

THE COMPANIES ACT 1948 TO 1976

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

PRECISION PRODUCTS HOLDINGS LIMITED

At an Extraordinary General Meeting of the above named Company duly convened and held at High Mill, Alston, Cumbria, CA9 3HT

On Friday the 24th day of February 1989 the following Resolutions were duly proposed and passed as Special Resolutions:-

SPECIAL RESOLUTIONS

Amendment of Articles of Association

1. That the Articles of Association of the Company be hereby amended by adding at the end of existing Article 3(i) (a) the following words:-

"the first of such half yearly payments to be apportioned on a daily basis from the date of payment of the said subscription price down to the dividend date."

2. That the Articles of Association of the Company be hereby amended by deleting existing Articles 3 (i) (c) (3) and 3 (i) (d) and inserting the next following Articles in substitution therefore:-

3 (i) (c) (3) after there has been deducted any sum not exceeding £.5 000 in the aggregate (or such other sum as may be agreed in writing from time to time by the holders of the Preferred Ordinary Shares) in respect of emoluments (including amounts referred to in paragraph 22 (3) of Schedule 5 of the Companies Act 1985) payable to the Company's and any subsidiary's directors.

3 (i) (d) The holders of the Preferred Ordinary Shares as a class shall also be entitled in respect of each financial year of the Company to a cumulative preferential net cash dividend (hereinafter in these Articles referred to as "the Additional Dividend") on each share of an amount which, when added to the Fixed and Participating Dividend paid for the same financial year, shall equal:-

COMPANY HOUSE
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- (i) the aggregate of any dividend paid in such financial year pursuant to paragraph (e) of this Article on all of the Ordinary Shares (excluding, for the avoidance of doubt, the Preferred Ordinary Shares); and
- (ii) the Excess Remuneration (as hereinafter defined) divided by the number of Ordinary Shares in issue on the date of adoption of this Article.

For the purpose of calculating the Additional Dividend the expression "Excess Remuneration" shall mean emoluments (including amounts referred to in paragraph 22(3) of Schedule 5 of the Companies Act 1985) in excess of £75,000 in the aggregate (or such other sum as may be agreed in writing from time to time by the holders of the Preferred Ordinary Shares) payable in respect of the relevant financial year to the Company's and any subsidiary's directors after deducting income tax at the basic rate on such excess sum. The Additional Dividend (if any) shall be paid on the due date for payment of the Participating Dividend.

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

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

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

3. That the Articles of Association of the Company be hereby amended by inserting the following new Article 7 (d) :-

"Notwithstanding the provisions of Article 7 (a) and subject to Article 7 (c) any member may during his lifetime transfer or by will bequeath or otherwise dispose of on death any shares, to

or to trustees for the spouse of any child or remoter issue
(including a child by adoption or stepchild) of such member"

K. B. Ball
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Chairman of the Meeting