

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

**RESOLUTIONS
OF
SALMON DEVELOPMENTS PLC**

Passed 4 January 2002

At an extraordinary general meeting of the Company, duly convened and held on 4 January 2002 at 46 Mount Street, London W1, the following resolutions were duly passed:-

SPECIAL RESOLUTIONS

1. That, the terms of the proposed contract to be made between (1) the Company as purchaser and (2) Strawson Ltd as vendor (the "**Strawson Share Agreement**"), produced to this meeting and signed for the purposes of identification by the chairman, whereby the Company shall purchase 350 ordinary 'A' shares and 25,000 preference 'A' shares of the Company held by Strawson Ltd at the price per share specified in the Strawson Share Agreement, be and are hereby approved, and that the directors be instructed to enter into the Strawson Share Agreement and to complete it on or before 31 January 2002 on behalf of the Company and to make all arrangements to discharge all the obligations of the Company contained in the agreement and any director (other than an A director or B director) be authorised to sign any such agreement on behalf of the Company.

2. That subject to the passing of Resolution 3 set out in the Notice convening this Extraordinary General Meeting the terms of the proposed contract to be made between (1) the Company as purchaser and (2) Spread Trustee Co. Ltd as vendor (the "**Spread Share Agreement**"), produced to this meeting and signed for the purposes of identification by the chairman, whereby the Company shall purchase 380 ordinary 'B'



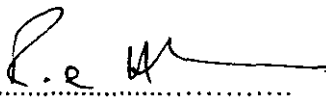
shares and 25,000 preference 'B' Shares of the Company held by Spread Trustee Co. Ltd at the price per share specified in the Spread Share Agreement, be and are hereby approved, and that the directors be instructed to enter into the Spread Share Agreement and to complete it on or before 31 January 2002 on behalf of the Company and to make all arrangements to discharge all the obligations of the Company contained in the agreement and any director (other than an A director or B director) be authorised to sign any such agreement on behalf of the Company.

3. That subject to the passing of Resolutions 1 and 2 set out in the Notice convening this Extraordinary General Meeting and the completion of the purchases of the shares referred to in those Resolutions:-

- (1) the shares described in column 1 below shall immediately thereupon be converted into the shares described opposite in column 2 below, each of which shall have the rights and be subject to the restrictions specified in the articles of association to be adopted pursuant to paragraph (2) of this Resolution:

(a) each of the Preference 'A' Shares and each of the Preference 'B' Shares	an Ordinary Share of £1 each
(b) each of 100 'B' Ordinary Shares	a Preference Share of £1 each
(c) each of 280 Ordinary 'B' Shares and each of 350 Ordinary 'A' Shares	a Preference Share of £1 each
(d) each Ordinary 'C' Share and each Ordinary 'D' Share	a Participating Preferred Share

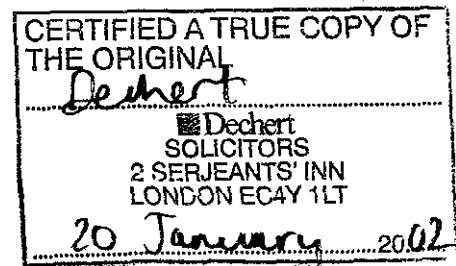
- (2) the articles of association of the Company be altered as follows:-
- (a) Article 1 be amended by the addition of the definitions specified in Part A of the document ("**the New Articles**") annexed to the Notice convening this Extraordinary General Meeting entitled "Amendments to Articles of Association";
 - (b) Article 2 be deleted and replaced with the new Article set out in Part B of the New Articles;
 - (c) in Article 9.2.1 references to 'A Share' 'B Share' 'C Share' and 'D Share' shall be substituted by references to "Ordinary Shares";
 - (d) Articles 4.1.6, 6, 7.15, 19, 20.6 and 23.5 be deleted;
 - (e) In Article 23.3 the phrase "one of whom shall be an 'A' director, one of whom shall be a 'B' director, one of whom shall be a 'C' director and one of whom shall be a 'D' director" shall be deleted; and the phrase "the 'A' director, 'B' director, 'C' director and 'D' director" shall be substituted by "the directors".
- (3) the directors be and they are hereby authorised and empowered for the purposes of section 80 of the Companies Act 1985 and directed to issue to the following persons (in each case at par payable in full upon allotment in the case of the Preference Shares and as to one quarter in the case of the Ordinary Shares) the number and class of shares set opposite their respective names below as if section 89(1) of the Companies Act 1985 did not apply to such allotments
- | | |
|-----------------------------|------------------------|
| Spread Trustee Co. Limited: | 730 Preference Shares |
| R Henderson | 21,250 Ordinary Shares |
| D Stewart | 21,250 Ordinary Shares |
| S Kuntze | 2,500 Ordinary Shares |
| K Stoodley | 2,500 Ordinary Shares |
| P Pollard | 2,500 Ordinary Shares |


