

Company No: 1934366

The Companies Act 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

PARAMOUNT P.L.C.

Passed 15 January 2001

At the extraordinary general meeting of the Company duly convened and held on 11 January 2001 the following resolutions were duly passed as special resolutions:-

SPECIAL RESOLUTIONS

1. That, subject to and conditional upon the passing as extraordinary resolutions of the resolutions numbered 1 set out in each of the notices dated 21 December 2000 of the separate class meetings of each of the holders of convertible redeemable preference shares of £1 each in the capital of the Company ("Convertible Preference Shares") and the holders of cumulative second convertible redeemable preference shares of £1 each in the capital of the Company ("the Cumulative Convertible Preference Shares"):-
 - 1.1 the amount standing to the credit of the share premium account of the Company be and is hereby cancelled;
 - 1.2 the amount standing to the credit of the capital redemption reserve of the Company be and is hereby cancelled;
 - 1.3 the nominal value of each of the issued ordinary shares of 25p each in the capital of the Company ("Ordinary Shares") be reduced by 20p to a nominal value of 5p by cancelling paid up capital to the extent of 20p on each such share;

- 1.4 each of the unissued Ordinary Shares be and is hereby subdivided into five ordinary shares of 5p each in the capital of the Company ("Redenominated Ordinary Shares"); and
- 1.5 subject to the reduction of capital and cancellation of share premium account and capital redemption reserve referred to above being confirmed by the High Court, the Articles of Association of the Company be and they are hereby amended as follows:-
- 1.5.1 by the deletion of the opening paragraph of Article 4 and the substitution therefor of the following:-
- "The share capital of the Company at the date of amendment of these Articles is £9,010,237.40 divided into 1,400,000 limited voting convertible redeemable preference shares of £1 each ("Convertible Preference Shares"), 3,111,000 cumulative second convertible redeemable preference shares of £1 each ("Cumulative Convertible Preference Shares") and 89,984,748 ordinary shares of 5p each";
- 1.5.2 the references to "25p" in each of the following Articles be deleted and substituted by references to "5p":-
- Articles 4.1 (4) (a), 4.1 (4) (h), 4.1 (4) (i), 4.2 (3) (a) and 4.2 (3) (g) (i) and (ii);
- 1.5.3 by the deletion of the words "and otherwise than in connection with the consolidation referred to in the following sub-paragraph (o) in Article 4.1 (4) (n);
- 1.5.4 Article 4.1 (4) (o) be deleted in its entirety and the following words substituted as a new Article 4.1 (4) (o):-
- "If the Ordinary Shares shall be consolidated or sub-divided the nominal amount of ordinary share capital to be issued on any subsequent conversion of Cumulative Convertible Preference Shares shall be reduced or increased pro rata and if any doubt shall arise, the certificate of the Auditors (save in the event of manifest error) shall be conclusive and binding on all concerned"; and
- 1.5.5 by the deletion of the words "(otherwise than in connection with the consolidation referred to in the preceding sub-paragraph (o))" from Article 4.1 (4) (p);
- 1.5.6 by the deletion of the words "save in connection with the consolidation referred to in sub-paragraph (4) (o) of this Article 4.1" from Article 4.1 (7) (a);
- 1.5.7 by the deletion of the words "(or, following such consolidation referred to in sub-paragraph (4) (o) of the Article 4.1, the Ordinary Shares in issue immediately following such consolidation)" from Article 4.1 (7) (a) (iii);
- 1.5.8 by the deletion of the words "subject to paragraph (3) (o) (ii) of this Article 4.2" from Article 4.2 (3) (g) (i) and (ii);

