

THE COMPANIES ACTS 1948 TO 1981

Declaration of compliance with the requirements on application for registration of a company

Pursuant to section 3(5) of the Companies Act 1980

41a

Please do not
write in this
binding margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

*Insert full
name of company

For official use

Company number

--	--	--	--

1992636

Name of company

United Engineering Steels Limited ✓

I, John Napier Byrneof Grindall House25 Newgate StreetLondon EC1A 7LH

†Please indicate
whether you are
a Solicitor of
the Supreme
Court (or in
Scotland 'a
Solicitor')
engaged in the
formation of the
company, or
a person named
as director or
secretary of the
company in the
statement
delivered under
section 21 of the
Companies Act
1976

do solemnly and sincerely declare that I am a solicitor of the supreme court
engaged in the formationof United Engineering Steels Limited ✓

and that all the requirements of the Companies Acts 1948 to 1981
in respect of the registration of the said company and of matters
precedent and incidental thereto have been complied with.
And I make this solemn Declaration conscientiously believing the
same to be true and by virtue of the provisions of the Statutory
Declarations Act 1835

Declared at

Grindall House25 Newgate StreetLondon EC1the 21st

day of

February

One thousand nine hundred and

eighty six

before me

J. H. Taylor16 St. Mark Lane - London EC1

A Commissioner for Oaths or Notary Public or Justice of the Peace
or Solicitor having the powers conferred on a Commissioner for Oaths.

Signature of Declarant



Presenter's name, address and
reference (if any):

Freshfields
Grindall House
25 Newgate Street
London EC1A 7LH

JNB/CGN/RSA

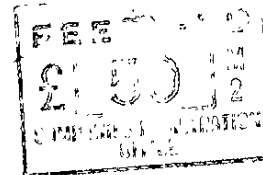
For official use

New companies section

Post room



THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES



1992636

File

MEMORANDUM OF UNITED ENGINEERING STEELS LIMITED

1. The name of the Company is "UNITED ENGINEERING STEELS LIMITED".

2. The Registered Office of the Company will be situate in England.

3. The objects for which the Company is established are:-

(A) To acquire the undertaking carried on by British Steel Corporation at the date of incorporation of the Company and known as British Steel Corporation Special Steels Division and to acquire also the companies listed below which are at the date of incorporation of the Company wholly-owned subsidiary companies of Guest Keen and Nettlefolds plc:

(i) Brymbo Steels Works Limited, a private company limited by shares and registered in England with no. 48605;

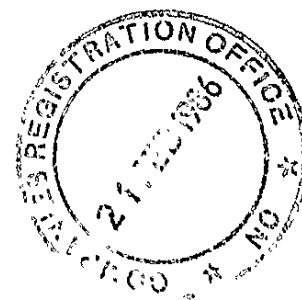
(ii) GKN Forgings Limited, a private company limited by shares and registered in England with no. 67646;

(iii) Parson Limited, a private company limited by shares and registered in England with no. 413597;



NW L51

069315



- (iv) GKN International (Italy) Srl, an Italian private company limited by shares;
- (v) GKN Steels Inc., a Delaware corporation; and
- (vi) GKN International Trading (Europa) GmbH, a German company.

(B) To carry on the businesses of iron and steel makers, including but without limitation to the trades or businesses of iron founders, iron masters, iron workers, steel workers, steel refiners, steel converters, casters, forgers, brass founders, and carry on the trades or businesses of manufacturers of and dealers in special and engineering steels, steel ingots, rolled, forged and cast products of all descriptions, including (but without being limited to) bars and billets of alloy and carbon steels for the general engineering trades, forgings for the motor, marine, chemical, electrical, mechanical engineering and other industries, wear-resisting castings, high-speed steels and tool steels, hardened steel rolls, alloy steel rings and heavy engineering plant such as presses and mills, stainless steel ingots and other products and to carry on the trades or businesses of manufacturers of and dealers in any other metals, minerals or mineral alloys, ordnance, weapons, ammunition, armaments, steam, gas, electrical, oil, petrol or other engines, and metal goods, and articles of all descriptions, metal polishers, colliery owners, coal merchants, manufacturers and refiners of and dealers in all products of the carbonization of coal, quarry owners, metallurgists, smelters, engineers, tin-plate workers, mechanical engineers, brick makers and general merchants and factors and to act as insurers in respect of any of the above.

(C) To carry on the business of a holding company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures,

debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business including (but without being limited to) companies carrying on any of the businesses referred to in paragraphs (C) and (D) below, and to control, co-ordinate and manage the business, activities and affairs of the same and to exercise and enforce all rights conferred by or incident to the ownership of any such shares, stock, obligations or other securities, and to acquire and hold debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.

- (D) To acquire by any means any real or personal property or rights whatsoever.
- (E) To carry out such operations and to manufacture or deal with such goods and to purchase or otherwise acquire, take options over, construct, lease, hold, manage, maintain, alter, develop, exchange or deal with such property, rights or privileges (including the whole or part of the business, property or liabilities of any other person or company) as may seem to the Board of Directors directly or indirectly to advance the interests of the Company.
- (F) To carry on any other trade or business whatever which, in the opinion of the Board of Directors, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- (G) To enter into such commercial or other transactions in connection with any trade or business of the Company as may

seem desirable to the Board of Directors for the purpose of the Company's affairs.

- (H) To apply for, purchase or otherwise acquire, protect, maintain and renew any patents, patent rights, trade marks, designs, licences and other intellectual property rights of all kinds or any secret or other information as to any invention and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to experiment with any such rights which the Company may propose to acquire.
- (I) To invest and deal with the moneys of the Company not immediately required in any manner and hold and deal with any investment so made.
- (J) To pay or to provide or to make such arrangements for providing such gratuities, pensions, benefits, share option and acquisition schemes, loans and other matters and to establish, support, subsidise and subscribe to any institutions, associations, clubs, schemes, funds or trusts (whether to or for the benefit of present or past directors or employees of the Company or its predecessors in business or of any company which is a subsidiary company of the Company or is allied to or associated with the Company or with any such subsidiary company or to or for or for the benefit of persons who are or were related to or connected with or dependants of any such directors or employees) as may seem to the Board of Directors directly or indirectly to advance the interests of the Company.
- (K) To draw, make, accept, indorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable and transferable instruments.

- (L) To act as agents, brokers or trustees, and to enter into such arrangements (whether by way of amalgamation, partnership, profit sharing, union of interests, co-operation, joint venture or otherwise) with other persons or companies as may seem to the Board of Directors to advance the interests of the Company and to vest any property of the Company in any person or company on behalf of the Company and with or without any declaration of trust in favour of the Company.
- (M) To apply for, promote and obtain any Act of Parliament, Charter, privilege, concession, licence or authorisation of any government, state or municipality, or any other department or authority, or enter into arrangements with any such body, for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem to the Board of Directors to be expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
- (N) To sell, lease, dispose of, grant rights over or otherwise deal with the undertaking, property or assets of the Company or any part thereof on such terms as the Board of Directors may decide, and to distribute any property or assets of the Company of whatever kind in specie among the members of the Company.
- (O) To pay for any rights or property acquired by the Company and to remunerate any person or company, whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part, or by any other method the Board of Directors think fit.
- (P) To establish or promote companies and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire,

hold, dispose of and deal with, and guarantee the payment of interest, dividends and capital on, all or any of the shares, debentures, debenture stock or other securities or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue upon such terms as the Board of Directors may decide.

- (Q) To co-ordinate, finance and manage all or any part of the operations of any company which is a subsidiary company of or otherwise under the control of the Company and generally to carry on the business of a holding company.
- (R) To carry on through any subsidiary or associated company any activities which the Company is authorised to carry on and to make any arrangements whatsoever with such company (including any arrangements for taking the profits or bearing the losses of any such activities) as the Board of Directors of the Company may think fit.
- (S) To raise or borrow money in such manner as the Board of Directors may think fit and to receive deposits and to mortgage, charge, pledge or give liens or other security over the whole or any part of the Company's undertaking, property and assets (whether present or future), including its uncalled capital, for such purposes and in such circumstances and upon such terms and conditions as the Board of Directors may think fit.
- (T) To lend or advance money and to give credit and to enter (whether gratuitously or otherwise) into guarantees or indemnities of all kinds, and whether secured or unsecured, whether in respect of its own obligations or those of some other person or company in such circumstances and upon such terms and conditions as the Board of Directors may think fit.

- (U) To pay or agree to pay all or any of the promotion, formation and registration expenses of the Company.
- (V) To contribute to or support any public, general, political, charitable, benevolent or useful object, which it may seem to the Board of Directors to be in the interests of the Company or its members to contribute to or support.
- (W) To do all or any of the above things in any part of the world whether as principals or agents or trustees or otherwise and either alone or jointly with others and either by or through agents, subcontractors, trustees or otherwise.
- (X) To do all such other things as may be considered by the Board of Directors to further the interests of the Company or to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that (a) the objects set forth in each subclause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and (b) the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere, and (c) except where the context expressly so requires, none of the several paragraphs of this clause, or the objects therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxiliary to, any other paragraph of this clause, or the objects in such other paragraph specified, or the powers thereby conferred.

4. The liability of the members is limited.

5. The Share Capital of the Company is £100 divided into 100 shares of £1 each.

WE, the several persons whose Names, Addresses and Descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each subscriber
---	--

The Sainsbury, for and on behalf of

The British Steel Corporation
9 Albert Embankment
London SE1 7SN

One

Statutory Company

B. D. Insh.

For and on behalf of
Guest Keen and Nettlefolds plc
Ipsley House,
Ipsley Church Lane,
Redditch
Worcestershire B98 0TL

One

Public Limited Company

Dated the 20th day of Feb, 1986.

Witness to the above signatures:-

P. T. Rafter

P. T. RAFTER

21KPA

CANFORD HO.

SAGTHWICK

W. MIDLANDS.

1992636

ARTICLES OF ASSOCIATION of
UNITED ENGINEERING STEELS LIMITED

The Companies Act 1985
Company Limited by Shares No. -----

INTRODUCTION

1. Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Companies Act 1985, as in force at the date of the adoption of these Articles (in these Articles hereafter referred to as "Table A"), shall apply to the Company. ✓

2. The following provisions of Table A shall not apply to the Company - in regulation 24: the words "which is not a fully paid"; in regulation 62(a): the words "not less than 48 hours"; in regulation 62(b): the words "not less than 24 hours"; in regulation 88: the last sentence; regulation 93; regulations 94 to 98 inclusive.

SHARES

3. Subject to the provisions of the Companies Act 1985 relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, and they may (subject as aforesaid) allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit.

DIRECTORS

4. A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.

ALTERNATE DIRECTORS

5.(1) At the end of regulation 67 of Table A, as applicable to the Company, there shall be added the following sentence -

"The appointment of an alternate director shall also determine automatically on the happening of any event which if he were a director would cause him to vacate his office as director".

(2) At the end of the regulation 66 of Table A, as applicable to the Company, there shall be added the following sentence -



"A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the directors or 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."

INTEREST OF DIRECTORS

6. A director may vote at any meeting of the directors or of a committee of the directors on any resolution concerning a transaction or arrangement with the Company or in which the Company is interested, or concerning any other matter in which the Company is interested, notwithstanding that he is interested in that transaction, arrangement or matter or has in relation to it a duty which conflicts or may conflict with the interests of the Company, and he may retain for his own absolute use and benefit all profits and advantages accruing to him in respect of that transaction, arrangement or matter.

APPOINTMENT AND REMOVAL OF DIRECTORS

7.(1) The immediate holding company (if any) for the time being of the Company may appoint any person to be a director or remove any director from office. Every such appointment or removal shall be in writing and signed by or on behalf of the said holding company and shall take effect upon receipt at the registered office of the Company or by the secretary.

(2) While the Company is a subsidiary, the directors shall have power to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors, subject to any maximum for the time being in force, and any director so appointed shall (subject to regulation 81 of Table A) hold office until he is removed pursuant to Article 7(1).

(3) While the Company is a subsidiary, regulations 73 to 80 (inclusive) of Table A shall not apply to the Company and all references elsewhere in Table A to retirement by rotation shall be modified accordingly.

PROCEEDINGS OF DIRECTORS

8.(1) A resolution which has been agreed upon by all the directors for the time being entitled to receive notice of a meeting of the directors or of a committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) that committee of the directors duly convened and held, and for this purpose -

- (a) a resolution to which an alternate director has agreed need not also be agreed to by his appointor; and
- (b) a resolution to which a director who has appointed an alternate director has agreed need not also be agreed to by the alternate director in that capacity.

(2) Without prejudice to the first sentence of regulation 88 of Table A, a meeting of the directors or of a committee of the directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles and in Table A shall be construed accordingly.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

W. Jambrook, for and on behalf of

The British Steel Corporation
9 Albert Embankment
London SE1 7SN

Statutory Company

B. D. Ingham

For and on behalf of

Guest Keen and Nettlefolds plc
Ipsley House
Ipsley Church Lane
Redditch
Worcestershire B98 0TL

Public Limited Company

Dated the *20th* day of *Feb.* 1986

Witness to the above signatures:

P. T. Rafter

P. T. RAFTER

C14N

CRANFORD HO.

