

At an Extraordinary Meeting of the Company, duly convened, held on Tuesday 21 May 1996 at Arena Point, 1 Hunts Bank, Manchester at 3.15pm, the following special resolution was duly passed:

SPECIAL RESOLUTION

THAT

- (A) The authorised share capital of the Company be increased to £4,850,000 by the creation of 4,750,000 new cumulative redeemable preference shares of £1 each such shares having the rights and being subject to the restrictions set out in paragraph (C) of this resolution.
- (B) The Directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 Companies Act 1985, in addition to any existing power to allot relevant securities, to exercise the powers of the Company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal amount of £4,750,000 during the period commencing on the date of the passing of this Resolution and expiring on 20th May 2001 (both dates inclusive) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry the Directors may allot relevant securities in pursuance of such offers or agreements.
- (C) The following provisions be inserted in the Company's articles of association as new article (5):-
- "5. (A) The authorised share capital of the Company is £4,850,000 divided into 100,000 Ordinary Shares of £1 each and 4,750,000 Preference Shares of £1 each.

(B) In these Articles:

"Equity Share Capital" has the meaning ascribed to such expression in section 744 of the Companies Act 1985;

"Intercreditor Agreement" means a Deed of Priorities made on 29th December 1995 between NWS Corporate Finance PLC (1) The Co-operative Bank PLC (2) Bovis Construction Limited (3) Vector Investments Limited (4) and Vector Trading Limited (5)

"Ordinary Shares" means ordinary shares of £1 each.



"Preference Shares" means cumulative redeemable preference shares of £1 each.

(C) The rights attached to the Preference Shares are as follows:

(1) Income and Capital

- (i) (a) The holders of the Preference Shares shall be entitled to be paid out of the profits of the Company available for distribution and resolved to be distributed in respect of each financial year or other accounting period of the Company a cumulative preferential dividend ("preferential dividend") at the rate which, together with the tax credit available to shareholders, equals the base rate of Barclays Bank PLC plus 1 per cent. per annum on the amount for the time being paid up or credited as paid up on the Preference Shares held by them such dividend to be paid half-yearly in equal amounts on 30th June and 31st December (each a "fixed dividend date") (or, in the event of any such date being a Saturday, Sunday or public holiday in England, on the first business day next following which is not such a day) in each year in respect of the periods of six months ending on those respective dates, such base rate to be determined on the first business day of each half yearly payment period, Provided that no dividend shall be declared or paid until the Security Trustee's Indebtedness and the Co-op Bank Pari Passu Indebtedness (as such terms are defined in the Intercreditor Agreement) has been repaid in full.
- (b) The Preference Shares shall rank for dividend in priority to any other shares of the Company for the time being in issue, including, without limitation, the Ordinary Shares. The dividend rate is fixed on the basis that it is gross, to the effect that if the Company is obliged to pay or account for tax at source such dividend shall be reduced accordingly.
- (c) Dividends shall be cumulative and accordingly, if and to the extent that the profits of the Company available for distribution by way of dividend are

insufficient to pay the full amount of the dividend due for payment or if for any other reason all or the full amount of the dividend due for payment is not paid on the due date then, with effect from such date, the amount of such dividend unpaid shall, until paid, be deemed to be an additional amount paid up on the relevant Preference Shares and, until paid, dividends shall accrue on such unpaid dividend as if such unpaid dividend were an additional amount paid up on the relevant Preference Shares. Article 107 of Table A of the Companies Act 1985 shall not apply to any payments in respect of any Preference Share. Any accrued dividend shall be paid when such unpaid dividend is paid.

(ii) On a return of capital on a winding-up or (except on the redemption or purchase of any shares) otherwise, the assets of the Company available for distribution among the members shall, subject to any provision made under section 719 of the Companies Act 1985, be applied:

- (a) firstly in repaying the nominal capital paid up or credited as paid up on the Preference Shares held by them respectively;
- (b) secondly, in repaying the capital paid up or credited as paid up on the Ordinary Shares.

The Preference Shares shall rank on a return of capital on liquidation or otherwise in priority to any other shares of the Company for the time being in issue.

(iii) Except as provided in sub-paragraphs (a) and (b) above the Preference Shares shall not carry any right to participate in profits or assets of the Company. The provisions of this paragraph are without prejudice to any other provisions of these Articles (as from time to time altered) as to the redemption and purchase of shares.

