

SDC/MBL/113128-5/HJC

Number of Company: 55493

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

COPY OF RESOLUTIONS

of

SCOTTISH HIGHLAND HOTELS PLC

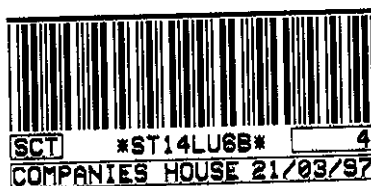
Passed 7 March 1997

At an Annual General Meeting of the above named Company, duly convened, and held at the Carlton Highland Hotel, North Bridge, Edinburgh EH1 1SD on the 7th day of March 1997 the subjoined Resolutions were duly passed, Resolution 8 as an Ordinary Resolution and Resolution 9 as a Special Resolution, viz:-

8. "That the directors be and are hereby authorised generally and unconditionally pursuant to Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £418,455 (to

MMS1/62968/1

DS.



include the company's obligations to issue shares in respect of share options) provided that:-

- (a) this authority shall expire fifteen months after the passing of this resolution or on the conclusion of the Annual General Meeting of the company to be held in 1998, whichever first occurs, unless renewed, varied or revoked by the company in general meeting;
 - (b) the company may before such expiry make an offer, agreement or other arrangement which would or might require any such relevant securities to be allotted after such expiry and the directors of the company may allot any such relevant securities pursuant to any such offer, agreement or other arrangement as if the authority hereby conferred had not expired; and
 - (c) words or expressions defined in or for the purposes of Part IV of the Act shall in this resolution bear the same meanings."
9. "That subject to the passing of the previous resolution the directors be and they are hereby generally empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") to allot equity securities for cash as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:-
- (a) the allotment of equity securities where such securities have been offered to the holders of ordinary shares (whether by way of a rights issue or open offer or otherwise) in proportion (as nearly as may be) to their respective holdings of ordinary shares held but subject to such

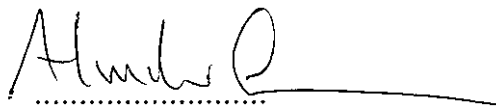
exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of, or the requirements of, any regulatory body, or any stock exchange, in any territory; and

- (b) the allotment (otherwise than pursuant to sub-paragraph (a) of this resolution) of equity securities up to an aggregate nominal amount of £60,893 (being 5% of the total ordinary share capital in issue);

and shall expire at the conclusion of the Annual General Meeting of the company to be held in 1998, or 15 months after the passing of the resolution, (whichever is the earlier) save that the company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired and otherwise shall be in substitution for any other power previously conferred on the directors to allot equity securities wholly for a cash consideration otherwise than in accordance with Section 89(1) of the Act.

Words and expressions defined in or for the purposes of Part IV of the Act shall in this resolution bear the same meanings."

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to be 'Almudena', written over a dotted line.

Secretary