.....
CHAIRMAN

Re M

SALMON DEVELOPMENTS PLC

AMENDMENTS TO ARTICLES OF ASSOCIATION



RIGHTS ATTACHING TO PREFERENCE
SHARES AND
PARTICIPATING PREFERRED SHARES



2 Serjeants' Inn, London EC4Y 1LT
Tel: 020 7583 5353 Fax: 020 7353 3683

Date: 5 December 2001
Doc No: 2147697v4
Ref: C45/315343

PART A

NOTE: The following definitions should be inserted in the definitions section of the articles of association.

"Arrears" means, in relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share whether or not earned or declared and irrespective of whether or not the company has had at any time sufficient distributable profits to pay such dividend and all Interest payable on such accruals, deficiencies and arrears but in relation to the Preference Shares, no amount shall be treated as Arrears as at any date ("**the Record Date**") unless at the Record Date the Preference Dividend shall be due to be paid in accordance with article 2.2.1.2; and by way of illustration if on any particular Record Date the amount of the Preference Dividend which shall be due is (say) £100,000, and the amount of all Preference Dividends which shall have been paid to the holders of the Preference Shares prior thereto as at the Record Date is (say) £500,000 the Arrears of the Preference Dividend shall be £100,000; and not the difference between £1.4 million and £500,000 (because in this illustration, at the Record Date only £100,000 shall be due to be paid pursuant to article 2.2.1.2);

"Dividend Date" means the date when any of the Preference Dividend or the Preferred Dividend (as the case may be) is due for payment in accordance with the terms of these articles;

"Interest" means interest (calculated on a day to day basis and compounded with yearly rests of 2 per cent above the base lending rate of Barclays Bank plc from time to time;

"Ordinary Shares" means the ordinary shares of £1 each in the capital of the company from time to time in issue referred to in article 2.4;

"Participating Preferred Shares" means the non-voting cumulative participating preferred shares of £1 each in the capital of the company from time to time in issue the rights and restrictions in respect of which are set out in article 2.3;

"Preference Dividend" means the fixed dividend payable on the Preference Shares payable in accordance with article 2.2.1.1;

"Preference Shares" means the cumulative redeemable preference shares of £1 each in the capital of the company from time to time in issue the rights and restrictions in respect of which are set out in article 2.2;

"Fixed Preferred Dividend" means the fixed preferred dividend payable on the Participating Preferred Shares payable in accordance with article 2.3.1.1;

"share" means a share in the capital of the company;

PART B

2. Share capital

2.1 Authorised share capital

2.1.1 The authorised share capital of the company at the date of the adoption of these articles is £51,000 divided into 730 Preference Shares, 270 Participating Preferred Shares and 50,000 Ordinary Shares.

2.1.2 Each of the Preference Shares, the Participating Preferred Shares and the Ordinary Shares shall constitute separate classes of shares.

2.2 Rights applicable to the Preference Shares

The special rights and restrictions applicable to the Preference Shares are set out in this article 2.2.

2.2.1 Dividends and income

2.2.1.1 The company shall, in priority to any payment of dividend to the holders of all other shares in the capital of the company, pay to the holders of the Preference Shares out of the profits available for distribution in respect of each financial year of the company to 31 December a dividend ("**Preference Dividend**") equal to an amount calculated in accordance with the provisions of article 2.2.1.2, which shall be distributed to the holders of the Preference Shares according to the nominal amount of such shares which they shall each hold.