(2) Voting and General Meetings

- (a) The holders of the Preference Shares shall, by virtue of or in respect of their holdings of Preference Shares, have the right to receive notice of a General Meeting of the Company but shall not have the right to attend, speak and vote at any General Meeting of the Company unless a

resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares or the redemption or repayment of the Company's share capital, in which case such holders shall have the right to attend the General Meeting and shall be entitled to speak and vote only on such resolution. Save as aforesaid, the Preference Shares shall not confer on the holders thereof the right to attend, speak or vote at any General Meeting of the Company and references in these Articles to "member", "shareholder" and "holder", in relation to receiving notice of, attending or voting at General Meetings of the Company, shall be construed accordingly.

(b) Whenever the holders of the Preference Shares are entitled in accordance with paragraph (a) above to vote at a General Meeting of the Company, on a show of hands, every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote and, on a poll, every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote for every Preference Share registered in the name of such holder.

(c) The Preference Shares are deemed not to be voting shares (except in relation to matters referred to in (a) above).

(3) Redemption and Purchase

(a) Both the Company and each holder of Preference Shares shall in any manner permitted by law and as the Board shall determine have the right (subject to the provisions of the Companies Act 1985) to redeem or require redemption (as the case may be) of all or any of the Preference Shares on giving at least six months notice to the holder(s) or the Company (as the case may be) provided that no redemption shall be made until the Security Trustee's Indebtedness and the Co-op Bank Pari Passu Indebtedness (as such terms are defined in full of the Intercreditor Agreement) are repaid in full

(b) In the case of a partial redemption, the Company shall cause any drawing of Preference Shares to be made in the presence of a representative of the Auditors at the Office or at such other place and in such manner as the Board may determine.

- (c) Any notice given in accordance with paragraph 5(3)(a) shall specify the date for the redemption of the Preference Shares concerned, being the date which is six months from the service of the notice in accordance with paragraph 5(3)(a) aforesaid ("the Redemption Date") and shall specify the Preference Shares due for redemption ("the Relevant Shares"). The Company shall give not less than 28 days notice in writing to each of the holders Preference Shares as either it has served notice on or who have served notice on the Company in accordance with paragraph 5(3)(a) (as the case may be) naming the place at which the certificates for the Relevant Shares are to be presented for redemption and at which the redemption monies are to be paid.
- (d) If as a result of an acquisition or transfer (or prospective acquisition or transfer) of any Ordinary Shares by or to any person the Company becomes aware that the right to cast more than seventy five per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in that person and/or any associate of the person, as defined in S.430(E)(4) of the Act, the Company shall give written notice to all holders of Preference Shares of such acquisition or transfer (or prospective acquisition or transfer) within 14 days of it becoming so aware. Each such holder shall be entitled within the period of six weeks from the date of such notice (but not thereafter) to require some or all of his Preference Shares to be redeemed on the basis set out in paragraph (c) of this paragraph 5(3) and the Redemption Date will be the date which is seven days after any holder of Preference Shares notifies the Company that it wishes to redeem some or all of his Preference Shares ("Relevant Shares"). The notice given by the Company in accordance with this paragraph 5(3)(d) shall specify the place at which certificates for Relevant Shares are to be presented for redemption and at which redemption monies are to be paid.
- (e) On the Redemption Date the Company shall be entitled and bound to redeem the Relevant Shares and the holders of the Relevant Shares shall be bound to deliver to the Company at the place named in the notice, the certificate (or an indemnity in lieu thereof in a form satisfactory to the Company) for their Relevant Shares and, upon such delivery and against the receipt of the holder (or in the case of joint registered holders the receipt of any of them)

of the Relevant Shares for the redemption monies payable in respect of his shares, which shall constitute an absolute discharge to the Company in respect thereof, the Company shall pay to the holder of the Relevant Shares the redemption monies payable to him in respect of such redemption.

