

SWISSMETAL

SWISSMETAL HOLDING LTD

ARTICLE OF INCORPORATION

Swissmetal Holding Ltd

ARTICLE OF INCORPORATION

dated 21 May 2008

I. COMPANY, REGISTERED OFFICE, SUCCESSION AND OBJECTS

Article 1

The company:

Swissmetal Holding AG
Swissmetal Holding SA
Swissmetal Holding Ltd

constitutes a joint stock company (Aktiengesellschaft) which is regulated by the following Article of Incorporation and the provisions of the XXVI title of the Swiss Code of Obligations.

Article 2

The company operates under perpetual succession. Its registered office is in Dornach/SO.

Article 3

The company object is to invest in metal companies or other companies as well as the manufacture, import, trade, use and representation of associated products.

The company can acquire, sell, exercise and dispose of licences, patents and brands. It can establish branches in Switzerland and abroad, establish subsidiaries and invest in other companies. It can act as an agency or wholesaler. It can, in principle, engage in all activities which are directly or indirectly related to its objects.

The company can also buy and sell chattels and property. It can exercise all industrial, financial, commercial activities, property transactions and other commercial operations, either on their own, or on other parties, behalf which are directly or indirectly related to the objects.

II. SHARE CAPITAL AND SHARES

Article 4

The share capital is CHF 59,616,954.

This is divided into in 6,624,106 bearer shares with a nominal value of CHF 9.00 each. The shares are fully paid-up. The General Shareholders' Meeting can convert bearer shares to registered shares or registered shares to bearer shares at any time by amending the Article of Incorporation.

The company can issue share certificates in place of shares. The shares and share certificates are signed by a member of the Board of Directors.

Article 4a

The Board of Directors is authorised to increase the company's share capital at any time up to 21 May 2010 by a maximum sum of CHF 29,808,477 through the issue of a maximum of 3,312,053 fully paid-up bearer shares at a nominal value of CHF 9.00 each. Increases are permitted by means of firm commitments or by instalments. The amount advanced, the date of the dividend entitlement, the type of shares and potential acquisition of assets are determined by the Board of Directors.

The Board of Directors is entitled to exclude shareholders options on shares and allocate them to third parties if the new shares are used for the acquisition of companies, parts of companies or investments by the employees of the company or the company's subsidiaries. The Board of Directors controls the allocation of unused options in the interest of the company. The Board of Directors is authorised to issue free shares, financed by available equity, for employee share ownership plans.

Article 4b

With the increase in capital stock of 10 January 2007 the company acquired 291 no-par value shares in Avins Industrial Products Corporation, 2 North Road, Warren, NJ 07059, USA from Mr Ralph Glassberg in accordance with the contribution agreement of 10 January 2007 in the sum of CHF 1,080,000.00. The vendor receives 40,000 bearer shares in the company at CHF 9.00 each.

Article 4c

The company's share capital is increased to a maximum value of CHF 22,500,000.00 with the issue a maximum of 2,500,000 fully paid-up bearer shares at a nominal value of CHF 9.00 each with the exercise of option and conversion rights granted in connection with bond or other obligations on the company or on a group company. Shareholder subscription rights are excluded.

Shareholders rights of advanced subscription can be limited or excluded at the discretion of the Board of Directors with option and conversion bonds (1) to finance the acquisition of companies, parts of companies or investments or new investment plans of the company or (2) to issue option and conversion bonds on international capital markets.

Where the rights of advanced subscription are excluded; (1) the option and conversion bonds are to be offered to the public at market conditions, (2) the exercise period of option rights is set at a maximum of five years and conversion rights for a maximum of ten years from the date the bonds are issued and (3) the exercise price of new shares must be set at least according to the prevailing market conditions on the date the bonds were issued.

Article 5

The company only recognises one owner per share and this share is indivisible from the company's perspective. The individual holder of the certificate is entitled to the rights and duties relating to the share. Ownership of a share obliges the holder to fully conform to the Article of Incorporation.