SMETHWICK

W. MIDLANDS.

**Statement of first directors
and secretary and intended
situation of registered office**

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write in
this margin

Pursuant to section 10 of the Companies Act 1985

To the Registrar of Companies

For official use

Please complete
legibly, preferably
in black type, or
bold block lettering

1992636

Name of company

* Insert full name
of company

* UNITED ENGINEERING STEELS LIMITED

The intended situation of the registered office of the company on incorporation is as stated below

GRINDALL HOUSE	
25 NEWGATE STREET	
LONDON	
Postcode	EC1A 7LH

If the memorandum is delivered by an agent for the subscribers of the memorandum please mark 'X' in the box opposite and insert the agent's name and address below

☐

FRESHFIELDS	
GRINDALL HOUSE, 25 NEWGATE STREET,	
LONDON	
Postcode	EC1A 7LH

Number of continuation sheets attached (see note 1)

2

Presentor's name address and
reference (if any):

Freshfields
Grindall House
25 Newgate Street
London EC1A 7LH

Ref: JNB/CGN/RSA

For official Use
General Section

Post room

The name(s) and particulars of the person who is, or the persons who are, to be the first director or directors of the company (note 2) are as follows:

Please do not write in this margin

Name (note 3)		GORDON HARTLEY SAMBROOK		Business occupation Chairman and Board Member	
Previous name(s) (note 3)				Nationality British	
Address (note 4)		3 The Briars Sarratt, Herts		Date of birth (where applicable) (note 6) 9.1.30	
		Postcode	WD3 6AU		
Other directorships † B.S.C. Liaison Services Limited; Allied Steel & Wire (Holdings) Ltd; Iron Trades Employers Insurance Association Ltd; Iron Trades Mutual Insurance Co. Ltd; Brierley Hill Investments Ltd; United Merchant Bar plc					
I consent to act as director of the company named on page 1					
Signature <i>Gordon Sambrook</i>				Date 20.2.86	

† enter particulars of other directorships held or previously held (see note 5) if this space is insufficient use a continuation sheet.

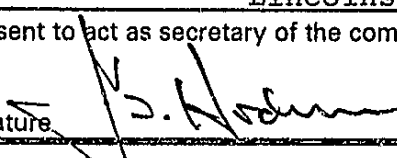
Name (note 3)		JOHN TREVOR HODSON		Business occupation Finance Controller	
Previous name(s) (note 3)				Nationality British	
Address (note 4)		Rose Cottage Farm, Church Lane, South Willingham, Lincolnshire		Date of birth (where applicable) (note 6) 31.7.31	
		Postcode	LN3 6NH		
Other directorships † Allied Steel & Wire (Holdings) Ltd; Cromdane Steel (UK) Ltd; Teesside Slag Ltd; Scunthorpe Slag Ltd; Staveley Chemicals Ltd; Flixborough Wharf Ltd; United Merchant Bar plc					
I consent to act as director of the company named on page 1					
Signature <i>J. Hodson</i>				Date 20.2.86	

Name (note 3)				Business occupation	
Previous name(s) (note 3)				Nationality	
Address (note 4)				Date of birth (where applicable) (note 6)	
		Postcode			
Other directorships †					
I consent to act as director of the company named on page 1					
Signature				Date	

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legibly, preferably
in black type, or
bold block lettering

The name(s) and particulars of the person who is, or the persons who are, to be the first secretary, or joint secretaries, of the company are as follows:

Name (notes 3 & 7)		JOHN TREVOR HODSON	
Previous name(s) (note 3)			
Address (notes 4 & 7)		Rose Cottage Farm,	
		Church Lane, South Willingham,	
Lincolnshire		Postcode	LN3 GNH
I consent to act as secretary of the company named on page 1			
Signature		Date	
		20.2.86.	

Name (notes 3 & 7)			
Previous name(s) (note 3)			
Address (notes 4 & 7)			
		Postcode	
I consent to act as secretary of the company named on page 1			
Signature		Date	

delete if the form is
signed by the
subscribers

Signature of agent on behalf of subscribers		Date	
---	--	------	--

delete if the form is
signed by an agent on
behalf of the
subscribers.

All the subscribers
must sign either
personally or by a
person or persons
authorised to sign
for them.

Signed	<u>B.D. Inzch</u>	For and on behalf of		Date	20 th FEB. 1986
Signed	<u>M. Jambrook</u>	For and on behalf of	BJC	Date	20.2.86.
Signed				Date	
Signed				Date	
Signed				Date	
Signed				Date	

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COMPANIES FORM No. 10 (cont.)

Statement of first directors and secretary and intended situation of registered office (continuation)

Please complete
legibly, preferably
in black type, or
bold block lettering

Continuation sheet No 1
to Form No. 10

Company number

1992636

Name of company

* Insert full name
of company

* UNITED ENGINEERING STEELS LIMITED

Particulars of other directors (continued)

Name (note 3)	DAVID BRYAN LEES	Business Occupation	Finance Director
Previous name(s) (note 3)		Nationality	British
Address (note 4)	Burnside House, Mill Road, Meale Brace, Shrewsbury	Date of birth (where applicable) (note 6)	23.11.36
	Postcode	S13 9JT	
I consent to act as director of the company named above (notes 9 and 10)			
Signature		Date 20/1/86.	

Particulars of other directorships

Guest Keen & Nettlefolds plc;
Circe Limited; Allied Steel and Wire (Holdings) Ltd;
Homegrove Investments Ltd.

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write in
this margin

COMPANIES FORM No. 10 (cont.)

**Statement of first directors and
secretary and intended situation
of registered office (continuation)**

Continuation sheet No 2
to Form No. 10

Company number

1992636

Please complete
legibly, preferably
in black type, or
bold block lettering

Name of company

* Insert full name
of company

* UNITED ENGINEERING STEELS LIMITED
--

Particulars of other directors (continued)

Name (note 3) BRIAN DOUGLAS INSCH		Business Occupation Director
Previous name(s) (note 3)		Nationality British
Address (note 4) 9 Station Road, Blackwell, Bromsgrove, Worcestershire		Date of birth (where applicable) (note 6) 2.2.42
	Postcode B60 1OB	
I consent to act as director of the company named above (notes 9 and 10)		
Signature B. D. Insch.		Date 20th FEB. 1986.

Particulars of other directorships

Guest, Keen & Nettlefolds plc;
Allied Steel and Wire (Holdings) Ltd;
British Bright Bar Ltd; British Independent Steel
Producers Association Ltd; BISPA (Pension Trustees) Ltd;
Bispa (Properties) Ltd.

FILE COPY



CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

No. 1992036

I hereby certify that

UNITED ENGINEERING STEELS LIMITED

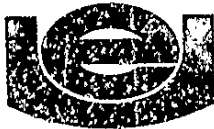
is this day incorporated under the Companies Act 1985 as a
private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the 27TH FEBRUARY 1986

A handwritten signature in cursive script, appearing to read 'E. J. Jones'.

MRS. E. J. JONES

an authorised officer



UNITED ENGINEERING STEELS LIMITED

P.O. Box 29, Sheffield Road, Rotherham S60 1DQ.
Telephone: (0709) 371234 Telex: 54269

No. 1992636

COMPANIES ACT 1985

UNITED ENGINEERING STEELS LIMITED
Company Limited by Shares

SPECIAL RESOLUTION

Passed at Extraordinary General Meeting of the Company held
at Freshfields, Grindall House, 25 Newgate Street, London,
EC1A 7LH on 24th March 1986.

RESOLVED

"THAT the Articles of Association of the Company be altered by
adopting the regulations contained in the document marked 'A'
and signed for identification by the Chairman of the Meeting
as the Articles of Association in substitution for, and to
the exclusion of, all existing Articles of Association of the
Company."

DATED 24th March 1986.

By Order of the Board



.....
Director

Registered Office: P.O. Box 29, Sheffield Road, Rotherham,
S60 1DQ.

ARL/14/4/86

**Notice of accounting reference date
(to be delivered within 6 months of
incorporation)**

224

Please do not
write in
this margin

Pursuant to section 224 of the Companies Act 1985

**Please complete
legibly, preferably
in black type, or
bold block lettering**

To the Registrar of Companies

For official use

Company number

11-10-68

1992636

Name of company

* UNITED ENGINEERING STEELS LIMITED

* insert full name
of company

gives notice that the date on which the company's accounting reference period is to be treated as coming to an end in each successive year is as shown below;

Important
The accounting reference date to be entered alongside should be completed as in the following examples:

Day Month

3	1	1	2
---	---	---	---

5 April
Day Month

0	5	0	4
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30 June
Day Month

3	0	0	6
---	---	---	---

31 December
Day Month

3	1	7	2
---	---	---	---

† Delete as appropriate

Signed

[Director][Secretary]† Date 24.3.86

Presentor's name address and reference (if any):

A. R. Love,
United Engineering
Steels Limited,
P.O. Box 29,
Sheffield Road,
ROTHERHAM.
S60 1DQ

For official Use
General Section

Post room



1992636

17

A.

W. Dumbach

ARTICLES OF ASSOCIATION of
UNITED ENGINEERING STEELS LIMITED

As at 24 March, 1986

The Companies Act 1985
Company Limited by
Shares
No. 1992636

B-

TABLE A

1. Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Companies Act 1985, as in force at 21 March 1986, the date of the adoption of these Articles (in these Articles referred to as "Table A"), shall apply to the Company.

2. The following provisions of Table A shall not apply to the Company - regulation 50; in regulation 62(a): the words "not less than 48 hours"; in regulation 62(b): the words "not less than 24 hours"; regulations 73 to 79 inclusive; regulation 88; regulation 89; regulation 91; regulations 94 to 98 inclusive.

SHARE CAPITAL

3. The authorised share capital of the Company is £535,000,000 divided into 35,000,000 non-cumulative redeemable convertible capped participation preference shares of £1 each (the "Preference Shares"), 100,000,000 capped participation shares of £1 each (the "Capped Participation Shares") and 400,000,000 ordinary shares of £1 each (the "Ordinary Shares").

4.(1) The Preference Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:-

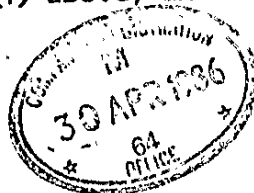
(a) As to Income

Each Preference Share shall confer on the holder of it:-

(i) the right to a fixed non-cumulative preferential dividend equal to 5 per cent. per annum on the nominal amount of the relevant Preference Share, which dividend shall rank for payment in priority to the payment of dividend on the Ordinary Shares and Capped Participation Shares;

(ii) the further right, in respect of any financial year of the Company, to participate pari passu with the holders of the Capped Participation Shares in any profits of the Company available for distribution and which shall remain:

(aa) after paying the fixed non-cumulative preferential dividend on the Preference Shares in respect of that financial year as referred to in (i) above; and



- (bb) after paying a total dividend on each Ordinary Share and each Capped Participation Share for such financial year equal to 5 per cent. per annum on the nominal capital paid up, or credited as paid up, on it

PROVIDED THAT no dividend, whether under (i) or (ii) above, shall be payable on the Preference Shares:

- In respect of the four years commencing on 1 January, 1986 or, unless dividends are declared on the Ordinary Shares in respect of the year commencing 1 January, 1990, in respect of the year commencing on 1 January, 1990; and
- In respect of any financial year of the Company unless the total amount of the fixed rate non-cumulative dividend payable in respect of the Preference Shares then in issue is covered at least 3 times by the amount of consolidated ~~pre-tax profits~~ ^{post} of the Company in respect of that financial year - provided further that if such profit cover is achieved in respect of any financial year, the dividend referred to in (ii)(aa) above must be declared on the Preference Shares for that financial year to the extent that the Company has available distributable profits to allow such declaration in accordance with the Companies Act 1985.

No dividend shall be paid in respect of the Ordinary Shares or the Capped Participation Shares in respect of the four years commencing on 1 January 1986. If, in respect of any other financial year of the Company, the dividend on the Ordinary Shares or on the Capped Participation Shares is declared then there shall be declared on the Preference Shares the dividend to which they would be entitled under the above provisions but disregarding the 3 times profit cover requirement.

(b) As to Capital

Each Preference Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members applied, in priority to any payment to the holders of the Ordinary Shares and the Capped Participation Shares and pari passu with the other holders of UES Preference Shares, in paying to him:

- (i) the capital paid up, or credited as paid up, on such share; and
- (ii) a sum equal to the arrears of any of the fixed rate non-cumulative dividend on such share to the extent that the same has been declared but remains unpaid

together with the further right, after repayment to the holders of the Ordinary Shares and the Capped Participation Shares of the capital paid up or credited as paid up on their shares plus any arrears of dividend,

to participate in any surplus assets of the Company pari passu with the holders of the Capped Participation Shares.

(c) As to Voting

Whilst the holders of the Preference Shares shall be entitled at all times to receive notice of and to attend at all General Meetings of the Company, they shall have no right to vote at any General Meeting of the Company:

- (a) unless at the date of such notice convening the relevant meeting Preference Shares required to be redeemed by the Company pursuant to the provisions referred to in paragraph (d) below have not been redeemed on the due date or on a date subsequent to the due date but prior to the date of the notice convening the meeting; or
- (b) save as regards any resolution for the winding up of the Company; or
- (c) unless at the date of such notice convening the relevant meeting payment of a dividend declared on the Preference Shares is in arrears or a dividend which should have been declared and paid on the Preference Shares in accordance with the above provisions of this Schedule has not been so declared and paid.

In any such event each Preference Share shall (unless the relevant holder has previously notified the Company in writing that it waives its entitlement to vote at the relevant meeting) on a show of hands confer on the holder, if present in person, the right to one vote and shall, upon a poll, confer on such holder who is present in person or by proxy one vote for every Preference Share held by him.

(d) As to Redemption

- (i) If, in respect of a financial year of the Company, profits of the Company are available for distribution to its members and the board of directors of the Company resolves to recommend the payment of a dividend to the holders of the Ordinary Shares, the Company shall serve notice on the holders of the Preference Shares immediately following such resolution and each holder of Preference Shares shall have the right to require the Company to apply an amount calculated by reference to the following formula to the redemption of the Preference Shares held by him (but not so that such holder may require the Company to redeem a Preference Share in part only). The formula referred to above is as follows:

$$\frac{(A)(B)}{3(C)}$$

Where:

A = total dividend recommended for distribution to members less the fixed rate non-cumulative dividend payable in respect of the Preference Shares;

B = number of Preference Shares held by the relevant holder; and

C = total number of Preference Shares in issue.

