

PSD GROUP PLC

At an Extraordinary General Meeting of the Company held on 10 February 1997 Resolution no. 1 set out below was passed as a special resolution and resolution no. 2 set out below was passed as an ordinary resolution:

SPECIAL RESOLUTION

THAT:-

- 1 subject to the admission of the whole of the issued ordinary share capital of the Company to the Official List of London Stock Exchange Limited becoming effective in accordance with the Listing Rules made by London Stock Exchange Limited pursuant to Part IV of the Financial Services Act 1986 ("Admission") on or before 28 February 1997:-
 - (a) the Directors of the Company be and they are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning given to such term in Section 80(2) of the Act) up to an aggregate nominal amount of £1,431,679.80, provided that this authority shall expire on the earlier of 15 months from the date hereof and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution so that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired. This authority shall be in substitution for and shall replace any other existing authority pursuant to Section 80 of the Act to the extent not utilised at the date this resolution is passed;
 - (b) the Directors of the Company be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by resolution 1(a) above as if Section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited to:-
 - (i) the allotment of 6,472,671 Ordinary Shares of 5p each in the capital of the Company in connection with the proposed placing of such shares by HSBC Investment Bank plc on behalf of the Company pursuant to the terms of the placing agreement to be entered into between, inter alia, the Company and HSBC Investment Bank plc and to be dated on or around 11 February 1997;
 - (ii) the allotment of equity securities in connection with an offer by way of rights to the holders of the issued Ordinary Shares of 5p each in the capital of the Company where the securities respectively attributable to the



interests of such holders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them, subject to such exclusions or other arrangements as the Directors may deem fit to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any Stock Exchange in, any territory; and

- (iii) the allotment (otherwise than pursuant to sub-paragraphs (i) and (ii) above of equity securities up to an aggregate nominal amount of £60,460; and

this power shall be in substitution for and shall replace any other existing power pursuant to Section 95 of the Act to the extent not exercised at the date this resolution is passed;

- (c) in accordance with the recommendation of the Directors, it is desirable to capitalise the sum of up to £817,258.10 being part of the sum standing to the credit of the Company's merger reserve and accordingly that such sum be capitalised and the Directors be and they are hereby authorised and directed to appropriate such sum to the persons shown in the Register of Members of the Company immediately before the passing of this resolution as the holders of the Ordinary Shares then in issue and to apply such sum on behalf of such holders in paying up in full at par up to 16,345,162 unissued Ordinary Shares of 5p each in the capital of the Company, such shares to be allotted and distributed credited as fully paid up to and among such holders in the proportion of 11.962175 new Ordinary Shares for every one Ordinary Share held as aforesaid, and that the new Ordinary Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares but subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements;

- (d) the Articles of Association of the Company be amended as follows:-

- (i) by deleting sub-paragraph (B) of Article 70 and re-numbering Article 70 accordingly;
- (ii) by deleting sub-paragraphs (B), (C) and (D) of Article 92 and substituting therefore the following:-

"(B) A Director shall not, as a Director, vote in respect of any contract, transaction, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 346 of the Act or any statutory modification or re-enactment thereof) is a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply:-

- (1) to the giving of any security, guarantee or indemnity in respect of:-
 - (a) money lent or obligations incurred by him or by any other person for the benefit of the Company or any of its subsidiary undertakings; or
 - (b) a debt or obligation of the Company or any of its subsidiary undertakings for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (2) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to or may participate;
 - (3) to any contract, transaction, arrangement or proposal affecting any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the Act or any statutory modification or re-enactment thereof) does not to his knowledge hold an interest in shares (as that term is used in Sections 198 to 211 of the Act or any statutory modification or re-enactment thereof) representing one per cent. or more of any class of the equity share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
 - (4) any act or thing done or to be done in respect of any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings under which he is not accorded as a Director any privilege or advantage not generally accorded to the employees to whom such arrangement relates; or
 - (5) any matter connected with the purchase or maintenance for any Director of insurance against any liability.
- (C) A Director may, as a Director, vote (and be counted in the quorum) in respect of any transaction in which he has an interest which is not a material interest or which falls within sub-paragraphs (A)(2) or (B)(1) to (5) of this Article.

(D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately, and in such cases each of the Directors concerned if he has no material interest (as defined above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(E) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned as known to such Director have not been fairly disclosed. If any question shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote on the matter) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed.

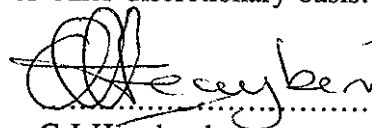
(F) Subject to the provisions of the Statutes, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into to by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(G) Any Director may himself or by his firm act in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director: Provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company." and

- (iii) by deleting sub-paragraph (B) of Article 4 and re-numbering Article 4 accordingly; and

ORDINARY RESOLUTION

- 2 (a) the PSD Group plc Company Share Option Plan, a copy of the rules of which Plan is submitted to the Meeting and, for the purpose of identification only, signed by the Chairman, be approved, adopted and established and the Directors be authorised to do all things, effect all acts and attend to all the matters necessary, desirable or expedient to carry the same into effect with such amendments as the Directors consider necessary, expedient or desirable to obtain Inland Revenue approval thereto pursuant to the Income and Corporation Taxes Act 1988;
- (b) the PSD Group plc Executive Share Option Scheme, a copy of the rules of which Scheme is submitted to the Meeting and, for the purpose of identification only, signed by the Chairman, be approved and established and the Directors be authorised to do all things, effect all acts and attend to all the matters necessary, desirable or expedient to establish and carry the same into effect; and
- (c) any Director of the Company be authorised to vote on any matter in connection with any share option scheme established by the Company notwithstanding that he may have a personal interest therein and any restriction contained in the Company's Articles of Association or otherwise be relaxed to that extent PROVIDED THAT no Director shall vote on his own participation in any such scheme under which participation is on a selective or other discretionary basis.


C I Heayberd
Secretary