2.2.1.2 The Preference Dividend shall be calculated and paid as follows:-

(a) The Preference Dividend shall be a sum which shall be equal to 18.5% (eighteen and one half per cent) of the cleared funds which shall be distributed to the company in respect of Development Profits during the calendar year 2002 and any subsequent calendar year until the aggregate amount of all the Preference Dividends which shall have been paid shall equal £1,400,000 (one million four hundred thousand pounds). The aggregate amount of all Preference Dividends which shall be paid at any time shall not exceed £1,400,000 in any circumstances whatsoever.

(b) No Preference Dividend shall be payable in respect of the amount of any Development Profits which shall be distributed to the company and NFUM

during the calendar year 2002 unless the amount of the Development Profits which shall actually be received by the company, (ignoring any amounts paid to NFUM), in cleared funds during that year shall exceed £2 million (two million pounds).

- (c) No Preference Dividend shall be payable in respect of the Development Profits which shall be distributed to the company during the calendar year 2003 or any subsequent calendar year unless the company's Gross Income for that year shall exceed £1.2 million (one million two hundred thousand pounds); and for this purpose the company's Gross Income shall mean the turnover which the company shall earn from all sources as certified by the company secretary.
- (d) Not later than 6 January in 2003 and each subsequent calendar year, the company shall prepare (and deliver to the holders of the Preference Shares) a statement certified by the company secretary (which shall be final and binding on the company and the holders of the Preference Shares) which shall show:-
 - (i) the Development Profits which shall have been distributed to the company during the immediately preceding year; and
 - (ii) the company's Gross Income in respect of the immediately preceding year, but this item shall not be required in relation to the statement to be delivered on 6 January 2003 only.
- (e) The Preference Dividend shall cease to be payable in the circumstances described in Article 2.2.5.3.
- (f) For the purposes of this article 2.2.1 the following expressions shall have the following meanings:

"Development Profits" means profits arising upon a Sale (as defined in clause 1 of the Shareholders Agreement), as calculated in accordance with clause 9.1 and 9.2 of the Shareholders' Agreement and any management fee

paid to the company pursuant to paragraph 6.1.2 (but not paragraph 6.1.1) of schedule 2 of the Shareholders Agreement;

"Shareholders Agreement" means the shareholders' agreement dated 4 May 1994 between (1) National Farmers Union Mutual Insurance Society Limited, (2) the company and (3) Salmon Harvester Properties Limited.

2.2.1.3 The Preference Dividend which shall be calculated by reference to the Development Profits which shall be distributed to the company and NFUM in any calendar year shall be payable annually in arrears on 15 January of the following year.

2.2.1.4 The first Preference Dividend payment shall be made on 15 January 2003 (if any amount shall then be payable in accordance with article 2.2.1.2(b)).

2.2.1.5 Unless the company is prohibited, whether by reason of any principle of law or otherwise, the Preference Dividend shall (notwithstanding any provision of these articles and, notwithstanding that there has not been any resolution of the directors or of the company in general meeting) be paid immediately on the relevant Dividend Date and if not then paid shall be a debt due by the company which shall bear Interest with effect from the relevant Dividend Date and shall be paid first as to such Interest and secondly as to such Preference Dividend as soon as the company is lawfully able to make such payment; and no dividend shall be proposed, declared or paid on any other class of share in the capital of the company, nor any other return of capital made whether by redemption or otherwise, unless and until all Arrears of the relevant Preference Dividend have been paid. Nothing in this article shall prevent the payment of any Preferred Dividend (or any Arrears of the Preferred Dividend) or any dividend payable in respect of the Ordinary Shares in any year in which no Preference Dividend (or any Arrears of the Preference Dividend) shall be due.

2.2.1.6 The holders of the Preference Shares shall not be entitled to any further right of participation in the profits or income of the company.

2.2.2 **Capital**

Subject to the provisions of these articles, on a return of capital on a winding up or otherwise (other than on redemption or purchase by the company of its

own shares in accordance with these articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Preference Shares, in priority to any payment to the holders of all other shares in the capital of the company:-

2.2.2.1 first, a sum equal to all Arrears of the Preference Dividend calculated down to and including the date of the commencement of the winding up (in the case of winding up) or of the return of capital (in any other case); and

2.2.2.2 secondly, a sum equal to the nominal amount but excluding any premium paid up (or credited as paid up) on the Preference Shares.