- (ii) A holder of Preference Shares shall, within a period of 21 days from the date of the Company posting to him notice of his entitlement to redemption (which notice shall specify the maximum number of Preference Shares which he is on that occasion entitled to redeem), notify the Company by notice in writing to its registered office of the number of Preference Shares (if any) which he wishes to redeem in connection with such notified right of redemption. Such notice by the holder shall specify the registered numbers of the Preference Shares he wishes to redeem and shall be accompanied by the share certificate(s) covering such shares. A notice of election to redeem, once given, shall not be revocable except with the written consent of the Company.
- (iii) To the extent that a holder of Preference Shares becomes entitled to require the Company to redeem pursuant to (i) above but declines to require the Company to redeem, he shall lose the right to redemption in respect of that number of Preference Shares then redeemable which he chose not to have redeemed. For this purpose it shall be assumed that the relevant holder would have redeemed first those of his Preference Shares carrying the lowest registered numbers. The Company shall make an appropriate note in its register of members recording the loss of redemption rights in respect of the relevant Preference Shares and the relevant holder shall, upon request by the Company, submit its share certificate(s) in respect of such Preference Shares for appropriate endorsement.
- (iv) Upon receipt of notice of election to redeem together with the relevant share certificate(s), the Company shall pay to such holder (or, in the case of joint holders to the holder whose name stands first in the register of members of the Company in respect of such Preference Shares) the amount due to him in respect of such redemption by posting a cheque for the nominal amount of the relevant shares (together with an amount equal to the dividend which would have been payable on the relevant shares pursuant to the declaration of dividend which gave rise to that redemption right) to the address of such holder appearing in the register of members. If any certificate so delivered to the Company, includes any Preference Shares not redeemable on that occasion a new certificate for such Preference Shares shall be issued free of

charge to the holder delivering such certificate to the Company. Such new certificate shall be sent to the relevant holder at such holder's risk and to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).

(e) As to Conversion

- (i) A holder of Preference Shares shall be entitled in the circumstances and in the manner set out below to convert all or any of his Preference Shares into fully paid Ordinary Shares in the ratio of one Ordinary Share for every one Preference Share held provided that in the event of any change in the share capital structure of the Company arising from any sub-division or consolidation of shares, any capitalisation of profits or reserves, any issue of shares by way of rights or any other matter material to the conversion rights of the Preference Shares, the ratio of Ordinary Shares to each Preference Share arising from any conversion of Preference Shares shall be adjusted accordingly and holders of Preference Shares shall be notified by the Company of such adjustment.
- (ii) The right to convert referred to above shall be exercisable at any time in the period of 28 days after the date on which:
 - (aa) any share capital of the Company is issued or sold to the public for cash, whether such issue is made pursuant to an offer for sale, prospectus issue, or otherwise; or
 - (bb) there is transferred to any party other than British Steel Corporation ("BSC"), Guest Keen and Nettlefolds plc ("GKN") or any of their respective subsidiaries such number of Ordinary Shares and/or Capped Participation Shares and/or any other shares in the capital of the Company carrying the right to vote at general meetings of the Company as will result in the total nominal value of such shares held by parties other than BSC, GKN or their respective subsidiaries exceeding 25% of the total issued nominal value of such shares at that time.

The Company shall notify the holders of the Preference Shares (by notice in writing to the relevant address appearing on the register of members) within 21 days of the occurrence of either of the events referred to above, specifying the date of the occurrence and referring to the holders' consequent right to convert. Failure by the Company so to notify a holder of Preference Shares shall extend the period during which such holder may exercise his conversion rights by the number of days over 21 by which the Company notice is delayed.

- (iii) A holder of Preference Shares entitled to convert in accordance with the above provisions may exercise his right by sending written notice of election to convert to the registered office of the Company within the specified period. Such notice shall state the total number of Preference Shares which he wishes to convert and the relevant registered numbers and shall be accompanied by the relevant share certificate(s). Notice of election to convert, once given, may not be withdrawn except with the written consent of the Company.
- (iv) Conversion may, subject to the provisions of the Companies Act 1985, be effected in such manner as the directors of the Company shall from time to time determine and in particular by the redemption of Preference Shares and the application of the redemption moneys on behalf of the holder of the Preference Shares so redeemed in subscription for Ordinary Shares.
- (v) The Ordinary Shares arising on any such conversion shall rank pari passu in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and other distributions declared paid or made on the Ordinary Shares for the then current accounting period in which the relevant conversion falls.
- (vi) Within twenty eight days after the date of conversion the Company shall issue and forward free of charge to each converter a share certificate for the appropriate amount of Ordinary Shares arising from such conversion together with, if appropriate, a new share certificate for any unconverted Preference Shares comprised in the share certificate surrendered by him. Such documents shall be sent at the risk of the converter to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).
- (vii) Notwithstanding anything to the contrary in this paragraph (e), a holder of Preference Shares who becomes entitled to convert them as referred to above may, if he so elects, convert them into Capped Participation Shares (at the rate of one Preference Share for one Capped Participation Share) rather than Ordinary Shares, but otherwise on the terms and subject to the provisions of this Article 3.
- (f) As to Variation of Rights
- (i) The special rights or privileges attached to the Preference Shares may be varied, modified, altered or abrogated either with the consent of the holders of not less than three fourths of the issued Preference Shares or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Preference Shares at which the necessary quorum shall be the holders of one-third of the Preference

Shares for the time being in issue. To every such general meeting the provisions of the Articles of Association of the Company relating in any manner to general meetings or the proceedings at such meetings or to the rights of the members at or in connection with such meetings shall, mutatis mutandis and subject to the provisions of the Companies Act 1985, apply.

- (II) The Issue of further shares in the capital of the Company ranking in priority to the Preference Shares shall be deemed to be a variation of the rights attached to the Preference Shares.
- (III) So long as any Preference Shares remain capable of being converted into Ordinary Shares:-
 - (aa) the Company shall not distribute to its members any capital profits or capital reserves or any profits or reserves arising from a distribution of capital profits or capital reserves made by a subsidiary of the company except in such case to the holders of Ordinary Shares and Preference Shares and the said Preference Shares shall rank for this purpose as if the same had been converted in accordance with paragraph (d). Upon any allotment of fully paid Ordinary Share capital pursuant to a capitalisation of profits or reserves to Ordinary Shareholders the nominal amount of Ordinary Share capital to be issued in respect of Preference Shares converted subsequently shall be increased in due proportion.
 - (bb) If any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (iii) below apply) is made to the holders of the Ordinary Share capital, the Company shall make or, so far as it is able, procure that there is made to each holder of Preference Shares a like offer or invitation as he would have received if he had exercised in full the right of conversion attached to all the Preference Shares held by him on the specified date for such offer or invitation on the basis of the conversion rate contained in paragraph (d)(i).
 - (cc) If an offer is made to the holder of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the Issued Ordinary Share capital or any person proposes a scheme with regard to such acquisition and the Company becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons mentioned above, the

Company shall give written notice to all holders of Preference Shares of such vesting within 21 days of it becoming so aware and each such holder shall be entitled within the period of 21 days from the date of such notice to convert some or all of his Preference Shares into fully paid Ordinary Shares (or, if the holder so chooses pursuant to paragraph (e)(vii) above, fully paid Capped Participation Shares) on the basis set out above.

- (dd) No share capital of the Company carrying the rights to vote at general meetings of the Company shall be in issue which is not in all respects uniform with the Ordinary Shares or the Capped Participation Shares or the Preference Shares save:
 - (i) as to the date from which such capital shall rank for dividend; or
 - (ii) for such share capital which has attached to it rights which in no respect are more favourable than those attached to the Ordinary Shares in issue on 1 April, 1986.
 - (ee) No resolution shall be passed for the reduction of the share capital of the Company or any uncalled liability or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Companies Act 1985 or for the purchasing by the Company of any of its own shares.
 - (ff) No resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied, altered or abrogated without the consent of the holders of the Preference Shares as a class obtained in a manner provided in the Articles of Association of the Company.
 - (gg) The Company shall procure that at all times after a right to convert in accordance with the above provisions has arisen there shall be sufficient unissued Ordinary Share capital (or, if the right in paragraph (e)(vii) above is exercised, sufficient unissued Capped Participation Share capital) available for the purposes of satisfying the requirements of any notice of election to convert as may be served on and received by the Company in accordance with the terms of this Article.
- (2) The Capped Participation Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:-

(a) As to Voting

Each Capped Participation Share shall confer on the holder the right to receive notice of and to attend (either in person or by proxy) at any General Meeting of the Company and upon a show of hands every holder of any Capped Participation Share who is present in person shall have one vote and upon a poll every such holder who is present in person or by proxy shall have one vote for every Capped Participation Share held by him.

(b) As to Income

Each Capped Participation Share shall confer on the holder of it the right, in respect of any financial year of the Company, to participate on equal terms (subject as mentioned below) with the holders of Ordinary Shares in any profits of the Company available for distribution and resolved to be distributed which shall remain after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to income PROVIDED THAT the amount of such participation shall not, in respect of any financial year of the Company, exceed £1 per Capped Participation Share so held.

(c) As to Capital

Each Capped Participation Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members (after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to repayment of capital) applied, pari passu with the holders of the Ordinary Shares, in repaying the capital paid up, or credited as paid up, on such Capped Participation Share and then to participate in any surplus assets pari passu with the holders of the Ordinary Shares PROVIDED THAT the amounts of such participation in surplus assets after repayment of capital paid up shall not exceed £10 per Capped Participation Share so held.

(3) Subject to the provisions of the Companies Act 1985 relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, and they may (subject as aforesaid) allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit.

DIRECTORS

5. A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.

INTEREST OF DIRECTORS

6. A director may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of a quorum and may retain for his own absolute use and benefit all profits and advantages accruing to him.

APPOINTMENT OF DIRECTORS

7. The Company from time to time may by ordinary resolution appoint any person to be a director and determine the period for which such person is to hold office.

PROCEEDINGS OF DIRECTORS

8.(1) The directors may, subject to the provisions of these Articles, regulate their proceedings as they think fit. Meetings of the directors shall be held at intervals of not more than three months. A director may, and the secretary at the request of a director shall, call a meeting of the directors. While British Steel Corporation ("BSC") and Guest Keen and Nettlefolds plc ("GKN") continue to have an agreement regarding nomination of directors of the Company, at least 21 days' notice of any such meeting shall be given to the directors save that meetings may be held at shorter notice if at least one of the directors so nominated by GKN (a "GKN nominee") and at least one of the directors so nominated by BSC (a "BSC nominee") (or in each case an alternate director appointed by the nominee for such meeting) agree to it.

(2) The quorum for the transaction of the business of the directors shall be two directors present in person, provided that while BSC and GKN continue to have an agreement regarding nomination of directors of the Company at least one of such directors must be a BSC nominee and at least one must be a GKN nominee (or in each case their respective alternate directors). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum (subject to the foregoing).

(3) Resolutions of the directors shall be passed by simple majority of those directors attending and voting, provided that while BSC and GKN continue to have an agreement regarding nomination of directors of the Company at least one BSC nominee and at least one GKN nominee (or in each case their respective alternate directors) must vote in favour of the resolution in question. The chairman of the meeting shall not have a casting vote. A director who is also an alternate director shall, in the absence of his appointor, be entitled to a separate vote on behalf of his appointor in addition to his own vote.

(4) It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom unless he has given to the Company an address in the United Kingdom at which notices can be served on him.

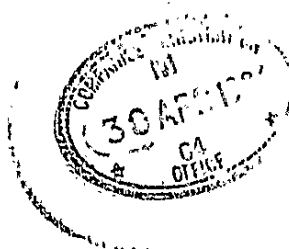
9. The Chairman and a Deputy Chairman of the directors shall, while BSC and GKN continue to have an agreement regarding nomination

of directors of the Company, be appointed and removed pursuant to such agreement.

NO. 1992636

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
of
UNITED ENGINEERING STEELS LIMITED

24 March, 1986





CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY

No. 1992636

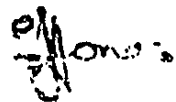
I hereby certify that

UNITED ENGINEERING STEELS LIMITED

is this day incorporated under the Companies Act 1985 as a
private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the

27TH FEBRUARY 1986


M. G. F. JONES

an authorised officer

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

MEMORANDUM OF UNITED ENGINEERING STEELS LIMITED

1. The name of the Company is "UNITED ENGINEERING STEELS LIMITED".
2. The Registered Office of the Company will be situate in England.
3. The objects for which the Company is established are:-
 - (A) To acquire the undertaking carried on by British Steel Corporation at the date of incorporation of the Company and known as British Steel Corporation Special Steels Division and to acquire also the companies listed below which are at the date of incorporation of the Company wholly-owned subsidiary companies of Guest Keen and Nettlefolds plc:
 - (i) Brymbo Steels Works Limited, a private company limited by shares and registered in England with no. 48605;
 - (ii) GKN Forgings Limited, a private company limited by shares and registered in England with no. 67646;
 - (iii) Parson Limited, a private company limited by shares and registered in England with no. 413597;
 - (iv) GKN International (Italy) Srl, an Italian private company limited by shares;
 - (v) GKN Steels Inc., a Delaware corporation; and
 - (vi) GKN International Trading (Europa) GmbH, a German company.
 - (B) To carry on the businesses of iron and steel makers, including but without limitation to the trades or businesses of iron founders, iron masters, iron workers, steel workers, steel refiners, steel converters, casters, forgers, brass founders, and carry on the trades or businesses of manufacturers of and dealers in special and engineering steels, steel ingots, rolled, forged and cast products of all descriptions, including (but without being limited to) bars and billets of alloy and carbon steels for the general engineering trades, forgings for the motor, marine, chemical, electrical, mechanical engineering and

other industries, wear-resisting castings, high-speed steels and tool steels, hardened steel rolls, alloy steel rings and heavy engineering plant such as presses and mills, stainless steel ingots and other products and to carry on the trades or businesses of manufacturers of and dealers in any other metals, minerals or mineral alloys, ordnance, weapons, ammunition, armaments, steam, gas, electrical, oil, petrol or other engines, and metal goods, and articles of all descriptions, metal polishers, colliery owners, coal merchants, manufacturers and refiners of and dealers in all products of the carbonization of coal, quarry owners, metallurgists, smelters, engineers, tin-plate workers, mechanical engineers, brick makers and general merchants and factors and to act as insurers in respect of any of the above.