- (f) The Company shall in the case of a redemption in full cancel the holder's certificate relating to the Relevant Shares and in the case of a redemption of part of the Preference Shares included in a certificate either:
 - (i) enface a memorandum of the amount and respective redemption date(s) on such certificate; or (ii) cancel the same and without charge issue to the holder of the partially redeemed Preference Shares delivering such certificate to the Company a fresh certificate for the balance of the Preference Shares not redeemed on that occasion.
- (g) If any holder of Relevant Shares shall fail or refuse to deliver up the certificate for his Relevant Shares the Company may retain the redemption monies until delivery up of the certificate or of an indemnity in respect thereof satisfactory to the Company but shall within 7 days thereafter pay the redemption monies to such holder of Relevant Shares.
- (h) There shall be paid on each Relevant Share a sum equal to: (i) the nominal capital paid up or credited as paid up thereon; and (ii) all arrears and accruals (if any) of the preferential dividend thereon, to be calculated down to and including the Redemption Date relating to such Relevant Share and to be payable irrespective of whether or not such dividend has been declared or earned or become due and payable.
- (i) As from the Redemption Date fixed for Relevant Shares, the preferential dividend shall cease to accrue on such Relevant Shares unless on the presentation of the certificate relating thereto the Company fails to make payment of the money due on such redemption, in which case dividends shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment.

- (j) Upon the redemption of any Preference Shares pursuant to this paragraph 5 (C) the Board may & pursuant to the authority given by the passing of the Resolution to adopt this Article) consolidate and/or sub-divide and/or convert the authorised preference share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Preference Shares and the Board shall have power to issue Ordinary Shares of such nominal value in anticipation of such redemption to the extent permitted by section 160(5) of the Companies Act 1985.

(D) Other Matters

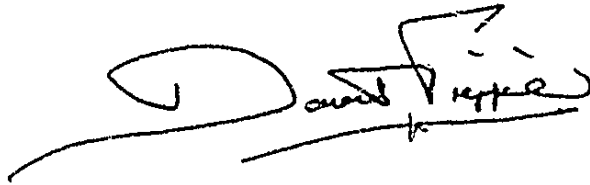
Save with the consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares:

- (a) no further Shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares shall be created or issued;
- (b) Article No 8 shall not be altered;
- (c) no resolution shall be passed whereby the rights attached to the Ordinary Shares shall be modified, varied or abrogated but, for the avoidance of doubt, it is hereby declared that any resolution for the disapplication of section 89(1) of the Companies Act 1985 shall be deemed not to abrogate, vary or modify such rights;
- (d) the Company shall not (except (i) on or in connection with the redemption or purchase of any shares or the issue or payment up of any securities by way of capitalisation of profits or reserves (including share premium account and capital redemption reserve); or (ii) as authorised by section 146(2) or, in respect of redeemable shares, by section 159 of the Companies Act 1985) reduce its share capital or any uncalled liability in respect thereof or (except as authorised by sections 130(2), 160(2) and 170(4) of the Companies Act 1985) any share premium account or capital redemption reserve;

- (e) no distribution shall be made by the Company out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company otherwise than in the form of Ordinary Shares by way of such a capitalisation as is referred to in Article 110 of Table A of the Companies Act 1985;
 - (f) the Company shall not issue or permit to be in issue any Equity Share Capital which is not in all respects uniform with the Ordinary Shares of the Company in issue on the date of the Resolution creating the adopting this Article save:
 - (i) as to the date from which such Equity Share Capital shall rank for dividend; or
 - (ii) for Equity Share Capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary Shares in issue on such date; or
 - (iii) for Equity Share Capital issued in connection with or pursuant to any employee's share scheme as defined in section 743 of the Companies Act 1985 approved at any time by the Company in General Meeting;
 - (iv) for the Preference Share; and
 - (g) neither the Board nor the Company in General Meeting shall have any power to apply or direct the application of any sum for the time being standing to the credit of share premium account in any manner which would result in the amount remaining to the credit of that account being less than the aggregate amount of the premium payable on redemption of the Preference Shares in issue following such application."
- (C) Articles 5 to 14 be re-numbered articles 6 to 15.
- (D) That 4,750,000 Preference Shares be allotted and issued to Bovis Limited and that the provisions of Article 2(b) of the Articles of Association of the Company requiring such Preference Shares to be offered to the Members in proportion as nearly as may be to the number

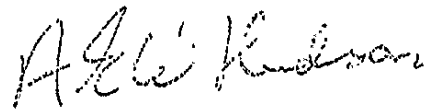
of existing shares held by them shall not apply to such allotment and issue.

Signed

A handwritten signature in dark ink, appearing to read "David F. Figgie". The signature is stylized with a large, sweeping initial "D" and a long horizontal line extending to the right.

Chairman

Signed

A handwritten signature in dark ink, appearing to read "A. G. K. K. K.". The signature is written in a cursive, flowing style.

Secretary