Subject thereto, the holders of Preference Shares shall have no further right to participate in any return of capital on a winding up or otherwise (other than on a redemption or purchase by the company of its own shares in accordance with these articles).

2.2.3 **Voting**

The holders of the Preference Shares shall not have the right to receive notice of, attend, speak or vote at any general meeting of the company in any circumstances.

2.2.4 **Redemption and purchase**

2.2.4.1 The company may, subject to the Act, at any time and from time to time after the aggregate of all sums paid in respect of the Preference Dividend shall equal £1,400,000 (one million four hundred thousand pounds) on giving to the holders of the Preference Shares at that date not less than 7 days' prior written notice of the date ("**Redemption Date**") when such redemption is to be effected, redeem all or any of the Preference Shares from time to time issued and outstanding.

2.2.4.2 There shall be paid on each Preference Share so redeemed the nominal amount paid up thereon.

2.2.4.3 Any notice of redemption shall specify the particular Preference Shares to be redeemed, the Redemption Date and the place at which the certificates for such shares are to be presented for redemption; and upon the Redemption Date each of the holders of the Preference Shares concerned shall be bound to deliver to

the company at such place the certificates for the shares concerned in order that the same may be redeemed. Upon such delivery the company shall pay to such holder (or to his order) the amount due to him in respect of such redemption. If any certificate so delivered to the company includes any Preference Shares not redeemable on that occasion a fresh certificate for such shares shall be issued without charge to the holder delivering such certificate to the company.

- 2.2.4.4 As from the Redemption Date the Preference Shares shall be treated as having been redeemed, whether or not the certificates therefor shall have been delivered and the redemption monies paid. The redemption monies, if remaining unpaid, shall constitute a debt of the company, subject to all the provisions of these articles relating to monies payable on or in respect of a share.
- 2.2.4.5 If any holder of any of the Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held by him at the time and place fixed for the redemption of such shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the company's bankers (designated for the benefit of such holder). Such setting aside shall be deemed for all purposes hereof to be a payment to such holder. All such holder's rights as a holder of the relevant Preference Shares shall cease and determine as from the Redemption Date and the company shall thereby be discharged from all obligations in respect thereof. The company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the company in connection therewith.
- 2.2.4.6 The receipt of the registered holder from time to time of any Preference Shares or, in the case of joint registered holders, the receipt of any of them for the monies payable on redemption shall constitute an absolute discharge of the company in respect thereof.

2.2.4.7 Subject to the Act, upon the redemption of any Preference Shares the directors may, pursuant to the authority given by the adoption of this article, consolidate and/or sub-divide and/or convert the authorised Preference Share capital created as a consequence of such redemption into unclassified shares of the same nominal amount as the Preference Shares.

2.2.4.8 Subject to the provisions of the Act, the company shall be authorised at any time and from time to time to purchase all or any of the Preference Shares from time to time outstanding by tender (available to all holders of Preference Shares alike) or by private treaty, in each case at any price.

2.2.5 **Transferability**

2.2.5.1 The Preference Shares shall not be transferable in any circumstances whatsoever save that the initial holder of the Preference Shares, Spread Trustee Co. Limited ("**Spread**") may transfer such shares to David Baird and/or any member of his family; and the entire legal and beneficial interest in such shares may be transferred between members of David Baird's family Article 7 shall be read subject to this article 2.2.5.

2.2.5.2 The Preference Shareholders shall not be "Potential Transferees" (as defined in article 7.2) and they shall have no rights to acquire shares pursuant to Article 7.

2.2.5.3 No Preference Dividend shall be payable on any Preference Shares, the beneficial interest in which shall be held by anyone other than Spread or David Baird or a member of his family.

2.2.5.4 Article 9 shall not apply to the Preference Shares.

2.3 **Rights applicable to the Participating Preferred Shares**

The special rights and restrictions applicable to the Participating Preferred Shares are set out in this article 2.3.

