

Company Number: SC 75133

OSPREY COMMUNICATIONS PLC
(incorporated in Scotland under the Companies Act 1948-1980)

**AT AN EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON
10TH JANUARY 2001 THE FOLLOWING RESOLUTIONS WERE PASSED:**

1. SPECIAL RESOLUTION

THAT:-

- (A) each unissued Existing Ordinary Share of 25p in the capital of the Company be sub-divided into 250 New Ordinary Shares of 0.1p each and each issued Existing Ordinary Share of 25p each in the capital of the Company be sub-divided into two New Ordinary Shares of 0.1p each and one Deferred Share of 24.8p with the Deferred Shares having the rights and being subject to the restrictions set out in Articles 5.2, 5.3 and 5.4 adopted pursuant to Paragraph (C) of this Resolution (the New Ordinary Shares of 0.1p each being referred to therein and hereinafter as "Ordinary Shares");
- (B) the authorised share capital of the Company be increased from £9,500,000 to £9,706,094.70 by the creation of an additional 206,094,704 Ordinary Shares of 0.1p each;
- (C) the Articles of Association of the Company be amended by the deletion of the existing Article 5 in its entirety and the insertion of a new Article 5 in its place as follows:-

"5.1 The authorised share capital of the Company is £9,706,094.70 divided into 2,250,000,000 Ordinary Shares of 0.1p each and 30,064,898 Deferred Shares of 24.8p each.



- 5.2 The Deferred Shares shall not entitle the holder thereof to payment of any dividend or other distribution or to receive notice of or attend or vote at any General Meeting of the Company or on a return of capital (in a winding up or otherwise) to the repayment of the amount paid up on such Deferred Shares until after repayment of the capital paid up on the Ordinary Shares together with payment of £1,000,000 on each Ordinary Share and the Deferred Shares shall not be capable of transfer at any time hereafter other than with the consent of the Directors of the Company.
- 5.3 The rights attaching to the Deferred Shares shall not be varied abrogated or altered by the issue of any shares ranking in priority thereto by the redemption or purchase of any shares other than the Deferred Shares or by the cancellation of the Deferred Shares without *any payment to the holders thereof, whether by means of a reduction of capital or otherwise* and accordingly no consent thereto or sanction thereof by the holders of the Deferred Shares, or any of them, shall be required.
- 5.4 The Directors are irrevocably authorised to appoint by Board Resolution at any time hereafter any person to execute on behalf of the holders of the Deferred Shares a transfer thereof to such person as the Directors may determine as custodian thereof and/or to agree to the purchase thereof by the Company (in accordance with the Companies Act 1985) for not more than 1p in aggregate for all the Deferred Shares the subject of such purchase, without obtaining the sanction of the holder or holders of the relevant Deferred Shares and to do all things necessary or desirable to give effect to such purchase."

2. SPECIAL RESOLUTION

- (A) **THAT** the Loan Capitalisation and the grant of options (as defined and explained in the Circular issued by the Company on 1st December 2000) be and are hereby approved.
- (B) **THAT** the Directors of the Company be and are hereby authorised pursuant to Section 80 of the Companies Act 1985 to exercise the powers of the Company to allot Ordinary Shares of 0.1p each in the capital of the Company up to an aggregate nominal amount of £206,959 in connection with the Open Offer and the Loan Capitalisation provided that this authority shall expire on 31st March 2001.
- (C) **THAT** in respect of the Open Offer and the Loan Capitalisation the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot Ordinary Shares of 0.1p each in the capital of the Company, pursuant to Resolution 2(B) above, as if Section 89(1) of the Companies Act 1985 did not apply provided that this authority shall expire on 31st March 2001.

3. SPECIAL RESOLUTION

THAT subject to and conditional upon (i) Resolution numbered 1 above being approved; (ii) the Open Offer being declared unconditional; and (iii) the sanction of the High Court:-

- (A) the share capital of the Company be reduced by cancelling and extinguishing all of the Deferred Shares of 24.8p each in the capital of the Company whether issued or unissued.
- (B) the amount standing to the credit of the share premium account of the Company immediately following the issue of Ordinary Shares pursuant to the Open Offer and the Loan Capitalisation be reduced by £1,521,905.30.

4. SPECIAL RESOLUTION

THAT forthwith upon the reduction and cancellation of capital provided for by Resolution numbered 3 set out above taking effect the Articles of Association of the Company as altered by Resolution numbered 1 set out above be further altered by substituting for Article 5 inserted by the said Resolution numbered 1 set out above the following new Article 5:-

"5. The share capital of the Company at the time of the adoption of this Article is £2,250,000 divided into 2,250,000,000 Ordinary Shares of 0.1p each."

5. ORDINARY RESOLUTION

THAT:-

- (A) Subject to the Special Resolutions numbered 3 and 4 set out above being passed and taking effect, the Directors shall have unconditional authority pursuant to Section 80 of the Companies Act 1985 to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine up to an aggregate nominal amount of £135,000. The authority hereby conferred shall, subject to Section 89 of the Companies Act 1985 be for a period expiring on the day preceding the fifth anniversary of the passing of this Resolution unless renewed, varied or revoked by the Company in General Meeting.
- (B) The Directors shall be entitled under the authority conferred by paragraph (A) of this Resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

6. SPECIAL RESOLUTION

THAT subject to the Ordinary Resolution numbered 5 set out above being passed and taking effect:-

(A) Subject to paragraph (B) of this Resolution, the Directors shall be empowered, pursuant to Section 95 of the Companies Act 1985, for a period expiring 15 months from the passing of this Resolution or the conclusion of the Company's annual general meeting to be held in 2001, whichever is the earlier, to allot equity securities of the Company pursuant to the authority conferred by paragraph (A) of the said Ordinary Resolution numbered 5 above as if Section 89(1) of the Companies Act 1985 did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require equity securities to be allotted after the expiry of such power.

(B) The power contained in paragraph (A) of this Resolution shall be limited:-

- (i) to the allotment (otherwise than pursuant to sub-paragraph (ii) below) of equity securities which are, or are to be, wholly paid up in cash up to an aggregate nominal amount of £95,000 for the duration of the aforementioned power; and
- (ii) to the allotment of equity securities in connection with a rights issue where it is reasonably necessary to allot equity securities otherwise than in accordance with Section 89(1) of the Companies Act 1985.



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JACK RUBINS
Chairman