

The Companies Act 1985

Public Company limited by Shares

Resolutions

of

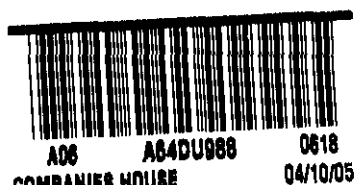
XKO Group plc

(passed on 5 September 2005)

At the **extraordinary general meeting** of the Company duly convened and held at the offices of Osborne Clarke, One London Wall, London EC2Y 5EB on 5 September 2005 at 9.30 a.m. the following ordinary resolutions were passed:

Ordinary Resolutions

1. **That** the Acquisition (as defined in the circular to shareholders of the Company dated 18 August 2005 of which the notice convening this meeting forms a part (the "**Circular**")) substantially on the terms and subject to the conditions of the Acquisition Agreement (as defined in the Circular) be and is hereby approved and the directors of the Company (or any duly constituted committee of them) be and they are hereby authorised:
 - (a) to take all such steps as they consider necessary or desirable to effect the Acquisition and to waive, amend, vary, revise or extend (to such extent as shall not constitute a material amendment in the context of the Acquisition as a whole) any of such terms and conditions as they consider to be appropriate; and
 - (b) notwithstanding the limitation on the Directors' borrowing powers contained in article 111.2 of the Company's articles of association, to exercise all the powers of the Company (and to exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings) to borrow money, and to mortgage or charge the undertaking, property and uncalled capital or any part or parts thereof of the Company and/or its subsidiary undertakings and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any of its subsidiary undertakings or of any third



party for all and any purposes in connection with the Acquisition.

2. **That** conditional upon the passing of resolution 1 and the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to resolutions 1 or 2 being passed or relating to the admission of the ordinary share capital of the Company, issued and to be issued, to trading on the AIM Market of the London Stock Exchange plc becoming effective in accordance with Rule 6 of the AIM Rules for Companies published by London Stock Exchange plc ("**Admission**")):

(a) *Cancellation of Convertible Redeemable Preference Shares*

the 300,000 authorised and unissued convertible redeemable preference shares of £1.00 each in the capital of the Company be cancelled and the authorised share capital of the Company be diminished by the nominal amount of the shares so cancelled;

(b) *Authorised share capital*

the authorised share capital of the Company be increased from £10,000,000 to £25,004,200 by the creation of 60,016,800 new ordinary shares of 25 pence each to form one class with the existing ordinary shares of 25 pence each ("**Ordinary Shares**") in the capital of the Company;

(c) *Authority to allot relevant securities*

the Directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "**Act**") to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to a maximum nominal amount equal to the authorised and unissued ordinary share capital of the Company to such persons and at such times and on such terms as think proper, provided that:

- (i) such authority shall be in addition to any equivalent authority which may have been given to the Directors prior to the date of the passing of this resolution;
- (ii) such authority shall be limited to the allotment of new Ordinary Shares pursuant to the terms of the Acquisition Agreement; and
- (iii) unless previously revoked, varied or extended, this authority shall expire at the earlier of the date which is fifteen months from the date of passing of this

resolution and the conclusion of the annual general meeting of the Company in 2005 except that the Company may at any time prior to the expiry of such period make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired.

3. **It was resolved** that the Company's Long Term Incentive Plan, the main features of which are summarised in the Circular, be and it is hereby amended as follows:

- (a) by the deletion of rule 3.1 (*Share capital limits on Awards*) and the replacement of it with the following:

"No Award may be made on any date if the number of Plan Shares to be issued on the exercise in full of the nil cost option comprised in it, when aggregated with the number of:

- (i) Plan Shares issued, or remaining capable of being issued pursuant to Awards made during the period of 10 years ending on that date; and
- (ii) Ordinary Shares issued on the exercise of, or remaining capable of being issued on the exercise of, options or other rights granted during the period of 10 years ending on that date under any other Employees' Share Scheme adopted by the Company,

would exceed 12.5 per cent, of the number of Ordinary Shares in issue on that date. For the avoidance of doubt, any options or rights granted before the admission of the Company to trading on AIM on 2 March 1999 shall not be taken into account."

- (b) by the deletion of the rule 4.2 (*Individual limits*) and the replacement of it with the following:


"Subject to rule 4.4, no Award may be made to an Eligible Employee if the Market Value at the intended Award Date of the Plan Shares to be subject to the Award, when aggregated with the Market Value of Plan Shares comprised in any Award (including any which have lapsed or been cancelled or surrendered) made to him in the period of 12 months falling immediately before the intended Award Date, would exceed the sum of 4 times his Annual Salary provided that such higher limit as the Committee in its absolute discretion shall determine may apply if the Committee determines that exceptional circumstances (including without limitation the satisfaction of

certain conditions relating to the performance of an individual or the Company or other conditions) have been met which the Committee in its absolute discretion considers justifies such higher limit. If the Committee decides to enhance the number of Plan Shares subject to any particular Award on account of the Eligible Employee assuming, by election or agreement, the liability for the employer's secondary national insurance contributions arising in respect of such Award, the said multiple of salary limits shall be increased by A% where A is calculated according to the following formula:

$$A = \frac{[(100) - 1] \times 100}{100 - A}$$

in such formula A shall be such percentage as the Committee shall determine subject to it not exceeding the rate at which employer's secondary national insurance contributions are payable at the Award Date (or on any future date according to an announcement made on or before the Award Date in a budget or other government statement)"

and the Directors be and they are hereby authorised to do all acts and things as may be necessary to carry the same into effect and to adopt equivalent schemes for employees of the Company and its subsidiaries located in overseas jurisdictions, subject to such modifications as the directors of the Company shall consider appropriate to take into account local tax, exchange control, securities laws or other regulatory requirements.



Chairman

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