascertained or contingent) under any guarantee for the time being in force but excluding inter-company loans, mortgages and charges) shall not without the previous sanction of the 'A' ordinary shareholders exceed

a sum which is the greater of £280,000 or twice

the aggregate of the nominal amount of the share capital of the Company for the time being issued and paid up or credited as paid up and the amounts for the time being standing to the credit of the capital and revenue reserves and the share premium account of the Company and all its subsidiaries (excluding any amounts arising from the writing up of the book values of any capital assets any amounts attributable to goodwill and minority interests and any amounts set aside for future taxation) all as shown by the then latest audited consolidated balance sheet of the Company;

- (ii) no such sanction shall be required to the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding, notwithstanding that the same may result in such limit being exceeded;

- (iii) no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this article is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded;
- (iv) except with the previous sanction of the holders of the 'A' ordinary shares no mortgage or charge shall be created on any part of the undertaking property or assets of the Company or any subsidiary of the Company except for the purpose of securing moneys borrowed from any member of the 3i Group with interest thereon and from bankers with interest thereon and bank charges.