- (C) To carry on the business of a holding company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business including (but without being limited to) companies carrying on any of the businesses referred to in paragraphs (C) and (D) below, and to control, co-ordinate and manage the business, activities and affairs of the same and to exercise and enforce all rights conferred by or incident to the ownership of any such shares, stock, obligations or other securities, and to acquire and hold debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
- (D) To acquire by any means any real or personal property or rights whatsoever.
- (E) To carry out such operations and to manufacture or deal with such goods and to purchase or otherwise acquire, take options over, construct, lease, hold, manage, maintain, alter, develop, exchange or deal with such property, rights or privileges (including the whole or part of the business, property or liabilities of any other person or company) as may seem to the Board of Directors directly or indirectly to advance the interests of the Company.
- (F) To carry on any other trade or business whatever which, in the opinion of the Board of Directors, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- (G) To enter into such commercial or other transactions in connection with any trade or business of the Company as may

seem desirable to the Board of Directors for the purpose of the Company's affairs.

- (H) To apply for, purchase or otherwise acquire, protect, maintain and renew any patents, patent rights, trade marks, designs, licences and other intellectual property rights of all kinds or any secret or other information as to any invention and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to experiment with any such rights which the Company may propose to acquire.
- (I) To invest and deal with the moneys of the Company not immediately required in any manner and hold and deal with any investment so made.
- (J) To pay or to provide or to make such arrangements for providing such gratuities, pensions, benefits, share option and acquisition schemes, loans and other matters and to establish, support, subsidise and subscribe to any institutions, associations, clubs, schemes, funds or trusts (whether to or for the benefit of present or past directors or employees of the Company or its predecessors in business or of any company which is a subsidiary company of the Company or is allied to or associated with the Company or with any such subsidiary company or to or for or for the benefit of persons who are or were related to or connected with or dependants of any such directors or employees) as may seem to the Board of Directors directly or indirectly to advance the interests of the Company.
- (K) To draw, make, accept, indorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (L) To act as agents, brokers or trustees, and to enter into such arrangements (whether by way of amalgamation, partnership, profit sharing, union of interests, co-operation, joint venture or otherwise) with other persons or companies as may seem to the Board of Directors to advance the interests of the Company and to vest any property of the Company in any person or company on behalf of the Company and with or without any declaration of trust in favour of the Company.
- (M) To apply for, promote and obtain any Act of Parliament, Charter, privilege, concession, licence or authorisation of any government, state or municipality, or any other department or authority, or enter into arrangements with any such body, for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem to the Board of Directors to be expedient, and to oppose any proceedings or

applications which may seem calculated directly or indirectly to prejudice the interests of the Company.

- (N) To sell, lease, dispose of, grant rights over or otherwise deal with the undertaking, property or assets of the Company or any part thereof on such terms as the Board of Directors may decide, and to distribute any property or assets of the Company of whatever kind in specie among the members of the Company.
- (O) To pay for any rights or property acquired by the Company and to remunerate any person or company, whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part, or by any other method the Board of Directors think fit.
- (P) To establish or promote companies and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire, hold, dispose of and deal with, and guarantee the payment of interest, dividends and capital on, all or any of the shares, debentures, debenture stock or other securities or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue upon such terms as the Board of Directors may decide.
- (Q) To co-ordinate, finance and manage all or any part of the operations of any company which is a subsidiary company of or otherwise under the control of the Company and generally to carry on the business of a holding company.
- (R) To carry on through any subsidiary or associated company any activities which the Company is authorised to carry on and to make any arrangements whatsoever with such company (including any arrangements for taking the profits or bearing the losses of any such activities) as the Board of Directors of the Company may think fit.
- (S) To raise or borrow money in such manner as the Board of Directors may think fit and to receive deposits and to mortgage, charge, pledge or give liens or other security over the whole or any part of the Company's undertaking, property and assets (whether present or future), including its uncalled capital, for such purposes and in such circumstances and upon such terms and conditions as the Board of Directors may think fit.
- (T) To lend or advance money and to give credit and to enter (whether gratuitously or otherwise) into guarantees or indemnities of all kinds, and whether secured or unsecured, whether in respect of its own obligations or those of some other person or company in such circumstances and upon such terms and conditions as the Board of Directors may think fit.

- (U) To pay or agree to pay all or any of the promotion, formation and registration expenses of the Company.
- (V) To contribute to or support any public, general, political, charitable, benevolent or useful object, which it may seem to the Board of Directors to be in the interests of the Company or its members to contribute to or support.
- (W) To do all or any of the above things in any part of the world whether as principals or agents or trustees or otherwise and either alone or jointly with others and either by or through agents, subcontractors, trustees or otherwise.
- (X) To do all such other things as may be considered by the Board of Directors to further the interests of the Company or to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that (a) the objects set forth in each subclause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and (b) the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere, and (c) except where the context expressly so requires, none of the several paragraphs of this clause, or the objects therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxiliary to, any other paragraph of this clause, or the objects in such other paragraph specified, or the powers thereby conferred.

4. The liability of the members is limited.

5. The Share Capital of the Company is £100 divided into 100 shares of £1 each.

Note:

On 24th March 1986, the authorised capital was increased to £535,000,000.

WE, the several persons whose Names, Addresses and Descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each subscriber
---	--

G.H. Sambrook for and on behalf of
The British Steel Corporation
9 Albert Embankment
London SE1 7SN

One

Statutory Company

B.D. Insch for and on behalf of
Guest Keen and Nettlefolds plc
Ipsley House,
Ipsley Church Lane,
Redditch
Worcestershire B98 0TL

One

Public Limited Company

Dated the 20th day of February, 1986.

Witness to the above signatures:-

P.T. Rafter
Cranford House
Smethwick
West Midlands.

ARTICLES OF ASSOCIATION of
UNITED ENGINEERING STEELS LIMITED

As at 24 March, 1986

The Companies Act 1985
Company Limited by
Shares
No. 1992636

TABLE A

1. Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Companies Act 1985, as in force at 21 March 1986, the date of the adoption of these Articles (in these Articles referred to as "Table A"), shall apply to the Company.

2. The following provisions of Table A shall not apply to the Company - regulation 50; in regulation 62(a): the words "not less than 48 hours"; in regulation 62(b): the words "not less than 24 hours"; regulations 73 to 79 inclusive; regulation 88; regulation 89; regulation 91; regulations 94 to 98 inclusive.

SHARE CAPITAL

3. The authorised share capital of the Company is £535,000,000 divided into 35,000,000 non-cumulative redeemable convertible capped participation preference shares of £1 each (the "Preference Shares"), 100,000,000 capped participation shares of £1 each (the "Capped Participation Shares") and 400,000,000 ordinary shares of £1 each (the "Ordinary Shares").

4.(1) The Preference Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:-

(a) As to Income

Each Preference Share shall confer on the holder of it:-

(i) the right to a fixed non-cumulative preferential dividend equal to 5 per cent. per annum on the nominal amount of the relevant Preference Share, which dividend shall rank for payment in priority to the payment of dividend on the Ordinary Shares and Capped Participation Shares;

(ii) the further right, in respect of any financial year of the Company, to participate pari passu with the holders of the Capped Participation Shares in any profits of the Company available for distribution and which shall remain:

(aa) after paying the fixed non-cumulative preferential dividend on the Preference Shares in respect of that financial year as referred to in (i) above; and

- (bb) after paying a total dividend on each Ordinary Share and each Capped Participation Share for such financial year equal to 5 per cent. per annum on the nominal capital paid up, or credited as paid up, on it

PROVIDED THAT no dividend, whether under (i) or (ii) above, shall be payable on the Preference Shares:

- in respect of the four years commencing on 1 January, 1986 or, unless dividends are declared on the Ordinary Shares in respect of the year commencing 1 January, 1990, in respect of the year commencing on 1 January, 1990; and
- in respect of any financial year of the Company unless the total amount of the fixed rate non-cumulative dividend payable in respect of the Preference Shares then in issue is covered at least 3 times by the amount of consolidated post-tax profits of the Company in respect of that financial year - provided further that if such profit cover is achieved in respect of any financial year, the dividend referred to in (ii)(aa) above must be declared on the Preference Shares for that financial year to the extent that the Company has available distributable profits to allow such declaration in accordance with the Companies Act 1985.

No dividend shall be paid in respect of the Ordinary Shares or the Capped Participation Shares in respect of the four years commencing on 1 January 1986. If, in respect of any other financial year of the Company, the dividend on the Ordinary Shares or on the Capped Participation Shares is declared then there shall be declared on the Preference Shares the dividend to which they would be entitled under the above provisions but disregarding the 3 times profit cover requirement.

(b) As to Capital

Each Preference Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members applied, in priority to any payment to the holders of the Ordinary Shares and the Capped Participation Shares and pari passu with the other holders of UES Preference Shares, in paying to him:

- (i) the capital paid up, or credited as paid up, on such share; and
- (ii) a sum equal to the arrears of any of the fixed rate non-cumulative dividend on such share to the extent that the same has been declared but remains unpaid

together with the further right, after repayment to the holders of the Ordinary Shares and the Capped Participation Shares of the capital paid up or credited as paid up on their shares plus any arrears of dividend,

to participate in any surplus assets of the Company pari passu with the holders of the Capped Participation Shares.

(c) As to Voting

Whilst the holders of the Preference Shares shall be entitled at all times to receive notice of and to attend at all General Meetings of the Company, they shall have no right to vote at any General Meeting of the Company:

- (a) unless at the date of such notice convening the relevant meeting Preference Shares required to be redeemed by the Company pursuant to the provisions referred to in paragraph (d) below have not been redeemed on the due date or on a date subsequent to the due date but prior to the date of the notice convening the meeting; or
- (b) save as regards any resolution for the winding up of the Company; or
- (c) unless at the date of such notice convening the relevant meeting payment of a dividend declared on the Preference Shares is in arrears or a dividend which should have been declared and paid on the Preference Shares in accordance with the above provisions of this Schedule has not been so declared and paid.

In any such event each Preference Share shall (unless the relevant holder has previously notified the Company in writing that it waives its entitlement to vote at the relevant meeting) on a show of hands confer on the holder, if present in person, the right to one vote and shall, upon a poll, confer on such holder who is present in person or by proxy one vote for every Preference Share held by him.

(d) As to Redemption

- (i) If, in respect of a financial year of the Company, profits of the Company are available for distribution to its members and the board of directors of the Company resolves to recommend the payment of a dividend to the holders of the Ordinary Shares, the Company shall serve notice on the holders of the Preference Shares immediately following such resolution and each holder of Preference Shares shall have the right to require the Company to apply an amount calculated by reference to the following formula to the redemption of the Preference Shares held by him (but not so that such holder may require the Company to redeem a Preference Share in part only). The formula referred to above is as follows:

$$\frac{(A)(B)}{3(C)}$$

Where:

- A = total dividend recommended for distribution to members less the fixed rate non-cumulative dividend payable in respect of the Preference Shares;
- B = number of Preference Shares held by the relevant holder; and
- C = total number of Preference Shares in issue.

- (ii) A holder of Preference Shares shall, within a period of 21 days from the date of the Company posting to him notice of his entitlement to redemption (which notice shall specify the maximum number of Preference Shares which he is on that occasion entitled to redeem), notify the Company by notice in writing to its registered office of the number of Preference Shares (if any) which he wishes to redeem in connection with such notified right of redemption. Such notice by the holder shall specify the registered numbers of the Preference Shares he wishes to redeem and shall be accompanied by the share certificate(s) covering such shares. A notice of election to redeem, once given, shall not be revocable except with the written consent of the Company.
- (iii) To the extent that a holder of Preference Shares becomes entitled to require the Company to redeem pursuant to (i) above but declines to require the Company to redeem, he shall lose the right to redemption in respect of that number of Preference Shares then redeemable which he chose not to have redeemed. For this purpose it shall be assumed that the relevant holder would have redeemed first those of his Preference Shares carrying the lowest registered numbers. The Company shall make an appropriate note in its register of members recording the loss of redemption rights in respect of the relevant Preference Shares and the relevant holder shall, upon request by the Company, submit its share certificate(s) in respect of such Preference Shares for appropriate endorsement.
- (iv) Upon receipt of notice of election to redeem together with the relevant share certificate(s), the Company shall pay to such holder (or, in the case of joint holders to the holder whose name stands first in the register of members of the Company in respect of such Preference Shares) the amount due to him in respect of such redemption by posting a cheque for the nominal amount of the relevant shares (together with an amount equal to the dividend which would have been payable on the relevant shares pursuant to the declaration of dividend which gave rise to that redemption right) to the address of such holder appearing in the register of members. If any certificate so delivered to the Company, includes any Preference Shares not redeemable on that occasion a new certificate for such Preference Shares shall be issued free of

charge to the holder delivering such certificate to the Company. Such new certificate shall be sent to the relevant holder at such holder's risk and to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).

