

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
RESOLUTIONS

of

GRANADA GROUP PLC

(Passed 5 July 2000)



At an Extraordinary General Meeting of the Company duly convened and held on 5 July 2000 the following resolutions were duly passed as Special Resolutions:

SPECIAL RESOLUTIONS

1. THAT the Scheme of Arrangement (the "Scheme") dated 12 June 2000 between (1) the Company and (2) the holders of the Scheme Shares and the Scheme Preference Shares (each as defined in the Scheme) a print of which as been produced to this Meeting for the purposes of identification has been signed by the Chairman of this Meeting be and is hereby approved in its original form or subject to any modification, condition or addition thereto imposed or approved by the Court.
2. For the purpose of giving effect to the Scheme:
 - (a) the capital of the Company be reduced by cancelling and extinguishing the Scheme Shares and the Scheme Preference Shares (each as defined in the Scheme);
 - (b) forthwith upon the reduction of capital referred to in paragraph 2(a) of this Resolution taking effect:
 - (i) the capital of the Company be increased to its former amount by the creation of such number of new Ordinary Shares of 12.5p each ("New Ordinary Shares") as shall be equal in nominal value to the aggregate nominal value of all the Ordinary Shares of 12.5p each comprised in the Scheme Shares cancelled as a result of the reduction of capital (such New Ordinary Shares to have attached thereto the same rights and privileges and to be subject to the same limitations and restrictions as the Ordinary Shares comprised in the Scheme Shares);
 - (ii) the credit arising in the books of account of the Company as a result of the reduction of capital upon cancellation of the Ordinary Shares of 12.5p each comprised in the Scheme Shares taking effect be capitalised and applied in paying up in full at par the New Ordinary Shares to be allotted and issued credited as fully paid to Granada Compass plc and/or its nominee; and
 - (iii) the directors of the Company be unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot up to 2,000,000,000 New Ordinary Shares in accordance with this resolution and in accordance with the Articles of Association of the Company such authority to expire on 4 July 2005; and

- (c) forthwith upon the reduction of capital referred to in paragraph 2(a) of this Resolution taking effect:
- (i) the capital of the Company be increased to its former amount by the creation of such number of new Convertible Preference Shares of 10p each ("New Preference Shares") as shall be equal in nominal value to the aggregate nominal value of all the Convertible Preference Shares of 10p each comprised in the Scheme Preference Shares cancelled as a result of the reduction of capital (such New Preference Shares to have attached thereto the same rights and privileges and to be subject to the same limitations and restrictions as the Convertible Preference Shares comprised in the Scheme Preference Shares)
 - (ii) the credit arising in the books of account of the Company as a result of the reduction of capital upon cancellation of the Convertible Preference Shares of 10p each comprised in the Scheme Preference Shares taking effect be capitalised and applied in paying up in full at par the New Preference Shares to be allotted and issued credited as fully paid to Granada Compass plc and/or its nominee; and
 - (iii) the directors of the Company be unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot up to 90,000,000 New Preference Shares in accordance with this resolution and in accordance with the Articles of Association of the Company, such authority to expire on 4 July 2005; and
- (d) with effect from the passing of this resolution the Articles of Association of the Company be altered by:
- (i) inserting the following new Article 159 as an additional articles:
 - "159 (i) For the purposes of this Article 159 and Article 160 below, the "Scheme" means the scheme of arrangement dated 12 June 2000 under section 425 of the Act between the Company and the holders of the Scheme Shares and the Scheme Preference Shares (and any modifications thereof). Terms defined in the Scheme shall have the same meanings when used in this Article 159 or in Article 160
 - (ii) Notwithstanding anything Articles 159 and 160 if the Company allots and issues any Ordinary Shares on or after the date of the Granada Shareholders Court Meeting and prior to the Record Time such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of such shares shall be bound by the Scheme accordingly."
 - (ii) Inserting the following new Article 160 as an additional article:
 - "160 (i) Any person other than Granada Compass plc or its nominee who becomes a member of the Company at any time or times after the Record Time (the "Vendor") shall at the time at which he becomes a member (the "Relevant Time") be bound to transfer to Granada Compass plc or its nominee or to any other person as Granada Compass plc may direct (the "Purchaser") free from all liens, charges and encumbrances of any nature whatsoever (subject to the provisions of Article 160(ii) below) and the Purchaser shall be bound to acquire all the ordinary shares in the Company held by the Vendor (the "Disposal Shares") for a

consideration equal in kind and amount to that which the Vendor would have received pursuant to the Scheme if such Disposal Shares had been Scheme Shares.

- (iii) To give effect to any such transfer required by paragraph (i) above the Purchaser may appoint any person to execute a form of transfer on behalf of the Vendor in favour of the Purchaser and to agree on behalf of such person, or its nominees, to become a member of Granada Compass and the Company may give a good receipt for the consideration for the Disposal Shares and may register the Purchaser as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the Vendor for the Disposal Shares.
- (iv) If the Scheme shall not have been effective on or before the date referred to in clause 6(b) of the Scheme, Articles 159 and 160 shall be of no effect."

