

No. 3751525

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

Special Resolutions

of

Tarmac Group plc

At an extraordinary general meeting of the Company duly convened and held on 11 June 1999 the following Resolutions were duly passed as Special Resolutions:

Special Resolutions

1 Scheme of Arrangement

THAT:

in addition to and without prejudice to any other authority given to the Directors, the Directors be generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise during the period ending on 8 June 2003 all the powers of the Company to allot relevant securities pursuant to any scheme of arrangement of Tarmac plc ("Tarmac") under which the Company will become the holding company of Tarmac (the "Scheme") or any Associated Arrangement up to the aggregate nominal amount of £650,000,000;

- (a) by such authority the Directors may during such period make offers or agreements which would or might require the allotment of securities after the expiry of such period; and
- (b) words and expressions defined in or for the purposes of Part IV of the said Act shall bear the same meanings herein and, in this Resolution, the expression "Associated Arrangement" means any agreement or arrangement (whether set out in the articles of association of Tarmac, in a deed poll or otherwise) entered into in connection with the Company becoming the holding company of Tarmac pursuant to which the Company may either acquire shares in Tarmac in exchange for shares in the Company or issue shares in the Company in connection with the conversion of the Convertible Capital Bonds due 2006 issued by Tarmac Finance (Jersey) Limited.

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2 Change of Name

THAT subject to and upon the Scheme (as defined in Resolution 1 set out in the notice convening this meeting) becoming effective, the name of the Company be changed to "Iarmac plc".

3 Special Shares

THAT:

- (a) two authorised but unissued shares of the Company be designated Special Shares of £2.50 each, such shares to have all the rights of Ordinary Shares as set out in the Articles of Association of the Company, save that:
- (i) up to and including the Notice Date, the holders of Special Shares shall be entitled jointly to exercise at general meetings of the Company such number of votes as is equal to the number of Ordinary Shares in issue at the time of the relevant meeting but, after the Notice Date, the holders of Special Shares shall be entitled to exercise at any general meeting of the Company one vote per Special Share;
 - (ii) out of the profits available for distribution and resolved to be distributed, the holders of Special Shares shall be entitled in priority to any payment of dividend to the holders of any other class of shares to be paid in respect of each financial year or other accounting period of the Company a fixed cumulative preferential dividend of 5 per cent of the nominal value of the Special Shares per annum, but the holders of Special Shares shall not be entitled to any further right of participation in the profits of the Company;
 - (iii) on a Return of Capital, the holders of Special Shares shall be entitled in priority to any payment to the holders of any other class of shares to the repayment of an amount equal to the nominal amount of each Special Share held by them, but shall have no further rights of participation in the assets of the Company;
 - (iv) except in the case of a transfer of Special Shares to a holder of shares of the same class, the holders of Special Shares shall have no right to transfer Special Shares or to dispose of any interest in Special Shares save as set out in paragraphs (v) and (vi) below;
 - (v) the Company shall have the right to purchase the Special Shares by giving a notice in writing, which notice shall be irrevocable, to the holders of the Special Shares at any time from the earlier of the date on which the Scheme (as defined in Resolution 1 set out in the notice convening this meeting) becomes effective (the "Effective Date") and the date six months after the date on which this Resolution is passed, whereupon the holders of Special Shares shall sell and the Company shall purchase the Special Shares on the terms of the draft repurchase deed which is produced to the meeting and, for the purpose of identification, signed by the Chairman thereof, (the "Repurchase Deed") provided that the authority to enter into the Repurchase Deed hereby conferred shall expire on 31 July 2000 and the right and obligation of the Company to purchase the Special Shares shall be subject to the provisions of Chapter VII of Part V of the Act;
 - (vi) the holders of Special Shares shall have the right to require the Company to purchase the Special Shares by giving a notice in writing, which notice shall be irrevocable, to the Company at any time from the earlier of the Effective Date and the date which is six months after the date on which this Resolution is passed, whereupon the holders of

Special Shares shall sell and the Company shall purchase the Special Shares on the terms of the Repurchase Deed, provided that the authority to enter into the Repurchase Deed hereby conferred shall expire on 31 July 2000 and the right and obligation of the Company to purchase the Special Shares shall be subject to the provisions of Chapter VII of Part V of the Act;

- (b) subject to each prospective holder of Special Shares first having entered into the Repurchase Deed, the Directors be generally, and unconditionally authorised in accordance with Section 80 of the Act to exercise all the powers of the Company to allot the two Special Shares;
- (c) such authority shall expire on 31 December 1999 and shall be in addition to and without prejudice to all previous authorities pursuant to Section 80 of the Act;
- (d) pursuant to and during the period of such authority the Directors be empowered to allot the said Special Shares wholly for cash up to an aggregate nominal amount of £5 as if Section 89(1) of the Act did not apply to any such allotment;
- (e) for the purposes of this Resolution words and expressions defined in or for the purpose of Part IV of the Act shall bear the same meanings herein and, in this Resolution:

the expression "Notice Date" means the earlier of the date on which the Company gives notice pursuant to paragraph (a)(v) of this Resolution and the date six months after the date on which this Resolution is passed; and

the expression "Return of Capital" means a return of capital on a winding up of the Company or otherwise but does not include a repayment of capital pursuant to an arrangement whereby the holders of Ordinary Shares in the Company receive shares in another company in consideration of the Company transferring assets or rights to or to the order of that other company.

