

06-01-97

THE COMPANIES ACT 1985

COMPANY NUMBER : 3280170


ORDINARY RESOLUTIONS OF

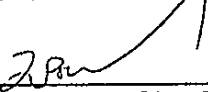
YPCS 49 PLC

We, the undersigned, being the representatives of the members for the time being of the above-named Company **HEREBY PASS** the resolutions numbered 1 and 2 below as Ordinary Resolutions and resolution number 3 below as a Special Resolution and agree that the said resolutions shall, pursuant to Regulation 53 in Table A (which Regulation is embodied in the Articles of Association of the Company), for all purposes be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

It is resolved:

1. THAT the capital of the Company be increased from £111,300 to £390,000 by the creation of a further 4,290,000 ordinary shares of 3p each to rank pari passu in all respects with the existing ordinary shares in the capital of the Company, and by the creation of 50,000,000 "A" preference shares of 1p each and 1,000,000 "A" ordinary shares of 10p each having the rights and conditions as set out in the Articles of Association altered by special resolution of even date.
2. THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise any power of the Company to allot and grant rights to subscribe for or to convert securities into shares of the Company up to a maximum nominal amount equal to the nominal amount of the authorised but unissued share capital at the date of the passing of this resolution. Provided that the authority hereby given shall expire five years after the passing of this resolution unless previously renewed or varied save that the Directors may, notwithstanding such expiry, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company before the expiry of this authority.
3. THAT the Articles of Association be and they are hereby altered by the addition of the new Article 12 as set out in the document attached hereto and for the purpose of identification marked "A".

  
for and on behalf of York Place Company Nominees Limited

  
for and on behalf of York Place Company Secretaries Limited

Dated 17th December 1996

York Place Company Services Ltd  
12 York Place  
Leeds LS1 2DS  
Tel: 0113 2420222



"A"

Share capital

12. The share capital of the Company is £390,000 divided into 50,000,000 'A' preference shares of 0.1p each, 1,000,000 'A' ordinary shares of 10p each and 8,000,000 ordinary shares of 3p each.

A Prior to the Company becoming a company any of whose shares are listed on a recognised investment exchange as defined in Section 207 of the Financial Services Act 1986 or on EASDAQ ("Quoted Company") the rights attaching to the respective classes of shares shall be as follows:-

12.1 Income

The profits of the Company available for distribution shall be applied as follows:-

12.1.1 First in paying to the holders of the 'A' preference shares (if any) a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Preference Dividend') of 8 pence per annum on each share accruing from the date of subscription for the 'A' preference shares and payable half yearly on 1 July and 31 December commencing on 1 July 1997.

12.1.2 Second in paying to the holders of the 'A' ordinary shares and the ordinary shares as a class in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Participating Dividend') to be calculated as set out below and paid to the holders of the 'A' ordinary shares and ordinary shares in the proportions set out below:-

The aggregate amount of the Participating Dividend for the relevant financial year shall be calculated as follows:-

- (a) if the amount of the Preference Dividend exceeds a sum equal to 20% of the Net Profit (calculated as hereinafter provided), then the

Participating Dividend for the relevant financial year shall be £nil;  
or

- (b) if a sum equal to 20% of the Net Profit exceeds the amount of the Preference Dividend, then the aggregate Participating Dividend for the relevant financial year shall be an amount equal to the difference between the amount of the Preference Dividend and the sum of 20% of Net Profit.

The Participating Dividend (if any) for each financial year due and payable on each "A" ordinary and each ordinary share shall be DA and DM respectively where:

$$DA = P (A + (M/18.55) )$$

$$DM = DA/18.55$$

P = the aggregate amount of the Participating Dividend due

A = the number of "A" ordinary shares in issue

M = the number of ordinary shares in issue

and so that the amount of the Participating Dividend payable (if any) to each holder of ordinary shares in respect of the relevant financial year shall be rounded down to the nearest whole penny calculated by reference to the total number of ordinary shares held by such shareholder on the relevant record date.

PROVIDED THAT the Participating Dividend to be paid to the holders of the ordinary shares (if any) shall be paid in respect of all financial years of the Company up to and including the financial year ending 31 December 2001 whereafter the Participating Dividend payable to the holders of the ordinary shares shall be declared but not paid and shall accrue.

The Participating Dividend (if any) shall be paid not later than 4 months after the end of each successive accounting reference period of the Company or not later than 14 days after the audit report on the accounts of

Company or not later than 14 days after the audit report on the accounts of the Company for such period is signed by the Company's auditors, whichever is earlier.

For the purpose of calculating the Participating Dividend, the expression 'Net Profit' shall mean the profit on ordinary activities after taxation of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest pound) but adjusted by:-

12.1.2.1 adding back any amortisation of goodwill; and

12.1.2.2 adding back any amount in respect of emoluments payable to Relevant Directors in excess of the amount of the aggregate emoluments of the Relevant Directors approved by the Remuneration Committee of the Board.