(e) As to Conversion

- (i) A holder of Preference Shares shall be entitled in the circumstances and in the manner set out below to convert all or any of his Preference Shares into fully paid Ordinary Shares in the ratio of one Ordinary Share for every one Preference Share held provided that in the event of any change in the share capital structure of the Company arising from any sub-division or consolidation of shares, any capitalisation of profits or reserves, any issue of shares by way of rights or any other matter material to the conversion rights of the Preference Shares, the ratio of Ordinary Shares to each Preference Share arising from any conversion of Preference Shares shall be adjusted accordingly and holders of Preference Shares shall be notified by the Company of such adjustment.
- (ii) The right to convert referred to above shall be exercisable at any time in the period of 28 days after the date on which:
 - (aa) any share capital of the Company is issued or sold to the public for cash, whether such issue is made pursuant to an offer for sale, prospectus issue, or otherwise; or
 - (bb) there is transferred to any party other than British Steel Corporation ("BSC"), Guest Keen and Nettlefolds plc ("GKN") or any of their respective subsidiaries such number of Ordinary Shares and/or Capped Participation Shares and/or any other shares in the capital of the Company carrying the right to vote at general meetings of the Company as will result in the total nominal value of such shares held by parties other than BSC, GKN or their respective subsidiaries exceeding 25% of the total issued nominal value of such shares at that time.

The Company shall notify the holders of the Preference Shares (by notice in writing to the relevant address appearing on the register of members) within 21 days of the occurrence of either of the events referred to above, specifying the date of the occurrence and referring to the holders' consequent right to convert. Failure by the Company so to notify a holder of Preference Shares shall extend the period during which such holder may exercise his conversion rights by the number of days over 21 by which the Company notice is delayed.

- (iii) A holder of Preference Shares entitled to convert in accordance with the above provisions may exercise his right by sending written notice of election to convert to the registered office of the Company within the specified period. Such notice shall state the total number of Preference Shares which he wishes to convert and the relevant registered numbers and shall be accompanied by the relevant share certificate(s). Notice of election to convert, once given, may not be withdrawn except with the written consent of the Company.
- (iv) Conversion may, subject to the provisions of the Companies Act 1985, be effected in such manner as the directors of the Company shall from time to time determine and in particular by the redemption of Preference Shares and the application of the redemption moneys on behalf of the holder of the Preference Shares so redeemed in subscription for Ordinary Shares.
- (v) The Ordinary Shares arising on any such conversion shall rank pari passu in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and other distributions declared paid or made on the Ordinary Shares for the then current accounting period in which the relevant conversion falls.
- (vi) Within twenty eight days after the date of conversion the Company shall issue and forward free of charge to each converter a share certificate for the appropriate amount of Ordinary Shares arising from such conversion together with, if appropriate, a new share certificate for any unconverted Preference Shares comprised in the share certificate surrendered by him. Such documents shall be sent at the risk of the converter to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).
- (vii) Notwithstanding anything to the contrary in this paragraph (e), a holder of Preference Shares who becomes entitled to convert them as referred to above may, if he so elects, convert them into Capped Participation Shares (at the rate of one Preference Share for one Capped Participation Share) rather than Ordinary Shares, but otherwise on the terms and subject to the provisions of this Article 3.
- (f) As to Variation of Rights
 - (i) The special rights or privileges attached to the Preference Shares may be varied, modified, altered or abrogated either with the consent of the holders of not less than three fourths of the Issued Preference Shares or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Preference Shares at which the necessary quorum shall be the holders of one-third of the Preference

Shares for the time being in issue. To every such general meeting the provisions of the Articles of Association of the Company relating in any manner to general meetings or the proceedings at such meetings or to the rights of the members at or in connection with such meetings shall, mutatis mutandis and subject to the provisions of the Companies Act 1985, apply.

- (ii) The issue of further shares in the capital of the Company ranking in priority to the Preference Shares shall be deemed to be a variation of the rights attached to the Preference Shares.
- (iii) So long as any Preference Shares remain capable of being converted into Ordinary Shares:-
 - (aa) the Company shall not distribute to its members any capital profits or capital reserves or any profits or reserves arising from a distribution of capital profits or capital reserves made by a subsidiary of the company except in such case to the holders of Ordinary Shares and Preference Shares and the said Preference Shares shall rank for this purpose as if the same had been converted in accordance with paragraph (d). Upon any allotment of fully paid Ordinary Share capital pursuant to a capitalisation of profits or reserves to Ordinary Shareholders the nominal amount of Ordinary Share capital to be issued in respect of Preference Shares converted subsequently shall be increased in due proportion.
 - (bb) If any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (iii) below apply) is made to the holders of the Ordinary Share capital, the Company shall make or, so far as it is able, procure that there is made to each holder of Preference Shares a like offer or invitation as he would have received if he had exercised in full the right of conversion attached to all the Preference Shares held by him on the specified date for such offer or invitation on the basis of the conversion rate contained in paragraph (d)(i).
 - (cc) If an offer is made to the holder of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Share capital or any person proposes a scheme with regard to such acquisition and the Company becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons mentioned above, the

Company shall give written notice to all holders of Preference Shares of such vesting within 21 days of it becoming so aware and each such holder shall be entitled within the period of 21 days from the date of such notice to convert some or all of his Preference Shares into fully paid Ordinary Shares (or, if the holder so chooses pursuant to paragraph (e)(vii) above, fully paid Capped Participation Shares) on the basis set out above.

- (dd) No share capital of the Company carrying the rights to vote at general meetings of the Company shall be in issue which is not in all respects uniform with the Ordinary Shares or the Capped Participation Shares or the Preference Shares save:
 - (I) as to the date from which such capital shall rank for dividend; or
 - (II) for such share capital which has attached to it rights which in no respect are more favourable than those attached to the Ordinary Shares in issue on 1 April, 1986.
- (ee) No resolution shall be passed for the reduction of the share capital of the Company or any uncalled liability or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Companies Act 1985 or for the purchasing by the Company of any of its own shares.
- (ff) No resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied, altered or abrogated without the consent of the holders of the Preference Shares as a class obtained in a manner provided in the Articles of Association of the Company.
- (gg) The Company shall procure that at all times after a right to convert in accordance with the above provisions has arisen there shall be sufficient unissued Ordinary Share capital (or, if the right in paragraph (e)(vii) above is exercised, sufficient unissued Capped Participation Share capital) available for the purposes of satisfying the requirements of any notice of election to convert as may be served on and received by the Company in accordance with the terms of this Article.

(2) The Capped Participation Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:-

(a) As to Voting

Each Capped Participation Share shall confer on the holder the right to receive notice of and to attend (either in person or by proxy) at any General Meeting of the Company and upon a show of hands every holder of any Capped Participation Share who is present in person shall have one vote and upon a poll every such holder who is present in person or by proxy shall have one vote for every Capped Participation Share held by him.

(b) As to Income

Each Capped Participation Share shall confer on the holder of it the right, in respect of any financial year of the Company, to participate on equal terms (subject as mentioned below) with the holders of Ordinary Shares in any profits of the Company available for distribution and resolved to be distributed which shall remain after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to income PROVIDED THAT the amount of such participation shall not, in respect of any financial year of the Company, exceed £1 per Capped Participation Share so held.

(c) As to Capital

Each Capped Participation Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members (after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to repayment of capital) applied, *pari passu* with the holders of the Ordinary Shares, in repaying the capital paid up, or credited as paid up, on such Capped Participation Share and then to participate in any surplus assets *pari passu* with the holders of the Ordinary Shares PROVIDED THAT the amounts of such participation in surplus assets after repayment of capital paid up shall not exceed £10 per Capped Participation Share so held.

(3) Subject to the provisions of the Companies Act 1985 relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, and they may (subject as aforesaid) allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit.

DIRECTORS

5. A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.

INTEREST OF DIRECTORS

6. A director may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of a quorum and may retain for his own absolute use and benefit all profits and advantages accruing to him.

APPOINTMENT OF DIRECTORS

7. The Company from time to time may by ordinary resolution appoint any person to be a director and determine the period for which such person is to hold office.

PROCEEDINGS OF DIRECTORS

8.(1) The directors may, subject to the provisions of these Articles, regulate their proceedings as they think fit. Meetings of the directors shall be held at intervals of not more than three months. A director may, and the secretary at the request of a director shall, call a meeting of the directors. While British Steel Corporation ("BSC") and Guest Keen and Nettlefolds plc ("GKN") continue to have an agreement regarding nomination of directors of the Company, at least 21 days' notice of any such meeting shall be given to the directors save that meetings may be held at shorter notice if at least one of the directors so nominated by GKN (a "GKN nominee") and at least one of the directors so nominated by BSC (a "BSC nominee") (or in each case an alternate director appointed by the nominee for such meeting) agree to it.

(2) The quorum for the transaction of the business of the directors shall be two directors present in person, provided that while BSC and GKN continue to have an agreement regarding nomination of directors of the Company at least one of such directors must be a BSC nominee and at least one must be a GKN nominee (or in each case their respective alternate directors). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum (subject to the foregoing).

(3) Resolutions of the directors shall be passed by simple majority of those directors attending and voting, provided that while BSC and GKN continue to have an agreement regarding nomination of directors of the Company at least one BSC nominee and at least one GKN nominee (or in each case their respective alternate directors) must vote in favour of the resolution in question. The chairman of the meeting shall not have a casting vote. A director who is also an alternate director shall, in the absence of his appointor, be entitled to a separate vote on behalf of his appointor in addition to his own vote.

(4) It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom unless he has given to the Company an address in the United Kingdom at which notices can be served on him.

9. The Chairman and a Deputy Chairman of the directors shall, while BSC and GKN continue to have an agreement regarding nomination

of directors of the Company, be appointed and removed pursuant to such agreement.



23/3

UNITED ENGINEERING STEELS LIMITED

P.O. Box 29, Sheffield Road, Rotherham S60 1DQ.
Telephone: (0709) 371234 Telex: 54209

No. 1992636

13

COMPANIES ACT 1985

①4

UNITED ENGINEERING STEELS LIMITED
Company Limited by Shares

ORDINARY RESOLUTION

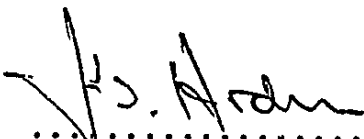
Passed at Extraordinary General Meeting of the Company held at Freshfields, Grindall House, 25 Newgate Street, London, EC1A 7LH on 24th March 1986.

RESOLVED

"THAT the authorised share capital of the Company be increased for the purpose of acquiring that part of the business of the British Steel Corporation known as the BSC Special Steels Division, the business of Stocksbridge Railway Company and the whole of the issued share capital of Brymbo Steel Works Limited, GKN Forgings Limited, Parson Limited, GKN International (Italy) Srl, GKN Steels Inc. and GKN International Trading (Europa) GmbH by the creation of an additional 399,999,900 Ordinary Shares of £1 each to rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company, and the creation of 100,000,000 Capped Participation Shares and 35,000,000 Preference Shares, such categories of shares to carry all the rights referred to in the regulations contained in the document marked 'A' and signed for identification by the Chairman of the Meeting."

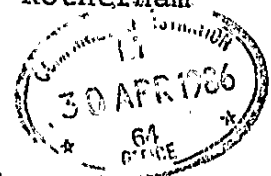
DATED 24th March 1986

By Order of the Board


.....
Director

Registered Office: P.O. Box 29, Sheffield Road, Rotherham
S60 1DQ

ARL/14/4/86





123

Pursuant to section 123 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

114

1992636

Name of company

* UNITED ENGINEERING STEELS LIMITED

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 24th March 1986 the nominal capital of the company has been increased by £534,999,900 beyond the registered capital of £100.

§ the copy must be printed or in some other form approved by the registrar

A copy of the resolution authorising the increase is attached.⁵

The conditions (eg, voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as follow:

Photocopy attached of Articles of Association 1 to 9

Please tick here if
continued overleaf

† delete as appropriate

Signed

[Director][Secretary]† Date 24.3.86

Presentor's name address and
reference (if any):

A. R. Love,
United Engineering
Steels Limited,
P.O. Box 29,
Sheffield Road,
ROTHERHAM.
S60 1DQ

For official Use
General Section

Post room

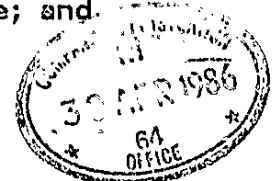
30 APR 1986
64
OFFICE

Guam

As at 24 March, 1986

TABLE A

2. The following provisions of Table A shall not apply to the Company - regulation 50; in regulation 62(a): the words "not less than 48 hours"; in regulation 62(b): the words "not less than 24 hours"; regulations 73 to 79 inclusive; regulation 88; regulation 89; regulation 91; regulations 94 to 98 inclusive.



- (bb) after paying a total dividend on each Ordinary Share and each Capped Participation Share for such financial year equal to 5 per cent. per annum on the nominal capital paid up, or credited as paid up, on it

PROVIDED THAT no dividend, whether under (i) or (ii) above, shall be payable on the Preference Shares:

- In respect of the four years commencing on 1 January, 1986 or, unless dividends are declared on the Ordinary Shares in respect of the year commencing 1 January, 1990, in respect of the year commencing on 1 January, 1990; and
- in respect of any financial year of the Company unless the total amount of the fixed rate non-cumulative dividend payable in respect of the Preference Shares then in issue is covered at least 3 times by the amount of consolidated post-tax profits of the Company in respect of that financial year - provided further that if such profit cover is achieved in respect of any financial year, the dividend referred to in (ii)(aa) above must be declared on the Preference Shares for that financial year to the extent that the Company has available distributable profits to allow such declaration in accordance with the Companies Act 1985.

No dividend shall be paid in respect of the Ordinary Shares or the Capped Participation Shares in respect of the four years commencing on 1 January 1986. If, in respect of any other financial year of the Company, the dividend on the Ordinary Shares or on the Capped Participation Shares is declared then there shall be declared on the Preference Shares the dividend to which they would be entitled under the above provisions but disregarding the 3 times profit cover requirement.