2.3.1 **Dividends and income**

2.3.1.1 The company shall, after the Preference Dividend (if any) and any Arrears of the Preference Dividend have been paid in full but in priority to any payment of dividend to the holders of all other shares in the capital of the company, pay to the holders of the Participating Preferred Shares out of the profits available

for distribution in respect of each financial year of the company to 31 December a fixed cumulative preferential dividend ("**Fixed Preferred Dividend**") of £120,000 which shall to be distributed amongst the holders of the Participating Preferred Shares according to the nominal amount of such shares which they shall each hold.

2.3.1.2 The Fixed Preferred Dividend shall accrue on a daily basis from the day on which each Participating Preferred Share is issued.

2.3.1.3 The first Fixed Preferred Dividend payment shall be made on 15 January 2003 in respect of the period from the adoption of this article to 31 December 2002.

2.3.1.4 Unless the company is prohibited, whether by reason of any principle of law or otherwise, the Fixed Preferred Dividend shall (notwithstanding any provision of these articles and notwithstanding that there has not been any resolution of the directors or of the company in general meeting) be paid immediately on the relevant Dividend Date and if not then paid shall be a debt due by the company which shall bear Interest with effect from the relevant Dividend Date and shall be paid first as to such Interest and secondly as to such dividends as soon as the company is lawfully able to make such payment.

2.3.1.5 Other than the Preference Dividend (if any) and any Arrears of the Preference Dividend no dividend shall be proposed, declared or paid on any other class of share in the capital of the company, nor any other return of capital made whether by redemption or otherwise, unless and until all Arrears of the relevant Fixed Preferred Dividend have been paid.

2.3.2 **Capital**

Subject to the provisions of these articles, on a return of capital on a winding up or otherwise (other than on redemption or purchase by the company of its own shares in accordance with these articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Participating Preferred Shares, subject to the rights attaching to the Preference Shares but in priority to any payment to the holders of all other shares in the capital of the company:-

2.3.2.1 first, a sum equal to all Arrears of the Preferred Dividend calculated down to and including the date of the commencement of the winding up (in the case of winding up) or of the return of capital (in any other case); and

2.3.2.2 secondly, the sum of £2,000,000 (two million pounds).

Subject thereto the holders of the Preferred Shares shall have no further right to participate in any return of capital on a winding up or otherwise (other than on a purchase by the company of its own shares in accordance with these articles save that in no circumstances may the company pay more than the nominal value for the purchase of such shares).

2.3.3 **Voting**

The holders of the Participating Preferred Shares shall have no right to receive notice of, attend, speak and vote at any general meeting of the company in any circumstances.

2.3.4 **Dividends from subsidiaries**

For so long as there are Participating Preferred Shares in issue 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 to the extent possible as are necessary (and so far as the fiduciary duties of the Directors and the directors of the company's subsidiaries shall permit) to permit lawful and prompt payment by the company of the Preference Dividend, the Fixed Preferred Dividend and any Arrears of the same due in accordance with these articles.

2.4 **Rights attaching to the Ordinary Shares**

The special rights and restrictions applicable to the Ordinary Shares are set out in this article 2.4.

2.4.1 **Dividends and income**

The company shall, after the Preference Dividend, the Fixed Preferred Dividend and any Arrears thereof have been paid in full and subject to the rights of the holders of any other class or classes of shares in the capital of the company, pay to the holders of the Ordinary Shares the profits of the company available for distribution and resolved to be distributed by way of dividend

among the holders of the Ordinary Shares in accordance with the amounts paid up thereon.

2.4.2

Capital

Subject to the provisions of these articles, on a return of capital on a winding up or otherwise (other than on redemption or purchase by the company of its own shares in accordance with these articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Ordinary Shares, subject to the rights attaching to the Preference Shares and the Participating Preferred Shares, but in priority to any payment to the holders of all other shares in the capital of the company, a sum equal to the amounts paid up on the Ordinary Shares. Thereafter any further assets of the Company available for distribution shall be distributed only to holders of the Ordinary Shares in accordance with the amounts paid thereon.

2.4.3

Voting

The holders of the Ordinary Shares shall be entitled to receive notice of, attend and vote at any general meeting 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 on a show of hands and on a poll every holder of Ordinary Shares so present shall have one vote for each Ordinary Share held by him.