

**RESOLUTIONS**  
**OF**  
**HAMMER FILM PRODUCTIONS LIMITED**

**Passed 31 January 2000**

**WRITTEN RESOLUTIONS**

**Passed pursuant to Section 381A of the Companies Act 1985 ("the Act")**

We, the undersigned, being all members of the Company who at the date hereof would be entitled to attend and vote at General Meetings of the Company hereby agree and confirm that the following Resolutions shall for all purposes have effect as if they had been passed at a general meeting of the Company. Accordingly, we hereby resolve:-

**SPECIAL RESOLUTIONS**

1. THAT, Object (F) of paragraph 3 of the Company's Memorandum of Association be entirely deleted and replaced with the following new object:-

"To guarantee or otherwise support or secure (with or without the Company receiving any consideration or benefit) and whether by personal covenant or by creating or granting a mortgage, charge, pledge, lien or encumbrance of any kind over, or by entering into any other type of transaction in relation to, all or any of the undertaking, property or assets of the Company, present and future, including its uncalled capital, or by a combination of such methods or in any other manner whatsoever, the payment of any debts and liabilities, and the performance or observance of any obligations or commitments, by any person, firm or company, including, but not limited to, any company which is for the time being the holding company or a subsidiary or subsidiary undertaking (as defined by Section 258 of the Companies Act 1989) of the Company or the Company's holding company."

2. THAT, the following new Object be inserted as Object Q of paragraph 3 of the Company's Memorandum of Association:-

"(Q) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Companies Act 1985 ("the Act") (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act."

3. THAT, the Company's Articles of Association be amended by adding the following wording to the end of Article 6.1:-

"save that notwithstanding this Article 6.1 or any other Article the directors shall register any transfer of shares executed by or in favour of any bank or institution to whom such shares have been charged by way of security, or by or in favour of any nominee of such a bank or institution, pursuant to any power contained in such security, and a certificate by any official of such bank or institution that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts. Notwithstanding anything contained in these Articles, the directors shall not decline to register any such transfer, nor may they suspend registration thereof. If and so long as any shares are charged to any such bank or institution, the terms of this Article may not be amended without the prior written consent of such bank or institution. The provisions of Article 6 and Sections 89 and 90 Companies Act 1985 shall not apply in relation to any such transfer."

4. THAT, the giving of financial assistance by the Company in connection with the acquisition of the Company's own "A" share capital by Hammer Entertainment Limited ("**HE**") pursuant to a Share Sale Agreement to be dated today's date by virtue of:

- (1) the Company accepting (as guarantor) a facility letter from Barclays Bank Plc (the "**Bank**") addressed to the Company relating to a term loan of £750,000 (the "**Term Loan**") to the Company to refinance the Company's existing liabilities (which liabilities include a loan to the Company's "B" shareholders) and to fund working capital, and a separate Facility Letter from the Bank addressed to the Company relating to an overdraft facility (the "**Overdraft Facility**") of £100,000 to finance the Company's working capital requirements;
- (2) the Company executing in favour of the Bank the following security:-
  - a) a composite guarantee and debenture securing all indebtedness and obligations of the Company, HE, Hammer Films Limited ("**HF**") and Hammer Film Music Limited ("**HFM**") to the Bank, present and/or future (the "**Guarantee and Debenture**");
  - b) a fixed charge and assignment over the rights of the Company relating to the Hammer Film Library; and
  - c) an assignment of key man life and critical illness policies in respect of Terry Ilott and Peter Naish;
- (3) the execution of all or any security documents by HF and HFM in favour of the Bank, including, without limitation, in each case, a Guarantee and Debenture;
- (4) repayment by the Company of the outstanding part of the loan of £1,050,000 (including any outstanding interest) made on 2 May 1997 to the Company by Neil

Mendoza, Charles Saatchi and William Seighart as varied by a Letter of Variation dated 9 April 1998;

- (5) repayment by the Company of a loan made in the sum of £379,000 (including any outstanding interest) to the Company by the Shenley Film Pensions Fund.

is authorised and that the execution of the said documents and any other documents and acts necessary in connection with the said financial assistance are approved.

.....  
Signed by  
**ROY SKEGGS**

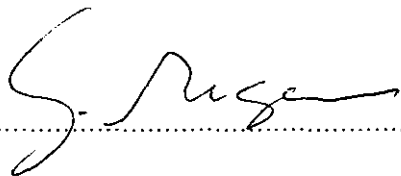
.....  
Signed by  
**ROY SKEGGS and ~~IVAN SOPHER~~**  
**GRAHAM SKEGGS**

.....  
Signed by  
**GRAHAM SKEGGS**

.....  
Signed by  
**NEIL MENDOZA**

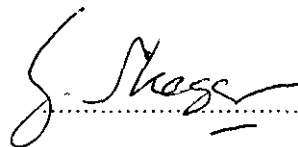
.....  
Signed by  
**WILLIAM SIEGHART**

.....  
Signed by  
**CHARLES SAATCHI**

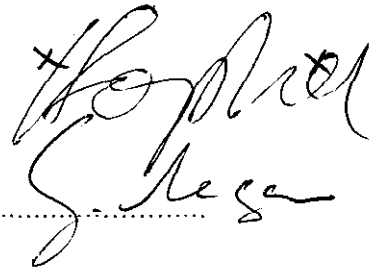


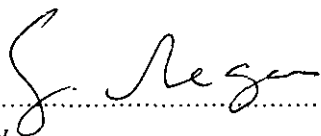
Signed by  
**ROY SKEGGS**

please sign  
here!

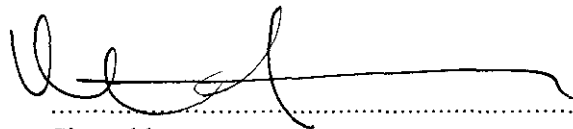


Signed by  
**ROY SKEGGS and IVAN SOPHER**  
GRAHAM SKEGGS

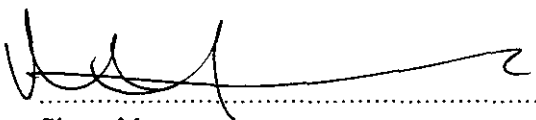




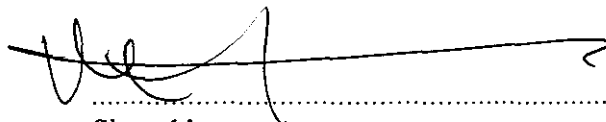
Signed by  
**GRAHAM SKEGGS**



Signed by  
**NEIL MENDOZA**



Signed by  
**WILLIAM SIEGHART**  
(as attorney)



Signed by  
**CHARLES SAATCHI**  
(as attorney)