12.1.3 In addition, in paying to the holders of the 'A' ordinary shares in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Compensatory Dividend') on each share of an amount equal to the Excess Remuneration (as hereinafter defined) divided by the number of ordinary shares held by or on behalf of Relevant Directors in issue on the last day of the relevant financial year.

For the purpose of calculating the Compensatory Dividend the expression 'Excess Remuneration' shall mean emoluments in excess of the aggregate of all emoluments payable in respect of the relevant financial year to Relevant Directors as approved by the Remuneration Committee of the Board after deducting income tax at the basic rate on such excess sum. The Compensatory Dividend (if any) shall be paid on the due date for payment of the Participating Dividend.

with the prior written consent of the holders of 75% of the 'A' ordinary shares and with the prior written consent of the holders of 75% of the ordinary shares in distributing the balance of such profits amongst the holders of the 'A' ordinary shares and the ordinary shares in the same proportions as the "A" ordinary shares and the ordinary shares respectively, shall be entitled to vote on a poll at general meetings of the Company and so that the amount of such distribution under this sub-Article to each holder of ordinary shares in respect of the relevant financial year shall be rounded down to the nearest whole penny calculated by the total number of ordinary shares held by such shareholder on the relevant record date.

12.1.5 Every dividend shall unless otherwise provided accrue on a daily basis.

12.1.6 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act (in which case the Preference Dividend and the Compensatory Dividend shall accumulate and the Participating Dividend shall be declared but not paid) the Preference Dividend and the Participating Dividend and the Compensatory Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend provided that if due to delays in the preparation of the audited accounts of the Company the Participating Dividend cannot be calculated by the date it is due for payment then, subject always to the provisions of the Act, there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable save to the extent that such interim dividend cannot be justified by reference to the "relevant accounts" of the Company (as defined by sections 270 to 276 of the Act) in which case there shall be paid an interim dividend in respect of the Participating Dividend of the greatest sum which can be justified by reference to such accounts. The next and (if appropriate) any subsequent Participating Dividend shall be adjusted to take account of any

overpayment or underpayment in respect of the said interim dividend which becomes apparent when the audited accounts are available.

- 12.1.7 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any redemption moneys due on the 'A' preference shares and the Preference Dividend and the Participating Dividend and the Compensatory Dividend.

## 12.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- 12.2.1 first in paying to the holders of the 'A' preference shares £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to the date of the return of capital;
- 12.2.2 the balance of such assets shall be distributed between the holders of the 'A' ordinary shares and the holders of the ordinary shares, in the same proportions as the 'A' ordinary shares and ordinary shares respectively shall be entitled to vote on a poll at general meetings of the Company together with a sum equal to any accrual of the Participating Dividend calculated down to the date of the return of capital.

## 12.3 Redemption

- 12.3.1 Subject to the provisions of the Act the 'A' preference shares shall be redeemed in two equal annual instalments commencing 31 December 2001:-

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

12.3.2 Subject to the provisions of the Act the Company may with the prior written consent of the holders of 75% of the 'A' preference shares provided there are no arrears of dividend on the 'A' ordinary shares or 'A' preference shares redeem all or (in instalments of not less than 500,000 shares) some of the 'A' preference shares in advance of the due date for redemption and in the absence of any contrary agreement between such holders and the Company any partial early redemption shall be deemed to relate to the shares falling due for redemption in inverse order of maturity.

12.3.3 Subject to the provisions of the Act all of the 'A' preference shares shall (unless the holders of 75% of the 'A' preference shares give notice in writing to the Company to the contrary) be redeemed immediately upon any of the following dates:-

12.3.3.1 the date upon which any of the equity share capital of the Company is admitted to the Official List of the London Stock Exchange or permission for any of the equity share capital of the Company to be dealt in on any recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) or EASDAQ becomes effective; or

12.3.3.2 the date upon which a successful offer to purchase 90% or more of the issued equity share capital of the Company (or 90% or more of all such capital including any already held by the offeror) is completed.

12.3.4 On the dates fixed for any redemption the Company shall pay to each registered holder of 'A' preference shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of 'A' preference

shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

- 12.3.5 The Company shall pay on each of the 'A' preference shares so redeemed the sum of £1 and shall contemporaneously pay any arrears or accruals of the Preference Dividend calculated to the date of redemption and in the absence of any direction to the contrary by the holder of the relevant preference share any moneys paid on redemption of such share shall relate first to the said arrears and accruals of Preference Dividend. The Preference Dividend shall cease to accrue from the date of payment of the redemption moneys.

#### 12.4 Voting

- 12.4.1 The 'A' ordinary shares shall confer on the holders thereof (in that capacity) the right to attend, speak and vote at all general and other meetings of the Company and on a show of hands every holder of 'A' ordinary shares who (being an individual) is present in person or who (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of 'A' ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every 'A' ordinary share of which he is the holder.

- 12.4.2 The ordinary shares shall confer on the holders thereof (in that capacity) the right to attend, speak and vote at all general and other meetings of the Company and on a show of hands every holder of ordinary shares who (being an individual) is present in person or who (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of ordinary shares (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have  $1/18.55$  of a vote for every ordinary share of which he is the holder PROVIDED THAT upon casting a vote on a poll the number of votes cast by a holder of ordinary shares shall be rounded down to the next whole number of votes.