4 Appointment of Directors

THAT the appointment of Sir John Banham, Sir Neville Simms, C J Bunker, R J Harrison, R J Dickens, Sir Anthony Gill, J F Bowater and G W Bolsover as Directors of the Company (in the case of J F Bowater and G W Bolsover, conditional upon the demerger of the construction services business of Tarmac plc) be approved and confirmed and such persons shall, for the purposes of the Articles of Association of the Company, be deemed to have been appointed by the Company in general meeting.

5 Articles of Association

THAT:

- (a) the Articles of Association of the Company be replaced by the Articles of Association attached to the notice convening this meeting and, for the purpose of identification, signed by the Chairman thereof; and
- (b) upon the Scheme becoming effective, the Articles of Association adopted pursuant to this Resolution be amended by deleting Article 144 (Control Agreement).

6 New Tarmac Share Schemes

THAT, subject to the Scheme (as defined in Resolution 1 set out in the notice of this meeting) becoming effective:

- (c) the New Tarmac SAYE Scheme, the New Tarmac Inland Revenue Approved Executive Share Option Scheme, the New Tarmac Executive Share Option Scheme and the New Tarmac Long Term Incentive Plan and a draft employee benefit trust deed be approved and the Directors be authorised to do all acts and things necessary to adopt and operate them including making such modifications as the Directors may consider appropriate to obtain the approval of the Inland Revenue (where required) or to meet the requirements of the London Stock Exchange or to comply with best practice guidelines;
- (d) the Directors be authorised to vote and be counted in a quorum on any matter connected with the share schemes of the Company notwithstanding that they may be interested in the same, except that no Director may be counted in the quorum or vote in respect of his own participation, and any provisions of the Articles of Association of the Company be and hereby are varied to that extent accordingly

7 Authorities to allot

THAT, in addition to and without prejudice to any other authority given to the Directors, the authority and power set out in Article 9 of the Company's Articles of Association be given to the Directors for the period ending on 8 June 2003 and, for such period:

- (e) the Section 80 Amount shall be £129 million; and
- (f) the Section 89 Amount shall be £23 million.

8 Reduction of Capital

THAT,

8.1 subject to the Conditions:

- (a) the capital of the Company be reduced by:
 - (i) repaying to the holders of the Issued Ordinary Shares an amount equal to the Nominal Amount Reduction Sum in respect of each Issued Ordinary Share held by them; Provided that such repayment shall not be paid in cash but shall be effected by the Company transferring, or procuring the transfer of, the Construction Services Assets to Cameron and procuring the allotment and issue by Cameron to the holders of the Issued Ordinary Shares of one ordinary share of 50p in Cameron credited as fully paid for each Issued Ordinary Share held by them; and
 - (ii) reducing the nominal amount of each of the Issued Ordinary Shares by the Nominal Amount Reduction Sum;
- (b) all the shares in the Company which, at the date of the passing of this Resolution, have not been taken or agreed to be taken by any person, other than shares issued pursuant to the Tarmac Scheme or otherwise prior to the time when the Directors' Resolution is passed, be cancelled and the amount of the Company's share capital be diminished accordingly;
- (c) the share capital of the Company be increased by the creation of such number of shares of the New Nominal Amount each as is equal to the number of shares cancelled by paragraph (b) of this Resolution;

(d) in addition to and without prejudice to any other authority given to the Directors, the authority and power set out in Article 9 of the Company's Articles of Association be given to the Directors for the period ending on 8 June 2003 and, for such period:

(iii) the Section 80 Amount shall be £129 million; and

(iv) the Section 89 Amount shall be £23 million;

Provided that (x) the maximum nominal amount of relevant securities which may be allotted pursuant to this paragraph (d) shall not exceed £129 million multiplied by a fraction equal to the proportion of the issued share capital of the company prior to the repayment of capital pursuant to this Resolution which is not so repaid (the "Relevant Fraction"); (y) the maximum nominal amount of equity securities which may be allotted wholly for cash otherwise than in connection with a rights issue pursuant to this paragraph (d) shall not exceed £23 million multiplied by the Relevant Fraction; and (z) this paragraph (d) shall be construed as if it were part of the said Article 9;

