

30-01-98

Company No: 2563345



The Companies Act 1985

 COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS AND ORDINARY RESOLUTIONS

of

BIRCH PLC

 Passed 21 January 1998

AT an extraordinary general meeting of the Company, duly convened and held on 21 January 1998, the following resolutions were duly passed as indicated below:-

ORDINARY RESOLUTION

Authorised Share Capital

- 1 THAT the authorised share capital of the Company be hereby increased from £2,800,000 to £4,650,000 by the creation of 1,000,000 Preference Shares of £1 each (all such authorised and issued Preference Shares in the capital of the Company being hereby redesignated as 'A' Preference Shares of £1 each) and the creation of 850,000 'B' Preference Shares of £1 each, all such shares having attached thereto the rights set out in the Articles of Association of the Company as proposed to be amended by the resolutions set out below.

SPECIAL RESOLUTIONS

Approval of Share Subscriptions and Exclusion of Pre-emption Rights

- 2
- 2.1 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 the amount of the total issued share capital of £4,650,000 at any time during the period of five years from the date hereof.

30-01-98

2.2 THAT by virtue of section 95(1) of the Companies Act 1985, section 89(1) of that Act shall not apply to the 'A' Preference Shares of £1 each to be issued to Royal Bank Investments Limited and the 'B' Preference Shares of £1 each to be issued to the Trustees of the Birch Plc (1988) Pension Scheme and the Trustees of the Birch Plc (1992) Retirement Fund ("the Trustees").

2.3 THAT the subscription by Royal Bank Investments Limited for 1,000,000 'A' Preference Shares of £1 each in the capital of the Company on the terms set out in a supplemental agreement to be entered into between (1) Peter Gadsby and Christopher Endors, (2) the Company and (3) Royal Bank Investments Limited (a copy of which has been produced to this meeting) and the subscription by the Trustees of 850,000 'B' Preference Shares of £1 each in the capital of the Company be and are hereby approved.

Articles of Association

3 THAT the Company's Articles of Association be amended as follows:-

3.1 the first paragraph of Article 3 be replaced by the following paragraph:-

"3. The share capital of the Company is £4,650,000 divided into 2,800,000 'A' Preference Shares of £1 each, 850,000 'B' Preference Shares of £1 each, 267,858 'A' Ordinary Shares of 10p each and 9,732,142 Ordinary Shares of 10p each."

3.2 Article 3.1.1 be replaced by the following paragraph:-

3.1.1 first in paying to the holders of the 'A' Preference Shares a fixed cumulative preferential net cash dividend (hereinafter in these Articles referred to as "the 'A' Preference Dividend") of 9 pence per annum on each share all such dividends to be payable half-yearly on 1 April and 1 October."

3.3 A new sub-Article 3.1.2 (with a consequent re-numbering of subsequent sub-Articles) be inserted as follows:-

"3.1.2 second in paying to the holders of the 'B' Preference shares a fixed cumulative preferential net cash dividend (hereinafter in these Articles referred to as "the 'B' Preference Dividend") of 9 pence per annum on each share all such dividends to be payable half-yearly on 1 April and 1 October."

3.4 The word "second" on the first line of the existing sub-Article 3.1.2 (to be re-numbered Article 3.1.3) to be replaced by the word "third".

3.5 The word "third" on the first line of the existing sub-Article 3.1.3 (to be re-numbered Article 3.1.4) to be replaced by the word "fourth".

