

COMPANY NUMBER: 2689539

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ELECTIVE RESOLUTIONS

of SOUTHERN HOUSE LIMITED ("the Company")

We the undersigned being all the members for the time being of the above named company entitled to receive notice of and to attend and vote at General Meetings HEREBY PASS the following elective resolutions and agree that the said resolutions shall, pursuant to Section 381A of the Companies Act 1985 ("the Act"), for all purposes be as valid and effective as if the same had been passed at a General Meeting of the company duly convened and held.

It is resolved:

THAT THE COMPANY HEREBY ELECTS:

- i) in accordance with the provisions of Section 252 of the Act to dispense with the laying of accounts before the Company in General Meeting in respect of the year ending 31 December 2002 and subsequent financial years;
- ii) in accordance with Section 366A of the Act to dispense with the holding of Annual General Meeting for 2002 and subsequent years;
- iii) in accordance with Section 386 of the Act to dispense with the obligation to appoint auditors annually and that during the term that such dispensation is in force the Directors be and they are hereby authorised to fix the auditors remuneration.

Dated this 9th day of October 2002


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CLS HOLDINGS PLC