At the Extraordinary General Meeting of the Company duly convened and held on 5 July 2000 the following resolutions were duly passed as ordinary resolutions:

ORDINARY RESOLUTIONS

- 3. THAT a demerger by Granada Compass plc of its hospitality business be approved in principle, subject to the requirement to obtain shareholders' consent in due course.
- 4. THAT the adoption by Granada Media Limited of the Granada Media Approved Executive Share Option Scheme, the Granada Media Unapproved Executive Share Option Scheme and the Granada Media Commitment Scheme the Principal features of each of which are summarised in the Granada Compass Listing Particulars dated 12 June 2000 and the adoption by Granada Compass plc of equivalent successor schemes (together the "Schemes") be and is hereby approved and the directors of Granada Compass plc and Granada Media Limited be and they are hereby authorised to do all acts and things necessary to implement the Schemes including the making of any changes to the rules of the Schemes as they may consider necessary or desirable.
- 5. THAT the adoption by Granada Media Limited of the Granada Media Savings-Related Share Option Scheme and the Granada Media All-Employee Share Ownership Plan the principal features of each of which are summarised in the Granada Compass Listing Particulars dated 12 June 2000 and the adoption by Granada Compass plc of equivalent successor schemes (together the "Schemes") be and is hereby approved and the directors of Granada Compass plc and Granada Media Limited be and they are hereby authorised to do all acts and things necessary to implement the Schemes including the making of any changes to the rules of the Schemes as they may consider necessary or desirable.
- 6. THAT the adoption by Compass Hospitality Group Limited of the Compass Hospitality Share Option Plan, the Compass Hospitality Long-Term Incentive Plan and the Compass Hospitality Commitment Share Plan (together the "Schemes") the principal features of each of which are summarised in the Granada Compass Listing Particulars dated 12 June 2000 be and is hereby approved and the directors of Granada Compass plc and Compass Hospitality Group Limited be and they are hereby authorised to do all acts and things necessary to implement the Schemes including the making of any changes to the rules of the Schemes as they may consider necessary or desirable.

7. THAT the adoption by Compass Hospitality Group Limited of the Compass Hospitality UK Savings-Related Share Option Scheme, the Compass Hospitality Overseas Savings-Related Share Option Scheme and the Compass Hospitality All Employee Share Ownership Plan (together the "Schemes") the principal features of each of which are summarised in the Granada Compass Listing Particulars dated 12 June 2000 be and is hereby approved and the directors of Granada Compass plc and Compass Hospitality Group Limited be and they are hereby authorised to do all acts and things necessary to implement the Schemes including the making of any changes to the rules of the Schemes as they may consider necessary or desirable.
8. THAT the directors of the Company be authorised to amend the Granada 1998 Executive Share Option Scheme in the manner described in paragraph 11 of Part 2 of the Scheme Circular and to do all acts and things as they consider necessary or desirable to give effect thereto.
9. THAT the appointment of Gerry Robinson as a director of Granada Compass plc be and is hereby confirmed.
10. THAT the appointment of Francis Mackay as a director of Granada Compass plc be and is hereby confirmed.
11. THAT the appointment of Charles Allen as a director of Granada Compass plc be and is hereby confirmed.
12. THAT the appointment of Michael Bailey as a director of Granada Compass plc be and is hereby confirmed.
13. THAT the appointment of Alain Dupuis as a director of Granada Compass plc be and is hereby confirmed.
14. THAT the appointment of Andrew Lynch as a director of Granada Compass plc be and is hereby confirmed.
15. THAT the appointment of Stephanie Monk as a director of Granada Compass plc be and is hereby confirmed.
16. THAT the appointment of Ron Morley as a director of Granada Compass plc be and is hereby confirmed.
17. THAT the appointment of Graham Parrott as a director of Granada Compass plc be and is hereby confirmed.
18. THAT the appointment of Henry Staunton as a director of Granada Compass plc be and is hereby confirmed.
19. THAT the appointment of John Ashworth as a director of Granada Compass plc be and is hereby confirmed.
20. THAT the appointment of Denis Cassidy as a director of Granada Compass plc be and is hereby confirmed.
21. THAT the appointment of Peter Cawdron as a director of Granada Compass plc be and is hereby confirmed.
22. THAT the appointment of Richard Clothier as a director of Granada Compass plc be and is hereby confirmed.
23. THAT the appointment of Valerie Gooding as a director of Granada Compass plc be and is hereby confirmed.

24. THAT the appointment of Michael Orr as a director of Granada Compass plc be and is hereby confirmed.
25. THAT
- (a) any and all claims which the Company may have in respect of the payment of the interim dividend of 2.95p per ordinary share for the 26 weeks ended 27 March 1999 (the "Dividend") against its shareholders who appeared on the register of shareholders on the record date be released and a deed of release in favour of such shareholders be entered into by the Company in the form of the deed produced to this meeting and signed by the Chairman for the purposes of identification and thereafter be delivered to the Secretary of the Company for retention by him on behalf of the said shareholders; and
- (b) any and all claims which the Company may have against its directors (both past and present) arising out of the payment of the Dividend be released and that a deed of release in favour of the Company's directors be entered into by the Company in the form of the deed produced to this meeting and signed by the Chairman for the purposes of identification and thereafter be delivered to the Secretary of the Company for retention by him on behalf of the said directors.

Signed 

Chairman of the Meeting

Dated 5 July 2000