

**THE COMPANIES ACTS 1985 TO 1989**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**SPECIAL RESOLUTION**

- OF -

**McKECHNIE plc**

At an EXTRAORDINARY GENERAL MEETING of the Company held at The Lincoln Centre, Lincoln's Inn Fields, London WC2 3ED on 28 September 2000 at 4.15 a.m. the following resolution was duly passed as a Special Resolution.

**SPECIAL RESOLUTION**

THAT:



- (a) the Scheme of Arrangement dated 2 September 2000 (the "Scheme"), in its original form or subject to such modification, addition or condition agreed between the Company and BlueAzure Limited ("BlueAzure") and approved or imposed by the Court, proposed to be made between the Company and the holders of Scheme Shares (as defined in the Scheme), a print of which has been produced to the meeting and (for the purpose of identification only) signed by the Chairman thereof, be and it is hereby approved;
- (b) for the purpose of giving effect to the Scheme in its original form or with or subject to such modification, addition or condition agreed between the Company and BlueAzure and approved or imposed by the Court:
  - (i) the share capital of the Company be reduced by cancelling and extinguishing the Cancellation Shares (as so defined) and forthwith and contingently upon such reduction of capital taking effect, the capital of the Company be increased to its former amount by the creation of such number of new ordinary shares of 25 pence each as shall be equal to the number of Cancellation Shares cancelled as aforesaid and having the same rights as the Cancellation Shares so cancelled; and
  - (ii) the amount credited to the reserve accounts of the Company arising upon the said reduction of capital taking effect be appropriated and applied in paying up in full

at par all of the new shares in the Company created pursuant to sub-paragraph (b)(i) of this resolution, which shall be allotted and issued, credited as fully paid up, to BlueAzure and/or its nominee(s) and/or designated subsidiary in accordance with the Scheme; and

- (iii) the holders of the Scheme Shares be entitled to make an election to exchange some or all of their Scheme Shares for Loan Notes to be issued by BlueAzure subject to the conditions of the Partial Loan Note Alternative and the Scheme, such elections only becoming unconditional following the cancellation of the Cancellation Shares in and the registration of the new McKechnie Shares in the name of BlueAzure;
- (c) conditionally upon the Scheme becoming effective, the board of Directors be and it is hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985, in substitution for all prior authorities conferred upon the board of Directors, but without prejudice to any allotments made pursuant to the terms of such authorities, to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Companies Act 1985) provided always that:
  - (i) the maximum aggregate nominal amount of relevant securities that may be allotted under this authority shall be the aggregate nominal amount of the said new ordinary shares created pursuant to sub-paragraph (b)(i) of this resolution; and
  - (ii) this authority shall expire (unless previously revoked, varied or renewed) on 31 January 2001; and
- (d) with effect from the passing of this resolution, the articles of association of the Company be amended by:-
  - (i) including the following new article after article 50 as article 51 (and amending the remainder of the articles and any cross-references thereto accordingly):

#### **"Scheme of Arrangement**

51 (A) In this Article, references to the "Scheme" are to the scheme of arrangement dated 2 September 2000 under Section 425 of the Companies Act 1985, between the

Company and the holders of the Scheme Shares (as defined in the Scheme), as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme shall have the same meanings in this Article.

- (B) If the Company issues any Ordinary shares after the Voting Record Time (as defined in the Scheme) and prior to the Second Record Time (as defined in the Scheme), such shares shall be subject to the terms of the Scheme and the holder or holders of such shares be bound by the Scheme accordingly.
- (C) If any Ordinary shares are issued to any person (a "New Member") (other than to BlueAzure Limited ("BlueAzure") or any person identified by written notice to the Company as its nominee(s) and/or designated subsidiary) but at or after the Second Record Time such New Member will, provided the Scheme has become effective, be obliged to transfer, and the Purchaser (as defined below) shall be obliged to acquire, all the Ordinary shares held by the New member (the "Disposal Shares") to BlueAzure (the "Purchaser") (or as the Purchaser may otherwise direct). The consideration payable by the Purchaser shall be 400 pence in cash for each Disposal Share transferred to it.
- (D) To give effect to any transfer required by paragraph (C) above the Purchaser may appoint any person to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member in favour of the Purchaser and the Company may give a good receipt for the purchase price of the Disposal Shares and may register the Purchaser as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Disposal Shares. The Purchaser shall send a cheque drawn on a UK clearing bank in favour of the New Member for the purchase price of such Disposal Shares within five Business Days of the time on which the Disposal Shares are issued to the New Member.
- (E) If the Scheme shall not have become effective by the date referred to in Clause 7.2 of the Scheme, this Article 51 shall be of no effect.

  
Chairman