(b) As to Capital

Each Preference Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members applied, in priority to any payment to the holders of the Ordinary Shares and the Capped Participation Shares and pari passu with the other holders of UES Preference Shares, in paying to him:

- (i) the capital paid up, or credited as paid up, on such share; and
- (ii) a sum equal to the arrears of any of the fixed rate non-cumulative dividend on such share to the extent that the same has been declared but remains unpaid

together with the further right, after repayment to the holders of the Ordinary Shares and the Capped Participation Shares of the capital paid up or credited as paid up on their shares plus any arrears of dividend,

to participate in any surplus assets of the Company pari passu with the holders of the Capped Participation Shares.

(c) As to Voting

Whilst the holders of the Preference Shares shall be entitled at all times to receive notice of and to attend at all General Meetings of the Company, they shall have no right to vote at any General Meeting of the Company:

- (a) unless at the date of such notice convening the relevant meeting Preference Shares required to be redeemed by the Company pursuant to the provisions referred to in paragraph (d) below have not been redeemed on the due date or on a date subsequent to the due date but prior to the date of the notice convening the meeting; or
- (b) save as regards any resolution for the winding up of the Company; or
- (c) unless at the date of such notice convening the relevant meeting payment of a dividend declared on the Preference Shares is in arrears or a dividend which should have been declared and paid on the Preference Shares in accordance with the above provisions of this Schedule has not been so declared and paid.

In any such event each Preference Share shall (unless the relevant holder has previously notified the Company in writing that it waives its entitlement to vote at the relevant meeting) on a show of hands confer on the holder, if present in person, the right to one vote and shall, upon a poll, confer on such holder who is present in person or by proxy one vote for every Preference Share held by him.

(d) As to Redemption

- (i) If, in respect of a financial year of the Company, profits of the Company are available for distribution to its members and the board of directors of the Company resolves to recommend the payment of a dividend to the holders of the Ordinary Shares, the Company shall serve notice on the holders of the Preference Shares immediately following such resolution and each holder of Preference Shares shall have the right to require the Company to apply an amount calculated by reference to the following formula to the redemption of the Preference Shares held by him (but not so that such holder may require the Company to redeem a Preference Share in part only). The formula referred to above is as follows:

$$\frac{(A)(B)}{3(C)}$$

Where:

- A = total dividend recommended for distribution to members less the fixed rate non-cumulative dividend payable in respect of the Preference Shares;
- B = number of Preference Shares held by the relevant holder; and
- C = total number of Preference Shares in issue.

(ii) A holder of Preference Shares shall, within a period of 21 days from the date of the Company posting to him notice of his entitlement to redemption (which notice shall specify the maximum number of Preference Shares which he is on that occasion entitled to redeem), notify the Company by notice in writing to its registered office of the number of Preference Shares (if any) which he wishes to redeem in connection with such notified right of redemption. Such notice by the holder shall specify the registered numbers of the Preference Shares he wishes to redeem and shall be accompanied by the share certificate(s) covering such shares. A notice of election to redeem, once given, shall not be revocable except with the written consent of the Company.

(iii) To the extent that a holder of Preference Shares becomes entitled to require the Company to redeem pursuant to (i) above but declines to require the Company to redeem, he shall lose the right to redemption in respect of that number of Preference Shares then redeemable which he chose not to have redeemed. For this purpose it shall be assumed that the relevant holder would have redeemed first those of his Preference Shares carrying the lowest registered numbers. The Company shall make an appropriate note in its register of members recording the loss of redemption rights in respect of the relevant Preference Shares and the relevant holder shall, upon request by the Company, submit its share certificate(s) in respect of such Preference Shares for appropriate endorsement.

(iv) Upon receipt of notice of election to redeem together with the relevant share certificate(s), the Company shall pay to such holder (or, in the case of joint holders to the holder whose name stands first in the register of members of the Company in respect of such Preference Shares) the amount due to him in respect of such redemption by posting a cheque for the nominal amount of the relevant shares (together with an amount equal to the dividend which would have been payable on the relevant shares pursuant to the declaration of dividend which gave rise to that redemption right) to the address of such holder appearing in the register of members. If any certificate so delivered to the Company, includes any Preference Shares not redeemable on that occasion a new certificate for such Preference Shares shall be issued free of

charge to the holder delivering such certificate to the Company. Such new certificate shall be sent to the relevant holder at such holder's risk and to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).

(e) As to Conversion

- (i) A holder of Preference Shares shall be entitled in the circumstances and in the manner set out below to convert all or any of his Preference Shares into fully paid Ordinary Shares in the ratio of one Ordinary Share for every one Preference Share held provided that in the event of any change in the share capital structure of the Company arising from any sub-division or consolidation of shares, any capitalisation of profits or reserves, any issue of shares by way of rights or any other matter material to the conversion rights of the Preference Shares, the ratio of Ordinary Shares to each Preference Share arising from any conversion of Preference Shares shall be adjusted accordingly and holders of Preference Shares shall be notified by the Company of such adjustment.
- (ii) The right to convert referred to above shall be exercisable at any time in the period of 28 days after the date on which:
 - (aa) any share capital of the Company is issued or sold to the public for cash, whether such issue is made pursuant to an offer for sale, prospectus issue, or otherwise; or
 - (bb) there is transferred to any party other than British Steel Corporation ("BSC"), Guest Keen and Nettlefolds plc ("GKN") or any of their respective subsidiaries such number of Ordinary Shares and/or Capped Participation Shares and/or any other shares in the capital of the Company carrying the right to vote at general meetings of the Company as will result in the total nominal value of such shares held by parties other than BSC, GKN or their respective subsidiaries exceeding 25% of the total issued nominal value of such shares at that time.

The Company shall notify the holders of the Preference Shares (by notice in writing to the relevant address appearing on the register of members) within 21 days of the occurrence of either of the events referred to above, specifying the date of the occurrence and referring to the holders' consequent right to convert. Failure by the Company so to notify a holder of Preference Shares shall extend the period during which such holder may exercise his conversion rights by the number of days over 21 by which the Company notice is delayed.

- (iii) A holder of Preference Shares entitled to convert in accordance with the above provisions may exercise his right by sending written notice of election to convert to the registered office of the Company within the specified period. Such notice shall state the total number of Preference Shares which he wishes to convert and the relevant registered numbers and shall be accompanied by the relevant share certificate(s). Notice of election to convert, once given, may not be withdrawn except with the written consent of the Company.
 - (iv) Conversion may, subject to the provisions of the Companies Act 1985, be effected in such manner as the directors of the Company shall from time to time determine and in particular by the redemption of Preference Shares and the application of the redemption moneys on behalf of the holder of the Preference Shares so redeemed in subscription for Ordinary Shares.
 - (v) The Ordinary Shares arising on any such conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and other distributions declared paid or made on the Ordinary Shares for the then current accounting period in which the relevant conversion falls.
 - (vi) Within twenty eight days after the date of conversion the Company shall issue and forward free of charge to each converter a share certificate for the appropriate amount of Ordinary Shares arising from such conversion together with, if appropriate, a new share certificate for any unconverted Preference Shares comprised in the share certificate surrendered by him. Such documents shall be sent at the risk of the converter to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).
 - (vii) Notwithstanding anything to the contrary in this paragraph (e), a holder of Preference Shares who becomes entitled to convert them as referred to above may, if he so elects, convert them into Capped Participation Shares (at the rate of one Preference Share for one Capped Participation Share) rather than Ordinary Shares, but otherwise on the terms and subject to the provisions of this Article 3.
- (f) As to Variation of Rights
- (i) The special rights or privileges attached to the Preference Shares may be varied, modified, altered or abrogated either with the consent of the holders of not less than three fourths of the issued Preference Shares or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Preference Shares at which the necessary quorum shall be the holders of one-third of the Preference

Shares for the time being in issue. To every such general meeting the provisions of the Articles of Association of the Company relating in any manner to general meetings or the proceedings at such meetings or to the rights of the members at or in connection with such meetings shall, mutatis mutandis and subject to the provisions of the Companies Act 1985, apply.

- (ii) The issue of further shares in the capital of the Company ranking in priority to the Preference Shares shall be deemed to be a variation of the rights attached to the Preference Shares.
- (iii) So long as any Preference Shares remain capable of being converted into Ordinary Shares:-
 - (aa) the Company shall not distribute to its members any capital profits or capital reserves or any profits or reserves arising from a distribution of capital profits or capital reserves made by a subsidiary of the company except in such case to the holders of Ordinary Shares and Preference Shares and the said Preference Shares shall rank for this purpose as if the same had been converted in accordance with paragraph (d). Upon any allotment of fully paid Ordinary Share capital pursuant to a capitalisation of profits or reserves to Ordinary Shareholders the nominal amount of Ordinary Share capital to be issued in respect of Preference Shares converted subsequently shall be increased in due proportion.
 - (bb) If any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (iii) below apply) is made to the holders of the Ordinary Share capital, the Company shall make or, so far as it is able, procure that there is made to each holder of Preference Shares a like offer or invitation as he would have received if he had exercised in full the right of conversion attached to all the Preference Shares held by him on the specified date for such offer or invitation on the basis of the conversion rate contained in paragraph (d)(i).
 - (cc) If an offer is made to the holder of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Share capital or any person proposes a scheme with regard to such acquisition and the Company becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons mentioned above, the

Company shall give written notice to all holders of Preference Shares of such vesting within 21 days of it becoming so aware and each such holder shall be entitled within the period of 21 days from the date of such notice to convert some or all of his Preference Shares into fully paid Ordinary Shares (or, if the holder so chooses pursuant to paragraph (e)(vii) above, fully paid Capped Participation Shares) on the basis set out above.

(dd) No share capital of the Company carrying the rights to vote at general meetings of the Company shall be in issue which is not in all respects uniform with the Ordinary Shares or the Capped Participation Shares or the Preference Shares save:

(I) as to the date from which such capital shall rank for dividend; or

(II) for such share capital which has attached to it rights which in no respect are more favourable than those attached to the Ordinary Shares in issue on 1 April, 1986.

(ee) No resolution shall be passed for the reduction of the share capital of the Company or any uncalled liability or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Companies Act 1985 or for the purchasing by the Company of any of its own shares.

(ff) No resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied, altered or abrogated without the consent of the holders of the Preference Shares as a class obtained in a manner provided in the Articles of Association of the Company.

(gg) The Company shall procure that at all times after a right to convert in accordance with the above provisions has arisen there shall be sufficient unissued Ordinary Share capital (or, if the right in paragraph (e)(vii) above is exercised, sufficient unissued Capped Participation Share capital) available for the purposes of satisfying the requirements of any notice of election to convert as may be served on and received by the Company in accordance with the terms of this Article.

(2) The Capped Participation Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:-

(a) As to Voting

Each Capped Participation Share shall confer on the holder the right to receive notice of and to attend (either in person or by proxy) at any General Meeting of the Company and upon a show of hands every holder of any Capped Participation Share who is present in person shall have one vote and upon a poll every such holder who is present in person or by proxy shall have one vote for every Capped Participation Share held by him.

(b) As to Income

Each Capped Participation Share shall confer on the holder of it the right, in respect of any financial year of the Company, to participate on equal terms (subject as mentioned below) with the holders of Ordinary Shares in any profits of the Company available for distribution and resolved to be distributed which shall remain after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to income PROVIDED THAT the amount of such participation shall not, in respect of any financial year of the Company, exceed £1 per Capped Participation Share so held.

(c) As to Capital

Each Capped Participation Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members (after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to repayment of capital) applied, pari passu with the holders of the Ordinary Shares, in repaying the capital paid up, or credited as paid up, on such Capped Participation Share and then to participate in any surplus assets pari passu with the holders of the Ordinary Shares PROVIDED THAT the amounts of such participation in surplus assets after repayment of capital paid up shall not exceed £10 per Capped Participation Share so held.

(3) Subject to the provisions of the Companies Act 1985 relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, and they may (subject as aforesaid) allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit.

DIRECTORS

5. A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.

INTEREST OF DIRECTORS

6. A director may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of a quorum and may retain for his own absolute use and benefit all profits and advantages accruing to him.

APPOINTMENT OF DIRECTORS

7. The Company from time to time may by ordinary resolution appoint any person to be a director and determine the period for which such person is to hold office.

PROCEEDINGS OF DIRECTORS

8.(1) The directors may, subject to the provisions of these Articles, regulate their proceedings as they think fit. Meetings of the directors shall be held at intervals of not more than three months. A director may, and the secretary at the request of a director shall, call a meeting of the directors. While British Steel Corporation ("BSC") and Guest Keen and Nettlefolds plc ("GKN") continue to have an agreement regarding nomination of directors of the Company, at least 21 days' notice of any such meeting shall be given to the directors save that meetings may be held at shorter notice if at least one of the directors so nominated by GKN (a "GKN nominee") and at least one of the directors so nominated by BSC (a "BSC nominee") (or in each case an alternate director appointed by the nominee for such meeting) agree to it.

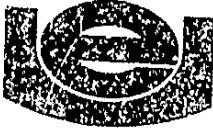
(2) The quorum for the transaction of the business of the directors shall be two directors present in person, provided that while BSC and GKN continue to have an agreement regarding nomination of directors of the Company at least one of such directors must be a BSC nominee and at least one must be a GKN nominee (or in each case their respective alternate directors). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum (subject to the foregoing).

(3) Resolutions of the directors shall be passed by simple majority of those directors attending and voting, provided that while BSC and GKN continue to have an agreement regarding nomination of directors of the Company at least one BSC nominee and at least one GKN nominee (or in each case their respective alternate directors) must vote in favour of the resolution in question. The chairman of the meeting shall not have a casting vote. A director who is also an alternate director shall, in the absence of his appointor, be entitled to a separate vote on behalf of his appointor in addition to his own vote.

(4) It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom unless he has given to the Company an address in the United Kingdom at which notices can be served on him.

9. The Chairman and a Deputy Chairman of the directors shall, while BSC and GKN continue to have an agreement regarding nomination

of directors of the Company, be appointed and removed pursuant to such agreement.



