

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**

**Special Resolution**

of

**Morse plc**



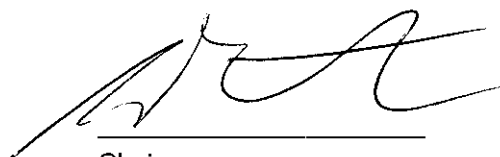
**At an extraordinary general meeting** of the Company duly convened and held on 25 August 2004 the following Resolution was duly passed as a Special Resolution:

**Special Resolution**

THAT:

- (a) the offer by the Company (including any amendments, variations, revisions or extensions thereof) to acquire the whole of the issued share capital of Diagonal Plc (the "Offer") on the terms and conditions contained in the offer document dated 3 August 2004 from Dresdner Kleinwort Wasserstein Limited on behalf of the Company addressed to the shareholders of Diagonal Plc (or upon the terms and conditions of any additional or other offer(s) approved by the directors of the Company (the "Directors") or any duly authorised committee thereof and with authority to the Directors or any such committee to waive, amend, revise, vary or extend any of the terms or conditions of the Offer as originally made or as subsequently amended or waived, revised or extended other than to any material extent) be and it is hereby approved and all acts, agreements, arrangements and indemnities which the Directors or any such committee consider necessary or desirable for the purpose of or in connection with the Offer or such additional or other offer(s) be and are hereby approved;
- (b) the purchase by the Company and/or any of its subsidiaries of any shares in the capital of Diagonal Plc on and subject to such terms and conditions as may be approved by the Directors or any duly authorised committee thereof be and is hereby approved; and
- (c) subject to the Offer (as defined in paragraph (a) of this resolution) or such additional or other offer(s) as are referred to in paragraph (a) of this resolution becoming or being declared unconditional in all respects (save for any condition of the Offer or such additional or other offer(s) relating to this resolution being passed or relating to the admission of the new ordinary shares of 10p each in the capital of the Company to be issued pursuant to the Offer to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities becoming effective):
  - (i) the authorised share capital of the Company be increased from £17,500,000 to £25,000,000 by the creation of an additional 75,000,000 ordinary shares of 10p each; and
  - (ii) the directors be and are 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 (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £5,000,000 million in connection with

the Offer. This authority shall expire at midnight on 31 December 2005, 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 such authority shall be in addition to and shall not replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed.

A handwritten signature in black ink, consisting of several fluid, connected strokes, positioned above a horizontal line.

Chairman