

No 2089582

The Companies Act 1985 and 1989
A Public Company Limited by Shares

Resolutions

of

Shore Capital Group plc
("the Company")

Passed 3 March 2003



NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Shore Capital Group plc ("the Company") will be held at the offices of SJ Berwin, 222 Gray's Inn Road, London WC1X 8XF on 3 March 2003 at 10.00am for the purposes of considering and, if thought fit, passing the following Resolutions of which Resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and Resolution 5 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

- 1 THAT, conditional on the passing of Resolutions 3 and 5 below, the Company be and is hereby unconditionally authorised for the purposes of section 166 of the Companies Act 1985 ("the Act") to make market purchases (within the meaning of section 163(3) of the Act) of Shares in accordance with the terms of the tender offer described in a circular to the shareholders of the Company dated 7 February 2003, as amended from time to time in accordance with the terms hereof ("the Tender Offer"), provided that, unless previously varied or revoked, the authority hereby conferred shall expire on 30 May 2003.
- 2 THAT, conditional on the passing of Resolution 4 below, the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make one or more market purchases (within the meaning of section 163(3) of the Act) of Ordinary Shares in such manner and on such terms as the Directors may from time to time determine provided that:
 - (a) if the Tender Offer does complete, the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is the lower of 14.99 per cent. of the issued share capital of the Company immediately following completion of the Tender Offer and 160,000,000 Ordinary Shares less the number of Ordinary Shares purchased pursuant to the Tender Offer and if the Tender Offer does not complete, the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 58,009,000 Ordinary Shares;
 - (b) the minimum price which may be paid for each Ordinary Share is 2p per share (exclusive of expenses and appropriate taxes) or, if each Ordinary Share has a nominal value other than 2p, that nominal value;
 - (c) the maximum price (exclusive of expenses and appropriate taxes) which may be paid for an Ordinary Share shall not be more than 5 per cent. above the average of the market values for an Ordinary Share as derived from the Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased;

- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on 31 August 2004;
- (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts; and
- (f) the authority hereby conferred shall replace any such previous authority given by the Company (save to the extent already relied upon).

3 THAT, conditional on the passing of Resolutions 1 above and 5 below, the waiver by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on Howard Shore, Graham Shore or any person connected to them individually or collectively, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the purchase of up to 140,000,000 Shares by the Company pursuant to the Takeover Offer, be and is hereby approved.

4 THAT, conditional on the passing of Resolutions 2 above and 5 below, the waiver by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on Howard Shore, Graham Shore or any person connected to them individually or collectively, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the purchase of up to 58,009,000 Shares by the Company pursuant to the General Buy-back Authority, be and is hereby approved.

SPECIAL RESOLUTION

5 THAT:

- (a) the capital redemption reserve be cancelled;
- (b) the share premium account be cancelled;
- (c) the amount standing to the credit of the merger relief reserve (rounded down to the minimum necessary to increase the issued share capital to a whole number of Deferred Shares of 2p each) shall be capitalised and applied in paying up in full at par new Deferred Shares of 2p each and the authorised share capital be increased by the creation of such new Deferred Shares of 2p each, and the Directors be and they are hereby authorised to allot and issue all such Deferred Shares to such member of the Company including one of their number as they shall in their absolute discretion determine;
- (d) the Deferred Shares created and issued pursuant to (c) above shall have the following rights and restrictions
 - (i) the holders of Deferred Shares shall have no right to receive any dividend or other distribution whether of capital or income;
 - (ii) the holders of Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
 - (iii) the holders of Deferred Shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive the nominal amount of each of such share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share together with a payment of £100,000 per Ordinary Share and the holders of Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company;

- (iv) the Company shall have irrevocable authority at any time after the creation or issue of the Deferred Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the Deferred Share then in issue at a price not exceeding 2p for all the Deferred Shares;
- (e) the Deferred Shares created and issued pursuant to (d) above shall be cancelled and extinguished on terms that 2p shall be paid to the holders thereof in consideration for cancellation of all the Deferred Shares; and
- (f) the capital redemption reserve arising upon completion of purchases pursuant to the Tender Offer be cancelled.



Chairman