

THE COMPANIES ACT 1985 (AS AMENDED)

Company limited by shares

RESOLUTION

of

ALLIANCE BOOTS PLC

TUESDAY



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05/06/2007

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COMPANIES HOUSE

At an Extraordinary General Meeting of the above-named Company duly convened and held on 31 May 2007 the following resolution was passed as a special resolution

THAT

- 1 for the purpose of giving effect to the Scheme of Arrangement dated 8 May 2007 (the **"Scheme"**) in its original form or with or subject to any modification, addition or condition (including, without limitation, any modification or addition which represents an improvement in the value and/or terms of the Scheme to holders of Scheme Shares (as defined therein)) agreed by the Company and AB Acquisitions Limited which the Court may think fit to approve or impose
 - (i) the directors of the Company be authorised to take all such action as they consider necessary or appropriate for carrying the Scheme into effect,
 - (ii) the issued share capital of the Company shall be reduced by cancelling and extinguishing all of the Cancellation Shares (as defined in the Scheme),
 - (iii) subject to, and forthwith upon, the reduction of capital referred to in paragraph (ii) above taking effect and notwithstanding anything to the contrary in the articles of association of the Company
 - (A) the authorised share capital of the Company be increased to its former amount by the creation of such number of new ordinary shares of 37⁷/₃₉ pence each as have an aggregate nominal value equal to the aggregate nominal value of the Cancellation Shares cancelled pursuant to paragraph (ii) above,
 - (B) the reserve arising in the books of account of the Company as a result of the cancellation of the Cancellation Shares be applied in paying up in full at par the new ordinary shares of 37⁷/₃₉ pence so created, such new

ordinary shares to be allotted and issued credited as fully paid to AB Acquisitions Limited and/or its nominee(s), and

- (iv) the directors of the Company be authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to effect the allotment of the new ordinary shares referred to in paragraph (iii) (B) above, provided that

- (A) this authority shall expire on the fifth anniversary of this resolution,
- (B) the maximum aggregate nominal amount of shares which may be allotted hereunder shall be the aggregate nominal amount of the new ordinary shares created pursuant to paragraph (iii) (A) above, and
- (C) this authority shall be without prejudice and in addition to any other authority under the said section 80 previously granted before the date on which this resolution is passed, and

- 2 the articles of association of the Company be amended by the adoption and inclusion of the following new article 151

"SCHEME OF ARRANGEMENT

151 (A) In this article

- (i) references to the "**Scheme**" are to the Scheme of Arrangement between the company and the Scheme Shareholders (as defined in the Scheme) dated 8 May 2007 in its form at that date or with or subject to any modification, addition or condition (including, without limitation, any modification or addition which represents an improvement in the value and/or terms of the Scheme to holders of Scheme Shares (as defined in the Scheme)) agreed by the company and AB Acquisitions Limited which the Court may think fit to approve or impose,
 - (ii) terms defined in the Scheme shall have the same meanings in this article, and
 - (iii) references to "spouse" shall include a civil partner under the Civil Partnership Act 2004
- (B) If the company issues any shares (other than to AB Acquisitions Limited or any subsidiary of AB Acquisitions Limited (an "**AB Acquisitions Company**")) on or after the date of the adoption of this article and prior to the Reduction Record Time such Alliance Boots shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holder or holders of such shares shall be bound by the Scheme accordingly

- (C) Subject to the Scheme and Reduction of Capital becoming effective and notwithstanding the other provisions of these articles, if any shares are issued, or transferred pursuant to paragraph (D) below, to any person (a "**New Member**") at or after the Reduction Record Time (the "**Post-Scheme Shares**") they will, subject to paragraph (D) below and provided that the Scheme becomes or has become effective, be immediately transferred to AB Acquisitions Limited or its nominee(s) (unless such shares are issued to an AB Acquisitions Company) in consideration of and conditional on
- (i) the payment by AB Acquisitions Limited to the New Member of such amount of cash consideration as would have been paid pursuant to the Scheme for each such share as if it were a Scheme Share, and/or,
 - (ii) the issue of the same nominal amount of Loan Notes per ordinary share in the capital of the company as would have been issued to the holder of Loan Note Elected Shares under the Scheme (subject to and on the terms of the Loan Note Alternative) provided that
 - (a) such new shares are issued no later than the later of (A) two business days after the Reduction Order is filed with the Registrar of Companies of England and Wales and (B) 3 July 2007,
 - (b) the conditions for making the Loan Note Alternative available under the terms of the Scheme have been satisfied,
 - (c) the New Member makes a valid election to receive Loan Notes in respect of the relevant shares before the Election Return Time in such manner as the Board shall prescribe,
 - (d) the maximum principal amount of Loan Notes available under the Loan Note Alternative has not previously been allocated pursuant to the Scheme, and
 - (e) if after the allocation of Loan Notes pursuant to the Scheme the number of Loan Notes available is insufficient to satisfy in full all valid elections made by New Members pursuant to this article, each such election shall be scaled down *pro rata* (or as near thereto as AB Acquisitions Limited in its absolute discretion considers practicable) amongst the electors and each such election shall be valid only in respect of the number of shares so scaled down and the balance of the consideration due to those New Members who made such elections will be satisfied by the payment by AB Acquisitions Limited of Cash Consideration in accordance with sub-paragraph (i) above

- (D) Any New Member may, prior to the issue of Post-Scheme Shares to him or her pursuant to the exercise of an option or satisfaction of an award under one of the company's employee share schemes, give not less than two business days' written notice to the company in such manner as the board shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse and may, if such notice has been validly given, on such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse any such Post-Scheme Shares, provided that such Post-Scheme Shares will then be immediately transferred from that spouse to AB Acquisitions Limited or its nominee(s) pursuant to paragraph (C) above as if the spouse were a New Member. If notice has been validly given pursuant to this paragraph (D) but the New Member does not immediately transfer to his or her spouse the Post-Scheme Shares in respect of which notice was given, such shares will be transferred to AB Acquisitions Limited or its nominee(s) pursuant to paragraph (C) above.
- (E) On any reorganisation of, or material alteration to, the share capital of the company (including, without limitation, any subdivision and/or consolidation, but excluding the Scheme), the value of the consideration per share to be paid under paragraph (C) of this article 151 shall be adjusted by the directors in such manner as the auditors of the company or an independent investment bank selected by the company may determine to be appropriate to reflect such reorganisation or alteration. References in this article 151 to shares shall, following such adjustment, be construed accordingly.
- (F) To give effect to any such transfer required by this article 151, the company may appoint any person to execute a form of transfer on behalf of or as attorney for the New Member or his or her spouse in favour of AB Acquisitions Limited or its nominee(s). Pending the registration of AB Acquisitions Limited or its nominee(s) as the holder of any share to be transferred pursuant to this article 151, AB Acquisitions Limited shall be irrevocably empowered to appoint a person nominated by the directors of AB Acquisitions Limited to act as attorney on behalf of each holder of any such share in accordance with such directions as AB Acquisitions Limited may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of AB Acquisitions Limited but not otherwise. The company shall not be obliged to issue a certificate to the New Member or his or her spouse for any such share.

- (G) Payment will be made and certificates for any Loan Notes will be despatched in respect of any shares transferred under this article 151 within 14 days of the date of transfer of such shares "

R A Sake

Company Director