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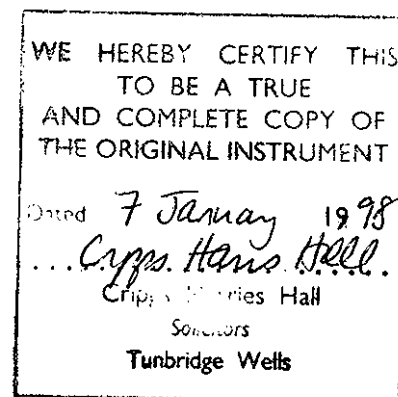
THE COMPANIES ACTS 1985-1989

COMPANY LIMITED BY SHARES

RAIL INVESTMENTS LIMITED

SPECIAL AND ORDINARY RESOLUTIONS

Passed 5 December 1997



AT an Extraordinary General Meeting of the Company duly convened and held at 84 Brook Street, London, W1Y 1YG on the above date the following resolutions were duly passed as SPECIAL and ORDINARY RESOLUTIONS:

SPECIAL RESOLUTION

Conversion of Share Capital

- 1 That the two issued ordinary shares of £1 each in the capital of the Company be converted into 200 B ordinary shares of 1p each and that the balance of 998 unissued ordinary shares of £1 each be converted into 99 A ordinary shares of £10 each and 800 B ordinary shares of 1p each.

ORDINARY RESOLUTION

Increase of Share Capital

- 2 That the authorised share capital of the Company be increased from £1,000 to £510,000 by the creation of 9,000 B ordinary shares of 1p each, 891 A ordinary shares of £10 each and 500,000 preference shares of £1 each.



SPECIAL RESOLUTION

Alteration of Articles

- 3 That the articles of association of the Company be amended by the addition of the following new articles:

"1(c) In these Articles:

"Flotation Date" means the date upon which either (a) the listing of the equity share capital of the Company on the official list of the London Stock Exchange becomes effective or (b) permission for any of the equity share capital of the Company to be dealt in on any recognised investment exchange (as defined by Section 207 of the Financial Services Act 1986) becomes effective;

"Sale Date" means the date on which either (a) the offer to purchase all the equity share capital of the Company is accepted by more than 90% of the holders of equity share capital or an agreement resulting in a person acquiring more than 90% of the equity share capital of the Company becomes unconditional or (b) if later, the date on which such offer or agreement is due to be completed in accordance with its terms;

- 4(c) The A ordinary shares and B ordinary shares shall rank pari passu in all respects.

- (d) The profits of the Company shall be applied first in paying a preferential dividend at the rate of 7% (exclusive of the associated tax credit) on the capital for the time being paid up on the preference shares ("Preference Dividend"). The Preference Dividend shall accrue from day to day and, if declared, be paid yearly on 1 December in each year. Any Preference Dividend payable at a later date on the preference shares shall include an additional sum equal to any Preference Dividend not declared in any one or more previous years (calculated in the same manner) and such further sum by way of interest calculated from the date the Preference Dividend should have been paid, if declared, down to the date actually paid at the rate of [Midland] Bank plc base rate from time to time (less an amount equal to the rate of corporation tax applicable to the Company) on the amount not declared.

The balance of the net profits shall be applied in paying dividends on the A and B ordinary shares pari passu as one class.

- (e) On a winding up the surplus assets available for contribution shall be applicable in the following manner and priority:

- (i) firstly in the paying to the holders of the preference shares a sum equal to any arrears or deficiency of the Preference Dividend whether declared or not together with any interest due;

- (ii) secondly in returning to the holders of the preference shares the capital paid up on those shares;
 - (iii) thirdly any balance of such assets should be divisible between the holders of the A and B ordinary shares *pari passu* as one class.
- (f) A holder of a preference share shall be entitled to receive notice of and to attend and speak at all general meetings of the Company but shall not be entitled to vote.
- (g) Subject to the provisions of the Act, the preference shares shall be redeemed in the proportions and on the dates set out below:

<u>Redemption date</u>	<u>No. of shares redeemable</u>
4 December 2007	500,000

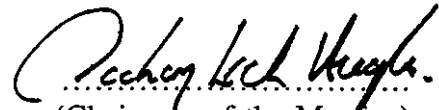
and any shares not redeemed on the due date shall be redeemed immediately on redemption becoming permissible under the Act.

- (h) Subject to the provisions of the Act, the Company may, provided there are no arrears of dividend on the preference shares, redeem all or (in instalments of not less than 50,000 shares) some of the preference shares in advance of the due date for redemption and in the absence of any contrary agreement between the holders of the preference shares and the Company any partial early redemption shall be deemed to relate to the shares falling due for redemption in reverse order of maturity.
- (i) Subject to the provisions of the Act, all of the preference shares shall be redeemed immediately upon a Flotation Date or the Sale Date (as the case may be).
- (j) The Company shall pay on each of the preference shares so redeemed the sum of £1 and shall simultaneously pay any arrears or accruals of the Preference Dividend calculated to the date of redemption and any monies paid on redemption of such share shall relate firstly to the arrears and accruals of the Preference Dividend. The Preference Dividend shall cease to accrue from the date of payment of the redemption money.

ORDINARY RESOLUTION

Authority to Allot Shares

- 4 4.1 That the directors are unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot and dispose of or grant options over the Company's shares to such persons on such terms and in such manner as they think fit up to a total issued share capital of the Company of £510,000 at any time during the period of 5 years from the date hereof.
- 4.2 That by virtue of Section 95(1) of the Companies Act 1985, Section 89(1) shall not apply to the allotment of shares pursuant to the authority conferred by the preceding paragraph of this resolution.


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(Chairman of the Meeting)