

2868498

Dated 7th February 2000

FINSTAHL S.A. (1)

FIBRO HOLDINGS LIMITED (2)

SONDEL INTERNATIONAL B.V. (3)

AGREEMENT
for the sale and purchase
of shares in
Fibrowatt Limited
and the issue of shares
in Fibro Holdings Limited

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COMPANIES HOUSE

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COMPANIES HOUSE

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CERTIFIED TO BE A TRUE AND
COMPLETE COPY OF THE ORIGINAL

CMS Cameron McKenna

.....
CMS CAMERON McKENNA
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LONDON EC1A 4DD

Table of Contents

1.	Definitions and Interpretation	1
2.	Sale and purchase.....	3
3.	Consideration	3
4.	Subscription	3
5.	Completion	4
6.	Further assurance.....	4
7.	Entire agreement.....	5
8.	Counterparts	5
9.	Governing law and jurisdiction.....	5
	Schedule 1 Details of the Company	6
	Schedule 2.....	7
	Completion Obligations	7
1.	Seller's Completion obligations	7
2.	Purchaser's Completion obligations.....	7

THIS AGREEMENT is made the 7th day of February 2000



BETWEEN:

- (1) FINSTAHL S.A., a company registered and existing under the laws of Luxembourg, having its principal place of business at 14 Rue Aldringen, Luxembourg (the "Seller");
- (2) FIBRO HOLDINGS LIMITED (registered in England with number 2868498) whose principal place of business is at Astley House, 33 Notting Hill Gate, London W11 3JQ (the "Purchaser"); and
- (3) SONDEL INTERNATIONAL B.V. a company incorporated in The Netherlands, having its principal place of business at c/o Falck Financial Services S.A., Corso Elvezia, 25, 6901 Lugano, Switzerland ("Sondel International").

RECITALS

- (A) Details of Fibrowatt Limited (the "Company") are set out in Schedule 1 (*Details of the Company*).
- (B) The Seller has agreed to sell the Shares to the Purchaser and the Purchaser has agreed to purchase the Shares in consideration of the issue of shares in the Purchaser on and subject to the terms and conditions of this Agreement.
- (C) Sondel International has agreed to subscribe for 196,962 further shares in the Purchaser for the sum of £100,000 and upon the terms and conditions of this Agreement.

NOW IT IS AGREED as follows:

1. Definitions and Interpretation

In this Agreement:

1.1 *Defined terms:*

"**Agreement**" means (subject to sub-clause 6.1 (*This Agreement*)) this Agreement, including the Recitals and Schedules;

"**Business Day**" means any day other than a Saturday, Sunday or any Bank or other public holiday in England and Wales;

"**Company**" means the company named in Recital (A);

"**Completion**" means completion of the sale and purchase of the Shares pursuant to this Agreement;

"Consideration Shares" means 539,562 ordinary shares of £0.01 each in the capital of the Purchaser to be allotted and issued credited as fully paid in accordance with clause 3 (*Consideration*);

"Encumbrance" means any interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above;

"Parties" means the Purchaser and the Seller (and **"Party"** shall be construed accordingly);

"Shares" means the 3,250 fully-paid issued ordinary shares of £0.01 each in the capital of the Company registered at the date of this Agreement in the name of the Seller;

"Sondel" means Societa Nordelettrica S.p.A Sondel (registered in Italy with number 229168/6185/18) whose principal place of business is at Viale Italia 592, 20099 Sesto San Giovanni, Milan, Italy;

"Subscription Shares" means 196,205 ordinary shares of £0.01 each in the capital of the Purchaser to be subscribed for by Sondel International in accordance with clause 4 (*Subscription*);

"1997 Agreement" means the Investment and Shareholders Agreement dated 19th May 1997 and made between the Company (1), the Purchaser (2), Foster Wheeler Energy Limited (3), Sondel (4), the Seller (5) and the Loanholders (as therein defined) (6).

- 1.2 Reference to any document as being **"in the agreed form"** means that it is in the form agreed between the Seller and the Purchaser and signed for the purposes of identification by or on behalf of the Seller and the Purchaser.
- 1.3 The table of contents and headings and sub-headings are for convenience only and shall not affect the construction of this Agreement.
- 1.4 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and references to any gender shall include all other genders. References to any person (which for the purposes of this Agreement shall include bodies corporate, unincorporated associations, partnerships, governments, governmental agencies and departments, statutory bodies or other entities, in each case whether or not having a separate legal personality) shall include the person's successors.
- 1.5 References to Recitals, Schedules, clauses and sub-clauses are to (respectively) recitals to, schedules to, and clauses and sub-clauses of, this Agreement (unless otherwise specified) and references within a Schedule to paragraphs are to paragraphs of that Schedule (unless otherwise specified).

2. Sale and purchase

2.1 *Obligation to sell and purchase*

On the terms of this Agreement, the Seller shall sell the Shares to the Purchaser, together with all rights attaching to them at the date of this Agreement; and the Purchaser shall purchase the Shares accordingly.

2.2 *Dividends and distributions*

The Purchaser shall be entitled to receive all dividends and distributions (whether of income or capital) declared, paid or made by the Company on or after the date of this Agreement.

2.3 *Implied covenants for title*

The Seller covenants that:

2.3.1 the Shares are fully paid;

2.3.2 it has the right to transfer the legal and beneficial title to the Shares; and

2.3.3 the Shares are free from all Encumbrances.

Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 (as amended, extended, consolidated or replaced from time to time) shall not apply to any disposition made under or pursuant to this Agreement.