III. COMPANY ORGANISATION

Article 6

The company has the following structure:

- a) General Shareholders' Meeting
- b) Board of Directors
- c) Auditors

a) General Shareholders' Meeting

Article 7

The General Shareholders' Meeting is the supreme body of the company.

Their decisions are binding on all shareholders including absent and unrepresented shareholders.

Decisions of the General Shareholders' Meeting that conflict with laws or the Article of Incorporation are open to challenge by the Board of Directors or any shareholder in accordance with the provisions of Article 706 of the Swiss Code of Obligations.

Article 8

The General Shareholders' Meeting has the following non-transferable powers:

1. Drafting and amending of the Article of Incorporation.
2. Election of members of the supervisory body and the auditors.
3. Approval of the annual report and the consolidated financial statements.
4. Approval of the financial statements as well as the taking decisions on the use of the available earnings, particularly setting the dividend and the profit share.
5. Discharge of the members of the Board of Directors.
6. Decisions on objects that are reserved to the General Shareholders' Meeting through legislation or the Article of Incorporation.

Article 9

The ordinary General Shareholders' Meeting is held annually within six months of the end of the financial year.

An extraordinary General Shareholders' Meeting is called if the Board of Directors deems it necessary or essential or at the request of one or more shareholders who hold a minimum of ten percent of the share capital.

The following provisions apply to both the ordinary and the extraordinary General Shareholders' Meetings.

Article 10

The General Shareholders' Meeting can be called by the Board of Directors, or, if required, by the auditors, the liquidators or representatives of the bondholders.

Article 11

The General Shareholders' Meeting is called via a one-off announcement in the company's publications at least twenty days before the date of the Meeting. The calling of the Meeting must include details of the agenda items as well as the resolutions from the Board of Directors and the shareholders that relate to the reasons for holding the General Shareholders' Meeting or the placing of items on the agenda.

Resolutions concerning amendments to the Article of Incorporation are made available for inspection by the shareholders at the company registered office and any branch offices. This information is included in the invitation.

No decisions are permitted on incorrectly submitted resolutions except for resolutions calling for an extraordinary General Shareholders' Meeting or for a special audit. No previous notice is required to place resolutions within the framework of agenda items or non-executive resolutions.

Article 12

A shareholder who has a share or who is recognised as the owner of a share by the Board of Directors is entitled to exercise voting rights.

A shareholder can appoint another shareholder as a proxy.

Article 13

The Chairman will lead the General Shareholders' Meeting and will be deputised by another member of the Board of Directors in his/her absence.

The Chairman designates a secretary

The General Shareholders' Meeting is to be minuted. The minutes are to be signed by the Chairman and the secretary.

Article 14

At the General Shareholders' Meeting the shareholders exercise voting rights in proportion to the overall nominal values that they represent.

Each shareholder is entitled to at least one vote even if he/she only holds one share.

Article 15

The General Shareholders' Meeting is always considered to be quorate independent of the number of shareholders present.

The General Shareholders' Meeting passes resolutions and holds votes on the basis of an absolute majority of the share votes represented.

The provisions of Article 704 of the Swiss Code of Obligations remain unaffected.

b) Board of Directors

Article 16

The company is led by the Board of Directors which consists of one or more members. The members are elected by the General Shareholders' Meeting.

Article 17

The term of office for members of the Board of Directors is twelve months. They are entitled to stand for reelection at any time.

If the Board of Directors consists of more than one member it is required to designate a Chairman, a Vice-Chairman and a secretary.

Article 18

The Board of Directors holds as many meetings as required in the interests of the company. Every member of the Board of Directors is entitled to immediately call a meeting by informing the Chairman of its reasons.

If the Board of Directors consists of more than one member then a majority have to be present for the meeting to be quorate. Decisions are made on the basis of a majority of votes of those present.

