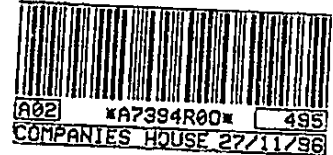


02 - 12 - 96

COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION



COMPANY NAME: Graystone PLC

No: 29796

At the annual general meeting of the Company held on 22 November 1996 the following special resolution was passed

- "(a) THAT in substitution for all existing authorities, the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (as amended) (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of the authorised but unissued share capital of the Company at the date of passing of this Resolution for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this Resolution, whichever first occurs, but the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement;
- (b) THAT in substitution for all existing authorities, the directors be empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) pursuant to the authority conferred upon them by paragraph (a) of this Resolution as if sections 89(1) of the Act did not apply to any such allotment PROVIDED THAT such power:-
- (i) expires 15 months after the date of passing of this Resolution or at the conclusion of the next annual general meeting following the passing of this Resolution, whichever first occurs, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority and the directors may allot securities in pursuance of that offer or agreement; and
 - (ii) is limited to allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the capital of the Company and, if in accordance with their rights the directors so determine, holders of other securities of any class made in proportion (as nearly as may be) to their existing holdings of ordinary shares or (as the case may be) other equity securities of the class concerned (so that any offer to holders of other equity securities of any class shall be on the basis of their rights to receive such offer and, failing which, shall be on the basis that their holdings had been converted into or that they had subscribed for ordinary shares on the basis then applicable) but

02 - 12 - 96

subject to the directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient to deal with equity securities representing fractional entitlements and to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory; and

- (iii) is limited to allotments of equity securities for cash otherwise than pursuant to paragraph (ii) above up to an aggregate nominal value not exceeding £949,985 representing 5% of the issued ordinary share capital."

Emerson Court
Alderley Road
Wilmslow
Cheshire SK9 1NX


Secretary

22 November 1996