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THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES
RESOLUTION
OF
CLS Holdings plc

Passed on 4 December 2000

At an Extraordinary General Meeting of CLS Holdings plc (the "Company") duly convened and held at 6 Spring Gardens, Citadel Place, Tinworth Street, London SE11 5EH on 4 December 2000 at 11.00 am the following resolution was duly passed as a special resolution of the Company:

Special resolution

THAT, in addition to the authority granted at the extraordinary general meeting of the Company held on 30 August 2000 to purchase up to 11,101,500 ordinary shares of 25p each in the capital of the Company ("Ordinary Shares"), the Company be and is hereby unconditionally authorised in accordance with section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of section 163(3) of the said Act) of Ordinary Shares pursuant to tenders made in relation to the Tender Offer (as defined in the circular to shareholders of the Company dated 10 November 2000) provided that:

- (i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 1,850,387
- (ii) the minimum price (exclusive of expenses) which shall be paid for an Ordinary Share pursuant to this authority shall be 235p
- (iii) the maximum price (exclusive of expenses) which shall be paid for an Ordinary Share pursuant to this authority shall be 260p;
- (iv) unless previously revoked or varied, the authority hereby conferred shall expire on the date which is 18 months from the date of passing this resolution;
- (v) 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.

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Chairman