2.4 The Parties acknowledge that Finstahl has caused payment of amount of £400,000 due under clause 3.2.2 of the 1997 Agreement on the date of the first Italian Project Close (as therein defined) notwithstanding that first Italian Project Close has not yet taken place and that the amount of £1,000,000 due under clause 3.2.3 of the 1997 Agreement has been paid by Finstahl which amount has been applied in accordance with the provisions of that clause with the effect that the Finstahl Loan (as defined in the 1997 Agreement) has been reduced to zero.

3. Consideration

The Shares shall be sold for the sum of £3,584,416, which shall be satisfied by the allotment and issue by the Purchaser to the Seller (or as the Seller may direct), credited as fully paid up, of the Consideration Shares.

4. Subscription

4.1 On the terms of this Agreement, the Sondel International shall subscribe for the Subscription Shares at a price of £100,000 which will be payable in accordance with clause 4.2.

- 4.2 The subscription price for the shares to be subscribed for by Sondel International under clause 4.1 hereof shall be payable (or otherwise satisfied) by Sondel International on Completion.

5. Completion

5.1 *Completion meeting*

Completion shall take place at Astley House, 33 Notting Hill gate, London W11 3JQ (or wherever else the Parties agree in writing) immediately after the exchange of this Agreement. At Completion, the Parties shall perform their respective Completion obligations set out in Schedule 2 (*Completion Obligations*) (but the Purchaser will not be obliged to do anything unless the Seller has first fully complied with its Completion obligations under this Agreement).

5.2 *Effect of Completion*

Notwithstanding Completion:

- 5.2.1 each provision of this Agreement (and any other document referred to in it) not performed at or before Completion but which remains capable of performance; and

- 5.2.2 all covenants and other undertakings contained in or entered into pursuant to this Agreement

will remain in full force and effect and (except as otherwise expressly provided) without limit in time.

5.3 *Pending registration*

The Seller declares that so long as it (or each of its nominee(s), if any) shall remain the registered holder of any of the Shares after Completion, it will:-

- 5.3.1 hold those Shares and all dividends and other distributions in respect of them declared after Completion, and all other rights arising out of or in connection with them, in trust for the Purchaser and its successors in title; and

- 5.3.2 at all times deal with and dispose of those Shares, and all such dividends, distributions and rights attaching to them, as the Purchaser or any such successor may direct.

6. Further assurance

The Seller shall, from time to time on being required to do so by the Purchaser, promptly and at the cost and expense of the Seller do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form satisfactory to the

Purchaser as the Purchaser may reasonably consider necessary for giving full effect to this Agreement and securing to the Purchaser the full benefit of the rights, powers and remedies conferred upon the Purchaser in this Agreement.

7. Entire agreement

7.1 *This Agreement*

In this clause, references to this Agreement include all other written agreements and arrangements between the Parties which are expressed to be supplemental to this Agreement or which this Agreement expressly preserves or requires to be executed.

7.2 *Entire agreement*

This Agreement constitutes the whole and only agreement and understanding between the parties in relation to its subject matter. Except as provided in sub-clause 7.4 (*Fraud*), all previous agreements, understandings, undertakings, representations, warranties and arrangements of any nature whatsoever between the Parties with any bearing on the subject matter of this Agreement are superseded and extinguished (and all rights and liabilities arising by reason of them, whether accrued or not at the date of this Agreement, are cancelled) to the extent that they have such a bearing.

7.3 *Other remedies*

The rights, powers and remedies provided in this Agreement are independent and cumulative and do not exclude any rights, powers or remedies (express or implied) which are available as a matter of common law, statute, custom or otherwise.

7.4 *Fraud*

Nothing in this Agreement shall be read or construed as excluding any liability or remedy in respect of fraud.

8. Counterparts

This Agreement may be executed in counterparts and by the Parties on different counterparts. Each counterpart shall constitute an original of this Agreement but both the counterparts shall together constitute one and the same Agreement.

9. Governing law and jurisdiction

This Agreement shall be governed by and construed in accordance with English law.

AS WITNESS the hands of the Parties or their duly authorised representatives on the date first appearing at the head of this Agreement.

Schedule 1
Details of the Company

Name:	Fibrowatt Limited
Number:	2595814
Date of incorporation:	26th March 1991
Registered office:	38 Clarendon Road, London W11 3AD

Schedule 2

Completion Obligations

1. Seller's Completion obligations

The Seller will be obliged to deliver to the Purchaser (or otherwise make available to the satisfaction of the Purchaser):

- (a) transfers of the Shares duly executed by the registered holders in favour of the Purchaser or its nominee(s) together with the relevant share certificates in the names of such registered holders;
- (b) such waivers, consents or other documents (including any power of attorney under which any document required to be delivered under this Schedule has been executed) in the agreed form as are required to enable the Purchaser and its nominee(s) to be registered as the holder(s) of the Shares.

2. Purchaser's Completion obligations

The Purchaser's obligations are to:

- (a) cause a board meeting, or a meeting of a duly authorised committee of the board, of the Purchaser to be held at which the Consideration Shares are allotted and issued at the direction of the Seller to Sondel International, credited as fully paid, in accordance with clause 3 and the Subscription Shares are allotted and issued to Sondel International, credited as fully paid, in accordance with clause 4;
- (b) deliver at the direction of the Seller to Sondel International a share certificate in respect of the Consideration Shares;
- (c) deliver to Sondel International a share certificate in respect of the Subscription Shares.

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SIGNED by
for and on behalf of
FINSTAHL S.A.

L. W. [Signature]

SIGNED by
for and on behalf of
FIBRO HOLDINGS LIMITED

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S. H. Hesse

SIGNED by
for and on behalf of
SONDEL INTERNATIONAL B.V.

H. Schaal