

Company Number: 01547390

THE COMPANIES ACTS 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

HORNBY PLC



Passed the 22nd day of July 2004

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 (a) the directors be generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in that Section) up to a maximum nominal amount of £150,000 provided that such authority (unless previously revoked, varied or renewed) shall expire at the conclusion of the Annual General Meeting of the Company next following the date of the passing of this resolution (save that the Company may before such expiry make an 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 the authority conferred hereby had not expired) and shall be in substitution for any and all authorities previously conferred upon the directors for the purposes of Section 80 of the Act;

(b) the directors be empowered pursuant to Section 95 of the Act to allot equity securities within the meaning of (Section 94(2) to Section 94(3A) of the Act) for cash pursuant to the authority referred to in paragraph (a) above as if Section 89(1) of the Act did not apply to any such allotment, such power to expire at the conclusion of the Annual General Meeting of the Company next following the date of the passing of this resolution (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired) and to be limited to:

(i) the allotment of equity securities in connection with an offer of securities open for acceptance for a period fixed by the directors or (where applicable) in accordance with the rights for the time being attached to such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or otherwise);

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount of £18,000.

This power shall apply in relation to a sale of shares which is an allotment of equity securities by virtue of Section 94(3A) of the Act in the paragraph (b) as if the words "pursuant to the authority referred to in paragraph (a) above" were omitted.

Words and expressions defined in or for the purposes of Sections 89 to 96 of the Companies Act 1985 shall bear the same meaning in this Resolution.



Neil Johnson
Chairman