- 1.5.9 by the deletion of the words “(otherwise than in connection with the consolidation referred to in the following sub-paragraph (o) (ii))” from Article 4.2 (3) (o) (i);
- 1.5.10 Article 4.2 (3) (o) (ii) be deleted in its entirety and the following words substituted as a new Article 4.2 (3) (o) (ii):-
- “If while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Ordinary Shares shall be consolidated or sub-divided, then the Conversion Rate shall be reduced or increased pro rata accordingly, such reduction or increase to become effective immediately after the consolidation or sub-division;”;
- 1.5.11 by the deletion of the words “(otherwise than in connection with the consolidation referred to in the preceding sub-paragraph (o) (ii))” from Article 4.2 (3) (o) (iii);
- 1.5.12 by the deletion of the words “(in either case not to being in connection with the consolidation referred to in sub-paragraph (4) (o) (ii) of this Article 4.2)” from Article 4.2 (6) (b); and
- 1.5.13 by the deletion of the words “(or, following such consolidation referred to in sub-paragraph (4) (o) (ii) of this Article 4.2, the Ordinary Shares in issue immediately following such consolidation),” from Article 4.2 (6) (e) (i).
2. That, subject to and conditional upon the passing as an extraordinary resolution of the resolution numbered 2 set out in the notice dated 21 December 2000 of the separate class meeting of the holders of Cumulative Convertible Preference Shares and subject to the approval of the High Court to, and registration of, the Capital Reorganisation described in resolution 1 above:
- 2.1 the rights attaching to the Cumulative Convertible Preference Shares be and are hereby varied by:-
- 2.1.1 the amendment of the conversion rate of 8 Ordinary Shares for every £3 in nominal value of the Cumulative Convertible Preference Shares to 15 Redenominated Ordinary Shares for every £3 in nominal amount of the Cumulative Convertible Preference Shares;
- 2.1.2 the waiver of all rights to any accrued dividends on the Cumulative Convertible Preference Shares up to and including the date of this resolution from the date of approval of this resolution;
- 2.1.3 there shall be no preferential dividend entitlement attaching to the Cumulative Convertible Preference Shares; and
- 2.1.4 amending the rights of the Company to require conversion of the Cumulative Convertible Preference Shares into Redenominated Ordinary Shares so that it may do so at any time; and
- 2.2 the Articles of Association of the Company be and they are hereby amended by:-

2.2.1 the deletion of the definition of "Average Market Price Per Share" from Article 2;

2.2.2 sub-Articles (a) to (e) inclusive of Article 4.1 (i) be deleted in their entirety and substituted by the following:-

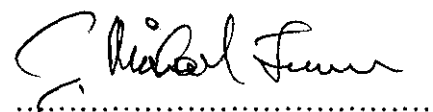
"The holders of Cumulative Convertible Preference Shares shall not be entitled to any payment of dividend in priority to the holders of any other class of shares for the time being in issue and shall rank pari passu for dividends with the Ordinary Shares. Any dividends accrued but unpaid on the Cumulative Convertible Preference Shares as at the date of amendment of these Articles shall no longer be or become payable to the holders of Cumulative Convertible Preference Shares and no holder of Cumulative Convertible Preference Shares shall be entitled to the same or to enforce any rights relating to the same.";

2.2.3 the deletion of the figure "8" in line 8 of Article 4.1 (4) (a) and the substitution therefor of the figure "15";

2.2.4 by the deletion of Article 4.1 (4) (d) and the substitution therefor of a new Article 4.1 (4) (d) as follows:-

"Subject to the Statutes, the Company shall be entitled to require that there are converted all of the Cumulative Convertible Preference Shares for the time being in issue into fully paid Ordinary Shares at the Cumulative Conversion Rate. The right to require conversion described in this sub paragraph (d) shall be exercisable by the Company issuing notice ("Company Cumulative Conversion Notice") on the holder(s) of Cumulative Convertible Preference Shares at any time (the date on which the Company Cumulative Conversion Notice is issued being a "Company Cumulative Conversion Date") such notice to contain details of the applicable Cumulative Conversion Rate. Within seven days of the Company Cumulative Conversion Date each holder of the Cumulative Convertible Preference Shares that are in certificated form shall deliver to the Registrars his share certificate(s) (or an indemnity in respect thereof in a form reasonably satisfactory to the Company); and

2.2.5 the deletion of Article 4.1 (4) (m) in its entirety, the re-lettering of the sub-articles thereafter and the amendment of cross references accordingly.



Chairman