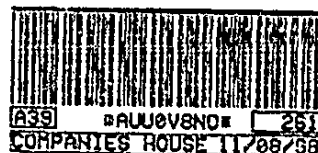


THE COMPANIES ACT 1985

RESOLUTIONS OF  
CATHEDRAL CAPITAL PLC

(Passed 29<sup>th</sup> July 1998)



At the Annual General Meeting of the Company duly convened and held on Wednesday 29<sup>th</sup> July 1998 the following resolutions were duly passed namely:

ORDINARY RESOLUTION

3. THAT:

- (i) the directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 ("the Act") to allot any relevant securities (as defined in section 80(2) of the Act) of the Company up to a maximum aggregate nominal amount of £100,005,000 during the period of five years from the date on which this resolution is passed at the end of which period such authority shall expire provided that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the directors may allot any relevant securities pursuant to any such offer or agreement as if such authority has not expired; and
- (ii) all prior authorities to allot relevant securities be revoked but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

4 THAT:

- (i) the directors be granted the power pursuant to Section 95 of the Companies Act 1985 ("the Act") to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred on them by resolution 3 as if Section 89(1) of the Act did not apply to any such allotment and shall expire not more than five years from the date of the passing of this

resolution unless previously varied, revoked or removed by the Company in general meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred has not expired; and

- (ii) all prior powers granted under Section 95 of the Act be revoked provided that such revocation shall not have retrospective effect.

5. THAT the Articles of Association of the Company be altered by the deletion of Article 3.2 and by the substitution therefor of the following new Article 3.2:

**\*3.2 Income**

- 3.2.1 The B Shares (and any A Shares derived from the conversion of B Shares) will not participate in any dividends on investment income and gains generated prior to their conversion. A Shares carry the right to participate in any investment income and gains distributed to share holders generated on funds held directly by the Company during the period up to and including 31<sup>st</sup> October 1998, to the exclusion of any other class of shares, in accordance with the formula:

$$\frac{P}{Q} \times R$$

Where:

P = the number of A Shares held by a share holder at the Record Date and which were in issue as at 31<sup>st</sup> December 1997.

Q = the number of A Shares in issue as at 31<sup>st</sup> December 1997.

R = the amount resolved to be distributed to share holders on the register at the Record Date in respect of investment income and gains generated during the period up to and including 31<sup>st</sup> October 1998.

- 3.2.2 A Shares carry the right to participate in the underwriting profits of the Company in respect of the 1998 underwriting year of account resolved to be distributed by the Company in accordance with the formula:

$$\frac{X}{Y} \times Z$$

Where:

X = the number of A Shares held by the A share holder at the Record Date to the extent that such shares (or any securities from which they are derived) were in issue as at 31<sup>st</sup> December 1997.

Y = the aggregate of the number of A Shares in issue as at 31<sup>st</sup> December 1997 and 5000 times the number of B Shares in issue as at 31<sup>st</sup> December 1997.

Z = the amount resolved to be distributed in respect of the underwriting profits of the Company arising in respect of the 1998 underwriting year of account.

3.2.3 Subject to articles 3.2.1 and 3.2.2, any profits distributed by way of dividend will be distributed to holders of A Shares on the register at the Record Date, in accordance with the number of such shares held by them at that date.

3.2.4 Expenses relating specifically to investment income and gains will be charged to investment income and gains. Other expenses will be charged to underwriting profits or other income, as appropriate. To the extent that dividends from investment income are reduced prior to there being any underwriting profits, or at any time if there are insufficient underwriting profits, an adjustment will be made to compensate for the reduced dividend from investment income. Equitable distribution of any such adjustment will be made at the discretion of the directors, following consultation with the auditors."

  
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CHAIRMAN