8.2 for the purposes of this Resolution:

"Aggregate Repayment Amount" means the amount which the Directors of the Company shall, by resolution passed prior to or at the same time as the passing of the Directors' Resolution, select;

"Cameron" means Cameron 1999 plc (Number 3782379);

"Conditions" means:

- (v) the approval of the reduction of capital contemplated by this Resolution by a special resolution of Tarmac plc;
- (vi) Cameron and the Company entering into the Relevant Agreements and Cameron agreeing to the allotment and issue contemplated by paragraph (a)(i) of this Resolution subject only to this Resolution becoming unconditional;
- (vii) the Tarmac Scheme becoming effective and the Company, issuing the Ordinary Shares required to be issued pursuant thereto; and
- (viii) the passing of the Directors' Resolution;

"Construction Services Assets" means the shares listed in the Schedule attached to the notice convening this meeting and, for the purpose of identification, signed by the Chairman thereof, the Business (as defined in the Road Maintenance Agreement) and the Shares and the rights included in the Ancillary Rights and Obligations (in both cases as those terms are defined in the PFI Agreement) and the benefit of both the Original Road Maintenance Agreement and Original PFI Agreement) or such shares or assets as the Directors may designate by resolution passed prior to or at the same time as the passing of the Directors' Resolution, provided that the Directors may not designate shares and assets the transfer to Cameron of which would constitute a commercially different commercial transaction from the transfers specified in this definition;

"Circular" means the Circular proposed to be dated 15 June 1999 and sent to *inter alios* the holders of shares in Tarmac plc, a draft of which has been produced to this meeting and, for the purpose of identification, signed by the Chairman thereof;

"Demerger" means the demerger described in the Circular;

"Directors' Resolution" means a resolution of the Directors of the Company passed after the Tarmac Scheme has become effective, to the effect that it is in the best interests of the Company to proceed with the Demerger;

"Issued Ordinary Shares" means Ordinary Shares in issue at the time when the Directors' Resolution is passed (including any Ordinary Shares Issued pursuant to the Tarmac Scheme);

"New Nominal Amount" means the nominal amount of the Issued Ordinary Shares following the reduction effected by paragraph (a) of this Resolution;

"Nominal Amount Reduction Sum" means an amount equal to the Aggregate Repayment Amount divided by the number of Issued Ordinary Shares;

"Ordinary Shares" means ordinary shares of £2.50 each in the capital of the Company;

"Original Road Maintenance Agreement" means an agreement substantially in the form of the draft produced to this meeting and, for the purposes of identification, signed by the Chairman thereof, for the transfer of the Business (as defined in that agreement) from Tarmac Heavy Building Materials UK Limited to the Company with such amendments (including to the definition of the Business) as Cameron and the Company may agree;

"Original PFI Agreement" means an agreement substantially in the form of the draft produced to this meeting and, for the purpose of identification, signed by the Chairman thereof, for the transfer of the Shares and the Ancillary Rights and Obligations (as defined in that agreement) with such amendments (including to the definitions of the Shares and the Ancillary Rights and Obligations) as Cameron and the Company may agree;

"PFI Agreement" means an agreement in the form of the draft produced to this meeting and, for the purpose of identification, signed by the Chairman thereof for the transfer, *inter alia*, of the Shares and the rights included in the Ancillary Rights and Obligations (as therein defined) to Cameron or its nominee with such amendments (including the definitions of the Shares and the Ancillary Rights and Obligations) as Cameron and the Company may agree;

"Road Maintenance Agreement" means an agreement substantially in the form of the draft produced to this meeting and, for the purpose of identification, signed by the Chairman thereof for the transfer, *inter alia*, of the Business (as therein defined) to Cameron or its nominee with such amendments (including to the definition of the Business) as Cameron and the Company may agree;

"Relevant Agreements" means the Road Maintenance Agreement and the PFI Agreement;


"Tarmac Scheme" means the Scheme of Arrangement under Section 425 of the Companies Act 1985 between Tarmac plc and the holders of the Scheme Shares (as defined therein) proposed to be dated 15 June 1999, in the form contained in the Circular or with or subject to any modification, addition or condition approved or imposed by the High Court of Justice in England and Wales;

- 8.3 If this Resolution shall not have become unconditional on or before 31 December 1999 or if the Aggregate Repayment Amount shall not have been determined on or before that date, this Resolution shall lapse.

9 Scrip Dividend Scheme

THAT the Directors be and are hereby generally and unconditionally authorised to exercise the power contained in Article 125 of the Company's Articles of Association to offer the holders of Ordinary Shares in the capital of the Company the right to elect to receive an allotment of such

new ordinary shares, credited as fully paid, instead of cash dividends but this authority shall not apply to any dividend declared or paid at or after the Annual General Meeting of the Company in 2002


Director/Secretary