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Resolution 3.

UNITED ENGINEERING STEELS LIMITED

P.O. Box 29, Sheffield Road, Rotherham S60 1DQ.
Telephone: (0709) 371234 Telex: 54209

No. 1992636

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COMPANIES ACT 1985

UNITED ENGINEERING STEELS LIMITED
Company Limited by Shares

ORDINARY RESOLUTION

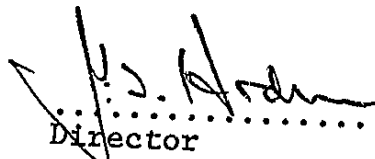
Passed at Extraordinary General Meeting of the Company held at Freshfields, Grindall House, 25 Newgate Street, London, EC1A 7LH on 24th March 1986.

RESOLVED

"THAT the directors be hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to exercise all powers of the Company to allot up to 400,000,000 Ordinary Shares of £1 each, up to 100,000,000 Capped Participation Shares and up to 35,000,000 Preference Shares during a five year period ending on 24th March 1991."

DATED 24th March 1986

By Order of the Board


.....
Director

Registered Office: P.O. Box 29, Sheffield Road, Rotherham,
S60 1DQ



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UNITED ENGINEERING STEELS LIMITED

P.O. Box 29, Sheffield Road, Rotherham S60 1DQ.
Telephone: (0709) 371234 Telex: 54209

No. 1992636

COMPANIES ACT 1985

UNITED ENGINEERING STEELS LIMITED
Company Limited by Shares

SPECIAL RESOLUTION

Passed at Extraordinary General Meeting of the Company held at Freshfields, Grindall House, 25 Newgate Street, London, EC1A 7LH on 24th March 1986.

RESOLVED

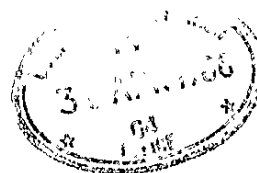
"THAT, subject to the limitation being generally authorised for the purposes of s.80, the directors be hereby empowered, pursuant to section 95 of the Companies Act 1985, to allot shares in the capital of the Company up to the aggregate amount specified in resolution 3 above as if section 89 (1) of the Companies Act 1985 did not apply to the allotment."

DATED 24th March 1986

By Order of the Board


.....
Director

Registered office: P.O. Box 29, Sheffield Road, Rotherham,
S60 1DQ



ARL/14/4/86



THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

OF

UNITED ENGINEERING STEELS LIMITED
(Passed on the 1 August 1991)

At an extraordinary general meeting of the above named company duly convened and held at 7 Cleveland Row London SW1A 1DB on 1 August 1991 the following resolutions were passed as special resolutions.

RESOLUTIONS

1. That the memorandum of association of the company with respect to its objects be altered by the adoption of a new clause 3 in the form set out in the altered memorandum of association annexed hereto and signed by the chairman of the meeting for identification in place of the existing clause 3 of the memorandum of association.
2. That the regulations set out in the new articles of association annexed hereto and signed by the chairman of the meeting for identification be adopted as the articles of association of the company in substitution for the existing articles of association of the company.

.....*Frederick J. B. B. B.*.....
Chairman of the meeting

Company No: 1992636

W. J. J. J. J.

ALTERED
MEMORANDUM

AND

NEW
ARTICLES OF ASSOCIATION

of

UNITED ENGINEERING STEELS LIMITED

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CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY

No. 1392636

I hereby certify that

UNITED ENGINEERING STEELS LIMITED

is this day incorporated under the Companies Act 1985 as a
private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the 27TH FEBRUARY 1985

[Signature]
M. S. E. J. JONES

an authorised officer

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

MEMORANDUM

OF

UNITED ENGINEERING STEELS LIMITED
(as altered by special resolution passed on 1 August 1991)

1. The name of the Company is "UNITED ENGINEERING STEELS LIMITED".
2. The Registered Office of the Company will be situate in England.
3. The objects for which the Company is established are:
 - (A) To acquire the undertaking carried on by British Steel Corporation at the date of incorporation of the Company and known as British Steel Corporation Special Steels Division and to acquire also the companies listed below which are at the date of incorporation of the Company wholly-owned subsidiary companies of Guest Keen and Nettlefolds plc:
 - (i) Brymbo Steels Works Limited, a private company limited by shares and registered in England with No. 48605;
 - (ii) GKN Forgings Limited, a private company limited by shares and registered in England with No. 67646;
 - (iii) Parson Limited, a private company limited by shares and registered in England with No. 413597;
 - (iv) GKN International (Italy) Srl, an Italian private company limited by shares;
 - (v) GKN Steels Inc, a Delaware corporation; and
 - (vi) GKN International Trading (Europa) GmbH, a German company.

- (B) To carry on the businesses of iron and steel makers, including but without limitation to the trades or businesses of iron founders, iron masters, iron workers, steel workers, steel refiners, steel converters, casters, forgers, brass founders, and carry on the trades or businesses of manufacturers of and stockholders, merchants or dealers in special and engineering steels, steel ingots, rolled, forged and cast products of all descriptions, including (but without being limited to) bars and billets of alloy and carbon steels for the general engineering trades, forgings for the motor, marine, chemical, electrical, mechanical engineering and other industries, wear-resisting castings, high-speed steels and tool steels, hardened steel rolls, alloy steel rings and heavy engineering plant such as presses and mills, stainless steel ingots and other products and to carry on the trades or businesses of manufacturers of and dealers in any other metals, minerals or mineral alloys, ordnance, weapons, ammunition, armaments, steam, gas, electrical, oil, petrol or other engines, and metal goods, and articles of all descriptions, metal polishers, colliery owners, coal merchants, manufacturers and refiners of and dealers in all products of the carbonization of coal, quarry owners, metallurgists, smelters, engineers, tin-plate workers, mechanical engineers, brick makers and general merchants and factors and to act as insurers in respect of any of the above.
- (C) To carry on the business of a holding company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and whether a subsidiary company of or under the control of the Company or otherwise including (but without being limited to) companies carrying on any of the businesses referred to in paragraphs (B) above or (D) or (G) below, and to control, co-ordinate, finance and manage the business, activities and affairs of the same and to exercise and enforce all rights conferred by or incident to the ownership of any such shares, stock, obligations or other securities, and to acquire and hold debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
- (D) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents

of any kind and suppliers of management, personnel and training services.

- (E) To acquire by any means any real or personal property or rights whatsoever.
- (F) To carry out such operations and to manufacture or deal with such goods and to purchase or otherwise acquire, take options over, construct, lease, hold, manage, maintain, alter, develop, exchange or deal with such property, rights or privileges (including the whole or part of the business, property or liabilities of any other person or company) as may seem to the Board of Directors directly or indirectly to advance the interests of the Company.
- (G) To carry on any other trade or business whatever which, in the opinion of the Board of Directors, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- (H) To enter into such commercial or other transactions in connection with any trade or business of the Company as may seem desirable to the Board of Directors for the purpose of the Company's affairs.
- (I) To apply for, purchase or otherwise acquire, protect, maintain and renew any patents, patent rights, trade-marks, designs, licences and other intellectual property rights of all kinds or any secret or other information as to any invention and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to expend it with any such rights which the Company may properly acquire.
- (J) To invest and deal with the moneys of the Company not immediately required in any manner and hold and deal with any investment so made.
- (K) To pay or to provide or to make such arrangements for providing such gratuities, pensions, benefits, share option and acquisition schemes, loans and other matters and to establish, support, subsidise and subscribe to any institutions, associations, clubs, schemes, funds or trusts (whether to or for the benefit of present or past directors or employees of the Company or its predecessors in business or of any company which is a subsidiary company of the Company or is allied to or

associated with the Company or with any such subsidiary company or to or for the benefit of persons who are or were related to or connected with or dependants of any such directors or employees) as may seem to the Board of Directors directly or indirectly to advance the interests of the Company.

- (L) To draw, make, accept, indorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (M) To act as agents, brokers or trustees, and to enter into such arrangements (whether by way of amalgamation, partnership, profit sharing, union of interests, co-operation, joint venture or otherwise) with other persons or companies as may seem to the Board of Directors to advance the interests of the Company and to vest any property of the Company in any person or company on behalf of the Company and with or without any declaration of trust in favour of the Company.
- (N) To apply for, promote and obtain any Act of Parliament, Charter, privilege, concession, licence or authorisation of any government, state or municipality, or any other department or authority, or enter into arrangements with any such body, for enabling the Company to carry any of its object into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem to the Board of Directors to be expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
- (O) To sell, lease, exchange, dispose of, grant rights over or otherwise deal with the undertaking, property or assets of the Company or any part thereof (present or future) on such terms and for such amount or kind of consideration as the Board of Directors may decide, and to distribute any property or assets of the Company of whatever kind in specie among the members of the Company.
- (P) To pay for any rights or property acquired by the Company and to remunerate any person or company, whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part, or by any other method the Board of Directors think fit.

- (Q) To establish or promote companies and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire, hold, dispose of and deal with, and guarantee the payment of interest, dividends and capital on, all or any of the shares, debentures, debenture stock or other securities or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue upon such terms as the Board of Directors may decide.
- (R) To carry on through any subsidiary or associated company any activities which the Company is authorised to carry on and to make any arrangements whatsoever with such company (including any arrangements for taking the profits or bearing the losses of any such activities) as the Board of Directors of the Company may think fit.
- (S) To raise or borrow money in such manner as the Board of Directors may think fit and to receive deposits and to mortgage, charge, pledge or give liens or other security over the whole or any part of the Company's undertaking, property and assets (whether present or future), including its uncalled capital, for such purposes and in such circumstances and upon such terms and conditions as the Board of Directors may think fit.
- (T) To lend or advance money and to give credit and to enter (whether gratuitously or otherwise) into guarantees or indemnities of all kinds, and whether secured or unsecured, whether in respect of its own obligations or those of some other person or company in such circumstances and upon such terms and conditions as the Board of Directors may think fit.
- (U) To pay or agree to pay all or any of the promotion, formation and registration expenses of the Company.
- (V) To contribute to or support any public, general, political, charitable, benevolent or useful object, which it may seem to the Board of Directors to be in the interests of the Company or its members to contribute to or support.
- (W) To make gifts or donations of any kind and for any purpose.
- (X) To do all or any of the above things in any part of the world whether as principals or agents or trustees or otherwise and either alone or jointly with others and

either by or through agents, sub-contractors, trustees or otherwise.

- (Y) To do all such other things as may be considered by the Board of Directors to further the interests of the Company or to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that (a) the objects set forth in each sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and (b) the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere, and (c) except where the context expressly so requires, none of the several paragraphs of this clause, or the objects therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxiliary to, any other paragraph of this clause, or the objects in such other paragraph specified, or the powers thereby conferred.

4. The liability of the members is limited.
5. The Share Capital of the Company is £100 divided into 100 shares of £1 each.

Note:

On 24 March 1986, the authorised capital was increased to £535,000,000.

WE, the several persons whose Names, Addresses and Descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, Addresses and Descriptions
of Subscribers

Number of shares
taken by each
subscriber

G H Sambrook for and on behalf of
The British Steel Corporation
9 Albert Embankment
LONDON
SE1 7SN

One

Statutory Company

B D Insch for and on behalf of
Guest Keen and Nettlefolds plc
Ipsley House
Ipsley Church Lane
REDDITCH
Worcestershire
B98 0TL

One

Public Limited Company

Dated the 20 day of February 1986.

Witness to the above signatures:

P T Rafter
Cranford House
Smethwick
West Midlands

Company No: 1992636

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION

OF

UNITED ENGINEERING STEELS LIMITED
(adopted by special resolution passed on 1 August 1991)

TABLE A

1. Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Companies Act 1985, as in force at 21 March 1986 (in these Articles referred to as "Table A"), shall apply to the Company.
2. The following provisions of Table A shall not apply to the Company - in regulation 62(a): the words "not less than 48 hours"; in regulation 62(b): the words "not less than 24 hours"; regulations 73 to 79 inclusive; regulations 94 to 97 inclusive.

SHARE CAPITAL

3. The authorised share capital of the Company is £535,000,000 divided into 35,000,000 non-cumulative redeemable convertible capped participation preference shares of £1 each (the "Preference Shares"), 100,000,000 capped participation shares of £1 each (the "Capped Participation Shares") and 400,000,000 ordinary shares of £1 each (the "Ordinary Shares").
- 4(1) The Preference Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:

(a) As to Income

Each Preference Share shall confer on the holder of it:

- (i) the right to a fixed non-cumulative preferential dividend equal to 5 per cent per annum on the nominal amount of the relevant Preference Share, which dividend shall rank

for payment in priority to the payment of dividend on the Ordinary Shares and Capped Participation Shares;

(ii) the further right, in respect of any financial year of the Company, to participate pari passu with the holders of the Capped Participation Shares in any profits of the Company available for distribution and which shall remain:

(aa) after paying the fixed non-cumulative preferential dividend on the Preference Shares in respect of that financial year as referred to in (i) above; and

(bb) after paying a total dividend on each Ordinary Share and each Capped Participation Share for such financial year equal to 5 per cent per annum on the nominal capital paid up, or credited as paid up, on it

PROVIDED THAT no dividend, whether under (i) or (ii) above, shall be payable on the Preference Shares in respect of any financial year of the Company unless the total amount of the fixed rate non-cumulative dividend payable in respect of the Preference Shares then in issue is covered at least 3 times by the amount of consolidated post-tax profits of the Company in respect of that financial year - provided further that if such profit cover is achieved in respect of any financial year, the dividend referred to in (ii)(aa) above must be declared on the Preference Shares for that financial year to the extent that the Company has available distributable profits to allow such declaration in accordance with the Companies Act 1985.