No quorum is required for amending and declaratory decisions by the Board of Directors in relation to increases in share capital.

Article 19

The resolutions and decisions are to be minuted and the minutes countersigned by the Chairman and secretary. Attending board members are to be listed in the minutes.

Board of Directors decisions can also be made by submitting approval in writing or by telegram, telex or fax unless one member demands that a resolution is discussed. These decisions must be recorded in the minutes. Extracts from the minutes must be countersigned by a member of the Board of Directors.

Article 20

The Board of Directors can make decisions on all matters that are not assigned to the General Shareholders' Meeting by law or by the Article of Incorporation. The Board of Directors is responsible for the company's transactions unless they have been transferred to the executive management.

Article 21

The Board of Directors has the following non-transferable and inderogable duties:

1. Executive management of the company and the issuing of the necessary instructions;
2. Stipulation of the organisation;
3. Structuring of the accounting system, financial control and financial planning where required for the management of the company;
4. Appointment and dismissal of persons entrusted with the management and representation of the company;
5. Supervision of persons entrusted with the management of the company in respect of adherence to legislation, Article of Incorporation, regulations and instructions;
6. Production of the company report as well as the organisation of the General Shareholders' Meeting and the implementation of its decisions;
7. Informing the judicial authorities in the event of overindebtedness.

Article 22

The Board of Directors appoints the persons authorised to issue subscriptions and lays down the form of the subscriptions.

The Board of Directors can transfer the management responsibility of the company in accordance with the organisational regulations, either in part or in full, to individual members or third parties. It can also transfer rights of representation to one or more members (delegates) or third parties (directors).

Article 23

At least one member of the Board of Directors must be assigned rights of representation.

c) Auditors

Article 24

The General Shareholders' Meeting appoints one or more legally qualified accountants to audit the financial statements and consolidated financial statements. Their expertise, tasks and duties are legally defined.

Auditors are elected for a period of twelve months. Their term of office ends with the submission of the last financial statement. Re-election is permitted. Dismissal is permitted at any time without notice.

The auditors must be independent in accordance with Articles 728 and/or 729 of the Swiss Code of Obligations.

IV. FINANCIAL STATEMENTS, RESERVE FUND, DIVIDENDS

Article 25

The financial year runs from 1 January to 31 December.

Article 26

The financial statements, consisting of income statement, balance sheet and notes, must be drawn up by 31 December in accordance with Articles 662 to 670 of the Swiss Code of Obligation.

Establishment, increased capital and organisational costs arising from setting up, expanding or converting the business may be entered in the balance sheet. They are accounted for separately and depreciated within five years.

The revenue is primarily designed to meet the company's general costs, expenditure and charges. The management is authorised to perform depreciation before the accounts are completed. The profit is made up of the balance.

Article 27

The General Shareholders' Meeting decides on the use of the available earnings based on a Board of Directors' proposal and in accordance with the legal provisions of Article 671 of the Swiss Code of Obligation.

Article 28

The Board of Directors sets the date for the payment of dividends. If dividends are not claimed within five years of being issued then the rights to the said dividends revert to the company and are allocated to the reserve account.

V. LIQUIDATION

Article 29

The company can be liquidated by the Board of Directors, other than in the event of dissolution due to bankruptcy or legal decision, if the General Shareholders' Meeting does not reach an alternative decision. Liquidation of the company is performed in accordance with the provisions of Article 742 ff. of the Swiss Code of Obligation.

Article 30

The General Shareholders' Meeting retains the right to approve the liquidation calculation and grant discharge in this respect.

After the liabilities have been settled the remaining funds are used to reimburse the shares in proportion to their nominal value. Any remaining funds are distributed at the discretion of the General Shareholders' Meeting.

VI. ANNOUNCEMENTS

Article 31

Company information is published in the "Schweizerisches Handelsamtsblatt". The Board of Directors can designate other publishing organisations.

Announcements of the company to the shareholders are made through the publishing organisations of the company.