30-01-98

- 3.6 The third line of the existing sub-Article 3.1.4 (to be re-numbered sub-Article 3.1.5) shall read: "unless and until the 'A' Preference Dividend the 'B' Preference Dividend and the Fixed Dividend and" and the sixth line of that sub-Article shall read: "..... financial years of the Company and all 'A' Preference Shares and all 'B' Preference Shares which".
- 3.7 The third line of the existing sub-Article 3.1.6 (to be re-numbered sub-Article 3.1.7) shall read: "..... dividends by the Act the 'A' Preference Dividend the 'B' Preference Dividend the Fixed Dividend".
- 3.8 The fifth line of the existing sub-Article 3.1.7 (to be re-numbered sub-Article 3.1.8) shall read: "the 'A' Preference Dividend the 'B' Preference Dividend the Fixed Dividend and the Participating Dividend".
- 3.9 Sub-Article 3.2.1 shall be replaced by the following sub-Article:-
 "3.2.1 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 'A' Preference Dividend calculated down to the date of the return of capital".
- 3.10 A new sub-Article 3.2.2 (with a consequent re-numbering of subsequent sub-Articles) to be inserted as follows:-
 "3.2.2 second in paying to the holders of the 'B' Preference Shares £1 per share together with a sum equal to any arrears or accruals of the 'B' Preference Dividend calculated down to the date of the return of capital".
- 3.11 The word "second" on the first line of the existing sub-Article 3.2.2 (to be re-numbered sub-Article 3.2.3) to be replaced by the word "third".
- 3.12 The word "third" on the first line of the existing sub-Article 3.2.3 (to be re-numbered sub-Article 3.2.4) to be replaced by the word "fourth".
- 3.13 Sub-Article 3.4.1 shall be replaced by the following sub-Article:-
 "3.4.1 Subject to provisions of the Act the 'A' Preference Shares shall be redeemed in the proportions and on the dates set out below:-

<u>Redemption Date</u>	<u>Number of 'A' Preference Shares Redeemable</u>
1 October 2000	900,000
1 October 2001	900,000
1 October 2002	<u>1,000,000</u>
	<u>2,800,000</u>

30-01-98

and subject to the redemption of all the 'A' Preference Shares the 'B' Preference Shares shall be redeemed on 1 October 2002. Any shares not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act."

3.14 The second line of sub-Article 3.4.2 shall read: "..... prior written consent of the holders of 75% of the 'A' Preference Shares" and the third line shall read: "..... in multiples of 50,000 shares redeem any or all of the 'A' Preference Shares or the 'B' Preference Shares in advance"

3.15 The first four lines of sub-Article 3.4.3 shall be replaced by the following words:-

"Subject to the provisions of the Act all of the 'A' Preference shares and all of the 'B' 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:-".

3.16 The second line of sub-Article 3.4.4 shall read: "each registered holder of 'A' Preference Shares or 'B' Preference Shares (as appropriate) the amount payable"

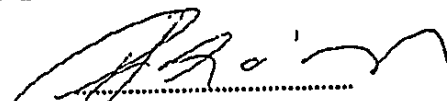
3.17 Sub-Article 3.4.5 shall be replaced by the following sub-Article:-

"3.4.5 The Company shall pay on each of the 'A' Preference Shares or 'B' Preference Shares (as appropriate) so redeemed the sum of £1 and shall contemporaneously pay any arrears or accruals of the 'A' Preference Dividend or 'B' Preference Dividend (as appropriate) calculated to the date of redemption and in the absence of any direction to the contrary by the holder of the relevant 'A' Preference Share or 'B' Preference Share (as appropriate) any moneys paid on redemption of such share shall relate first to the said arrears and accruals of the 'A' Preference Dividend or 'B' Preference Dividend (as appropriate). The 'A' Preference Dividend or 'B' Preference Dividend (as appropriate) shall cease to accrue from the date of payment of the appropriate redemption moneys."

3.18 The last line of sub-Article 3.4.6 shall read: "the 'A' Preference Shares or 'B' Preference Shares (as appropriate)."

3.19 The ninth line of sub-Article 11.1.1 shall read: "all the 'A' Preference Shares and all the 'B' Preference Shares at a price" and the tenth line shall read: "..... plus a sum equal to any arrears or accruals of the 'A' Preference Dividend or 'B' Preference Dividend (as appropriate)"

3.20 The first line of sub-Article 12.2 shall read: "The holders of the 'A' Preference shares or the 'B' Preference Shares shall be entitled to receive"


Chairman of the meeting