- 12.5 Without prejudice to the generality of sub-Article 12.7 the voting rights attaching to the ordinary shares when the Company has become a Quoted Company shall be as set out in sub-Article 12.10.

12.6 Quotation of Rights attaching to the ordinary shares

Any holder for the time being of ordinary shares ("the Quotation Shareholder") shall be entitled, subject to the satisfaction of the Quotation Conditions set out below, at any time, by notice in writing to the Company accompanied by payment to the Company by cleared funds in the hands of the Company an amount equal to the difference between the amount at which each ordinary share was originally subscribed (including any premium) and the issue price of the Company's "A" ordinary share capital upon the Company becoming a Quoted Company ("the Additional Payment") to vary the rights attaching to each ordinary share held by the Quotation Shareholder ("the Quotation Shares"). The notice so served shall be accompanied by the share certificate representing the ordinary shares in respect of which the Additional Payment is made and the Company shall authenticate the certificate and mark it and the Register of Members to show that those ordinary shares carry varied rights, and return the same to the Quotation Shareholder. At any general or other meeting of the Company the Board shall be entitled to call for sight of the share certificate representing the Quotation Shares and proof of identity of any Quotation Shareholder before he shall be permitted to cast his votes in respect of any resolution thereat.

The Quotation Conditions are as follows:-

- 12.6.1 The Company has become a Quoted Company on or before 31 March 1997;  
and
- 12.6.2 A valid notice has been served and the Additional Payment has been received by the Company in respect thereof.
- 12.7 The Quotation Shares shall, as on the date from which the notice is served or deemed to be served on the Company or the date the Quotation Conditions have been

satisfied (if later) rank in all respects pari passu with the 'A' ordinary shares as if for this purpose only, the Quotation Shares and the 'A' ordinary shares constitute one class in the capital of the Company

- B If the Company has become a Quoted Company on or before 31 March 1997 then at all times after the Company becomes a Quoted Company the rights attaching to the respective classes of shares shall be as follows:-

12.8 Income

The profits of the Company available for distribution shall be applied as follows:-

12.8.1 First in paying to the holders of "A" ordinary shares a net cash dividend of an amount equal to 8% per annum of the issue price of the Company's "A" ordinary share capital upon the Company becoming a Quoted Company; and

12.8.2 Secondly in distributing the balance of such profits among the holders of the "A" ordinary shares, Quotation Shares and ordinary shares pari passu as if the same constituted one class of share capital in the Company.

12.8.3 Every dividend shall unless otherwise provided accrue on a daily basis.

12.9 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed as follows:-

12.9.1 First in distributing amongst the holders of the "A" ordinary shares and Quotation Shares an amount per share equal to the issue price per share of the Company's "A" ordinary shares upon the Company becoming a Quoted Company; and

12.9.2 Secondly in distributing amongst the holders of the ordinary shares 3p per share; and

12.9.3 Thirdly, in distributing the balance of such assets amongst the holders of the "A" ordinary shares, Quotation Shares and the ordinary shares *pari passu* as if the same constituted one class of share in the capital of the Company together with a sum equal to any accrual of the Participating Dividend calculated down to the date on which the Company becomes a Quoted Company.

#### 12.10 Voting

12.10.1 At any general meeting of the Company on a show of hands every holder of "A" ordinary shares and every holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of "A" ordinary shares and every holder of ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every "A" ordinary share and every ordinary share (as the case may be) of which he is the holder.

12.10.2 Upon the Company becoming a Quoted Company, if immediately following any placing and/or open offer and/or other allotment and issue of shares by the Company in connection therewith, the aggregate of the Quoted Shares and ordinary shares as a whole represent more than one-third of the voting share capital of the Company at that time then, such number of ordinary shares as shall when aggregated with the votes available on the Quotation Shares, exceed one-third of the voting share capital of the Company at that time shall, notwithstanding any provision of these Articles to the contrary, automatically convert and be re-designated as deferred shares carrying no entitlement to participate in the profits of the Company or to vote in general or other meetings of the Company whilst continuing to carry an entitlement to participate on a return of assets on a liquidation or capital reduction or otherwise, *pari passu* with the 'A' ordinary shares and ordinary shares, as if

the same constituted one class of share capital in the Company, but on the basis that of capital returned on each deferred share shall be of 0.00001p.

- 12.10.3 If and to the extent that any conversion of ordinary shares into deferred shares occurs upon the Company becoming a Quoted Company the conversion shall be effected as regards of all of the ordinary shares then in issue, pro rata (rounded to the nearest whole number) and shall be effected by each ordinary share which is to be converted into a deferred share being converted by such lawful mechanism for conversion of such shares as the Board may direct and for the purposes of this Article the members of the Company shall be deemed to have authorised the Company and the Board to take any action and to execute any document required for re-designating and converting such ordinary shares as aforesaid.