If, in respect of any financial year of the Company, a final dividend on the Ordinary Shares or on the Capped Participation Shares is declared then there shall be declared on the Preference Shares the dividend to which they would be entitled under the above provisions but disregarding the 3 times profit cover requirement.

(b) As to Capital

Each Preference Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members applied, in

priority to any payment to the holders of the Ordinary Shares and the Capped Participation Shares and pari passu with the other holders of UES Preference Shares, in paying to him:

- (i) the capital paid up, or credited as paid up, on such share; and
- (ii) a sum equal to the arrears of any of the fixed rate non-cumulative dividend on such share to the extent that the same has been declared but remains unpaid

together with the further right, after repayment to the holders of the Ordinary Shares and the Capped Participation Shares of the capital paid up or credited as paid up on their shares plus any arrears of dividend, to participate in any surplus assets of the Company pari passu with the holders of the Capped Participation Shares.

(c) As to Voting

Whilst the holders of the Preference Shares shall be entitled at all times to receive notice of and to attend at all General Meetings of the Company, they shall have no right to vote at any General Meeting of the Company:

- (i) unless at the date of such notice convening the relevant meeting Preference Shares required to be redeemed by the Company pursuant to the provisions referred to in paragraph (d) below have not been redeemed on the due date or on a date subsequent to the due date but prior to the date of the notice convening the meeting; or
- (ii) save as regards any resolution for the winding up of the Company; or
- (iii) unless at the date of such notice convening the relevant meeting payment of a dividend declared on the Preference Shares is in arrears or a dividend which should have been declared and paid on the Preference Shares in accordance with the above provisions of this Schedule has not been so declared and paid.

In any such event each Preference Share shall (unless the relevant holder has previously notified the Company in writing that it waives its entitlement to vote at

the relevant meeting) on a show of hands confer on the holder, if present in person, the right to one vote and shall, upon a poll, confer on such holder who is present in person or by proxy one vote for every Preference Share held by him.

(d) As to Redemption

- (i) If, in respect of a financial year of the Company, profits of the Company are available for distribution to its members and the board of directors of the Company resolves to recommend the payment of a final dividend in respect of any financial year to the holders of the Ordinary Shares, the Company shall serve notice on the holders of the Preference Shares immediately following such resolution and each holder of Preference Shares shall have the right to require the Company to apply an amount calculated by reference to the following formula to the redemption of the Preference Shares held by him (but not so that such holder may require the Company to redeem a Preference Share in part only). The formula referred to above is as follows:

$$\frac{[A][B]}{3[C]}$$

Where:

- A = total dividend recommended for distribution to members in the relevant financial year less the fixed rate non-cumulative dividend payable in respect of the Preference Shares;
- B = number of Preference Shares held by the relevant holder; and
- C = total number of Preference Shares in issue.

- (ii) A holder of Preference Shares shall, within a period of 21 days from the date of the Company posting to him notice of his entitlement to redemption (which notice shall specify the maximum number of Preference Shares which he is on that occasion entitled to redeem), notify the Company by notice in writing to its registered office of the

number of Preference Shares (if any) which he wishes to redeem in connection with such notified right of redemption. Such notice by the holder shall specify the registered numbers of the Preference Shares he wishes to redeem and shall be accompanied by the share certificate(s) covering such shares. A notice of election to redeem, once given, shall not be revocable except with the written consent of the Company.

(iii) To the extent that a holder of Preference Shares becomes entitled to require the Company to redeem pursuant to (i) above but declines to require the Company to redeem, he shall lose the right to redemption in respect of that number of Preference Shares then redeemable which he chose not to have redeemed. For this purpose it shall be assumed that the relevant holder would have redeemed first those of his Preference Shares carrying the lowest registered numbers. The Company shall make an appropriate note in its register of members recording the loss of redemption rights in respect of the relevant Preference Shares and the relevant holder shall, upon request by the Company, submit its share certificate(s) in respect of such Preference Shares for appropriate endorsement.

(iv) Upon receipt of notice of election to redeem together with the relevant share certificate(s), the Company shall pay to such holder (or, in the case of joint holders to the holder whose name stands first in the register of members of the Company in respect of such Preference Shares) the amount due to him in respect of such redemption by posting a cheque for the nominal amount of the relevant shares (together with an amount equal to the dividend which would have been payable on the relevant shares pursuant to the declaration of dividend which gave rise to that redemption right) to the address of such holder appearing in the register of members. If any certificate so delivered to the Company includes any Preference Shares not redeemable on that occasion a new certificate for such Preference Shares shall be issued free of charge to the holder delivering such certificate to the Company.

Such new certificate shall be sent to the relevant holder at such holder's risk and to his address appearing in the register of members (or, where there are joint holder, to such registered address of the first named).

(g) As to Conversion

(i) A holder of Preference Shares shall be entitled in the circumstances and in the manner set out below to convert all or any of his Preference Shares into fully paid Ordinary Shares in the ratio of one Ordinary Share for every one Preference Share held provided that in the event of any change in the share capital structure of the Company arising from any sub-division or consolidation of shares, any capitalisation of profits or reserves, any issue of shares by way of rights or any other matter material to the conversion rights of the Preference Shares, the ratio of Ordinary Shares to each Preference Share arising from any conversion of Preference Shares shall be adjusted accordingly and holders of Preference Shares shall be notified by the Company of such adjustment.

(ii) The right to convert referred to above shall be exercisable at any time in the period of 28 days after the date on which:

(aa) any share capital of the Company is issued or sold to the public for cash, whether such issue is made pursuant to an offer for sale, prospectus issue, or otherwise; or

(bb) there is transferred to any party other than British Steel plc ("British Steel") GKN plc ("GKN") or any of their respective subsidiaries such number of Ordinary Shares and/or Capped Participation Shares and/or any other shares in the capital of the Company carrying the right to vote at general meetings of the Company as will result in the total nominal value of such shares held by parties other than British Steel, GKN or their respective subsidiaries exceeding 25 per cent of

the total issued nominal value of such shares at that time.

The Company shall notify the holders of the Preference Shares (by notice in writing to the relevant address appearing on the register of members) within 21 days of the occurrence of either of the events referred to above, specifying the date of the occurrence and referring to the holders' consequent right to convert. Failure by the Company so to notify a holder of Preference Shares shall extend the period during which such holder may exercise his conversion rights by the number of days over 21 by which the Company notice is delayed.

- (iii) A holder of Preference Shares entitled to convert in accordance with the above provisions may exercise his right by sending written notice of election to convert to the registered office of the Company within the specified period. Such notice shall state the total number of Preference Shares which he wishes to convert and the relevant registered numbers and shall be accompanied by the relevant share certificate(s). Notice of election to convert, once given, may not be withdrawn except with the written consent of the Company.
- (iv) Conversion may, subject to the provisions of the Companies Act 1985, be effected in such manner as the directors of the Company shall from time to time determine and in particular by the redemption of Preference Shares and the application of the redemption moneys on behalf of the holder of the Preference Shares so redeemed in subscription for Ordinary Shares.
- (v) The Ordinary Shares arising on any such conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and other distributions declared paid or made on the Ordinary Shares for the then current accounting period in which the relevant conversion falls.
- (vi) Within twenty-eight days after the date of conversion the Company shall issue and

forward free of charge to each converter a share certificate for the appropriate amount of Ordinary Shares arising from such conversion together with, if appropriate, a new share certificate for any unconverted Preference Shares comprised in the share certificate surrendered by him. Such documents shall be sent at the risk of the converter to his address appearing in the register of members (or, where there are joint holders, to such registered address of the first named).

- (vii) Notwithstanding anything to the contrary in this paragraph (e), a holder of Preference Shares who becomes entitled to convert them as referred to above may, if he so elects, convert them into Capped Participation Shares (at the rate of one Preference Share for one Capped Participation Share) rather than Ordinary Shares, but otherwise on the terms and subject to the provisions of this Article 3.

(f) As to Variation of Rights

- (i) The special rights or privileges attached to the Preference Shares may be varied, modified, altered or abrogated either with the consent of the holders of not less than three fourths of the issued Preference Shares or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Preference Shares at which the necessary quorum shall be the holders of one-third of the Preference Shares for the time being in issue. To every such general meeting the provisions of the Articles of Association of the Company relating in any manner to general meetings or the proceedings at such meetings or to the rights of the members at or in connection with such meetings shall, mutatis mutandis and subject to the provisions of the Companies Act 1985, apply.
- (ii) The issue of further shares in the capital of the Company ranking in priority to the Preference Shares shall be deemed to be a variation of the rights attached to the Preference Shares.

(iii) So long as any Preference Shares remain capable of being converted into Ordinary Shares:

(aa) the Company shall not distribute to its members any capital profits or capital reserves or any profits or reserves arising from a distribution of capital profits or capital reserves made by a subsidiary of the company except in such case to the holders of Ordinary Shares and Preference Shares and the said Preference Shares shall rank for this purpose as if the same had been converted in accordance with paragraph (d). Upon any allotment of fully paid Ordinary Share capital pursuant to a capitalisation of profits or reserves to Ordinary Shareholders the nominal amount of Ordinary Share capital to be issued in respect of Preference Shares converted subsequently shall be increased in due proportion.

(bb) If any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (iii) below apply) is made to the holders of the Ordinary Share capital, the Company shall make or, so far as it is able, procure that there is made to each holder of Preference Shares a like offer of invitation as he would have received if he had exercised in full the right of conversion attached to all the Preference Shares held by him on the specified date for such offer or invitation on the basis of the conversion rate contained in paragraph (d)(i).

(cc) If an offer is made to the holder of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Share capital or any person proposes a scheme with regard to such acquisition and the Company becomes aware that the right to cast more than 50 per cent of

the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons mentioned above, the Company shall give written notice to all holders of Preference Shares of such vesting within 21 days of it becoming so aware and each such holder shall be entitled within the period of 21 days from the date of such notice to convert some or all of his Preference Shares into fully paid Ordinary Shares (or, if the holder so chooses pursuant to paragraph (e)(vii) above, fully paid Capped Participation Shares) on the basis set out above.

(dd) No share capital of the Company carrying the rights to vote at general meetings of the Company shall be in issue which is not in all respects uniform with the Ordinary Shares or the Capped Participation Shares or the Preference Shares save:

(I) as to the date from which such capital shall tank for dividend; or

(II) for such share capital which has attached to it rights which in no respect are more favourable than those attached to the Ordinary Shares in issue on 2 August 1991.

(ee) No resolution shall be passed for the reduction of the share capital of the Company or any uncalled liability or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Companies Act 1985 or for the purchasing by the Company of any of its own shares.

(ff) No resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied, altered or abrogated without the consent

of the holders of the Preference Shares as a class obtained in a manner provided in the Articles of Association of the Company.

(gg) The Company shall procure that at all times after a right to convert in accordance with the above provisions has arisen there shall be sufficient unissued Ordinary Share capital (or, if the right in paragraph (e)(vii) above is exercised, sufficient unissued Capped Participation Share capital) available for the purposes of satisfying the requirements of any notice of election to convert as may be served on and received by the Company in accordance with the terms of this Article.

(2) The Capped Participation Shares shall carry the rights and privileges, and be subject to the restrictions and liabilities, respectively set out below:

(a) As to Voting

Each Capped Participation Share shall confer on the holder the right to receive notice of and to attend (either in person or by proxy) at any General Meeting of the Company and upon a show of hands every holder of any Capped Participation Share who is present in person shall have one vote and upon a poll every such holder who is present in person or by proxy shall have one vote for every Capped Participation Share held by him.

(b) As to Income

Each Capped Participation Share shall confer on the holder of it the right, in respect of any financial year of the Company, to participate on equal terms (subject as mentioned below) with the holders of Ordinary Shares in any profits of the Company available for distribution and resolved to be distributed which shall remain after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to income PROVIDED THAT the amount of such participation shall not, in respect of any financial year of the Company, exceed £1 per Capped Participation Share so held.

(c) As to Capital

Each Capped Participation Share shall confer on the holder of it on a winding up or other repayment of capital (other than on conversion, redemption or purchase of shares) the right to have the assets of the Company available for distribution amongst the members (after payment of all relevant amounts to the holders of any shares in the capital of the Company carrying preferential rights to repayment of capital) applied, pari passu with the holders of the Ordinary Shares, in repaying the capital paid up, or credited as paid up, on such Capped Participation Share and then to participate in any surplus assets pari passu with the holders of the Ordinary Shares PROVIDED THAT the amounts of such participation in surplus assets after repayment of capital paid up shall not exceed £10 per Capped Participation Share so held.

- (3) Subject to the provisions of the Companies Act 1967 relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, and they may (subject as aforesaid) allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit.

DIRECTORS

5. A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.

INTEREST OF DIRECTORS

6. A director may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of a quorum and may retain for his own absolute use and benefit all profits and advantages accruing to him.

APPOINTMENT AND REMOVAL OF DIRECTORS

7. A member or members holding a majority in nominal amount of the issued shares for the time being in the Company conferring the right to vote at all general meetings of the Company shall have power from time to time and at any time (1) to appoint any person or persons as a director or

directors, either to fill a casual vacancy or as an addition to the existing directors and to remove from office any director howsoever appointed and (2) to appoint and remove the chairman of the board of directors. Every such appointment or removal shall be in writing and signed by on behalf of the member or members making the same and shall take effect upon delivery at the office.

WE, the several persons whose Names, Addresses and Descriptions are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, Addresses and Descriptions
of Subscribers

Number of shares
taken by each
subscriber

G H Sambrook for and on behalf of
The British Steel Corporation
9 Albert Embankment
LONDON
SE1 7SN

One

Statutory Company

B D Insch for and on behalf of
Guest Keen and Nettlefolds plc
Ipsley House
Ipsley Church Lane
REDDITCH
Worcestershire
B98 0TL

One

Public Limited Company

Dated the 20 day of February 1986.

Witness to the above signatures:

P T Rafter
Cranford House
Smethwick
West Midlands