

Company Number: 1547390

THE COMPANIES ACTS 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

HORNBY PLC



Passed the 6th day of August 1998

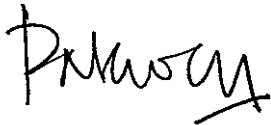
At the Annual General Meeting of the above-named Company duly convened and held on the above date the following was duly passed as a Special Resolution of the Company:-

SPECIAL RESOLUTION

THAT the Company be generally and unconditionally authorised pursuant to Section 166 of the Companies Act 1985 (the "Act") to make one or more market purchases (within the meaning of Section 163(3) of the Act) of ordinary shares of 5p each in the capital of the Company ("ordinary shares") provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 1,253,598 ordinary shares;
- (b) the minimum price which may be paid for an ordinary share is the par value of such share, from time to time, exclusive of expenses;
- (c) the maximum price which may be paid for an ordinary share shall be an amount equal to 5 per cent above the average of the middle-market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five dealing days immediately preceding the day on which the purchase is made, exclusive of expenses;

- (d) subject as provided in paragraph (e) below, unless previously revoked, varied or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company next following the date of the passing of this resolution or within eighteen months from the date of the passing of this resolution, whichever shall be the earlier; and
- (e) the Company may contract to purchase ordinary shares under the authority hereby conferred before the expiry of such authority, which will or may be completed wholly or partly after the expiry of such authority, and may purchase ordinary shares pursuant to any such contract as if such authority had not expired.



Peter Newey
Chairman