

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."

Signed



Chairman of the Meeting

Dated

5 July 2000