

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

MAGNA AUTOMOTIVE HOLDING (U.K.) LIMITED

Passed on 26 July 1996

At an Extraordinary General Meeting of the Company duly convened and held at 36 Apple Creek Boulevard, Markham, Ontario, Canada, L3R 4Y4 on 26 July 1996 the following resolution was duly passed as a Special Resolution:

SPECIAL RESOLUTION

THAT:

- (a) the authorized share capital of the Company be and is hereby increased from £100 to £50,000,000 by the creation of 49,999,900 redeemable preference shares of £1.00 each, such shares to have the rights and be subject to the restrictions set out in the Company's Articles of Association as amended pursuant to this resolution;
- (b) the Articles of Association of the Company (the "Articles") be and are hereby amended by inserting as Article 2 of the Articles in place of existing Article 2:

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(A) The authorized share capital of the Company at the date of adoption of this article is £50,000,000 divided into 100 ordinary shares of £1.00 each ("ordinary shares") and 49,999,900 redeemable preference shares of £1.00 each ("redeemable shares").

(B) The rights and restrictions attaching to the redeemable shares are the same in all respects (including, without limitation, rights to dividend and voting rights) as those attaching to the ordinary shares and the provisions of these Articles of Association shall be construed accordingly, subject only to the following:

(i) Capital

- (a) On a return of capital on winding up or otherwise (other than on redemption or purchase of redeemable shares) the assets of the Company available for distribution among the members shall be applied in repaying to the holder of each redeemable share, in priority to any payment to the holders of any other class of share, an amount equal to the nominal capital paid up or credited as paid up on the redeemable share.
- (b) If, on a return of capital in a winding up or otherwise (otherwise than on a purchase or redemption of redeemable shares) the amounts available for



payment are insufficient to cover in full the amounts payable on the redeemable shares under Article 2(B)(i)(a), then the holders of the redeemable shares will share rateably in the assets available for distribution (if any) in proportion to the full respective preferential amounts to which they are entitled.

- (c) The redeemable shares do not confer any further right to participate in the assets of the Company available for distribution among the members on a return of capital on a winding up or otherwise (other than on redemption or purchase of redeemable shares).

(ii) **Redemption**

- (a) The Company shall have the right (subject to the provisions of these Articles and the Companies Act 1985) to redeem all or some of the redeemable shares outstanding at any time.
- (b) The redemption moneys payable on each redeemable share shall be paid in cash and shall be the total of:
 - (i) the amount of any declared and unpaid dividends in respect of the redeemable share; and
 - (ii) the nominal amount of the redeemable share.
- (c) Redemption shall be effected by giving to the holders of the redeemable shares to be redeemed not less than four weeks' notice (a "redemption notice"). The redemption notice shall specify the redeemable shares to be redeemed, the date fixed for redemption (the "redemption date") and the place at which and the time by which the certificates for the redeemable shares are to be presented for redemption. If some only of the redeemable shares are to be redeemed and there is more than one holder of redeemable shares, the board shall for the purpose of ascertaining the shares to be redeemed cause a drawing to be made at the office (or at such other place as the board decides) in the presence of a representative of the auditors.
- (d) Each holder whose redeemable shares are to be redeemed shall be bound to deliver to the Company by the time stated in the redemption notice and at the place stated in the redemption notice the certificate (or certificates) for those redeemable shares. Subject to the other provisions of this Article 2, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the register in respect of the redeemable shares) the redemption moneys due to him on the redemption date. If a certificate includes redeemable shares not redeemable on that occasion, a new certificate for the balance of the redeemable shares shall be issued to the holder without charge.
- (e) If a holder whose redeemable shares are to be redeemed under this paragraph (ii) fails to deliver the certificate (or certificates) for those shares to the Company by the time specified in the redemption notice for delivery of the same, the Company may retain the amount due on redemption until delivery up to the Company of such certificate(s) in respect thereof or of any indemnity in respect thereof satisfactory to the Company (an "Indemnity") but shall, within ten business days of such subsequent delivery or provision of an Indemnity, pay the amount due on redemption to such holder. Such redemption moneys shall be paid to the holder (by cheque despatched at the holder's risk). No person shall have a claim against the Company for interest

on retained redemption moneys.

- (f) As from and including the redemption date, all dividends shall cease to accrue in respect of redeemable shares to be redeemed on such date except in respect of any such redeemable shares in respect of which, upon due presentation of the certificate (or certificates) for the shares to be redeemed or Indemnity, payment of the redemption moneys shall be refused by the Company in which case any dividend rights on such shares shall continue to accrue from and including the date of presentation of the share certificate or Indemnity until the said amount due on redemption is paid by the Company in full.
- (g) The board may consolidate and sub-divide the authorized but unissued share capital available for issue as a consequence of a redemption of redeemable shares pursuant to this paragraph (ii) into ordinary shares or any other class of share into which the authorized share capital of the Company is at the time divided, each of a like nominal amount as the shares of that class then in issue, or into unclassified shares of the same nominal amount as the redeemable shares. The board may issue shares in anticipation of redemption to the extent permitted by the Companies Act 1985 and these Articles.
- (h) The receipt by the registered holder for the time being of any redeemable share, or in the case of joint registered holders, the receipt by any of them, of the moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.
- (i) Subject to the provisions of the Companies Act 1985, the purchase by the Company of any of its ordinary shares prior to the redemption of all or any of the redeemable shares shall not constitute a variation of the rights of such redeemable shares." and

- (c) the directors be and are hereby generally and unconditionally authorized to exercise all the powers of the Company to allot all the redeemable preference shares referred to in paragraph (a) of this resolution pursuant to section 80 of the Companies Act 1985 provided that the authority hereby conferred shall expire five years from the date of passing of this resolution, and so that the authority hereby given shall be additional to and without prejudice to the unexercised portion of the authorities and powers granted to the directors under the Articles.



Chairman