

THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES
RESOLUTIONS

of

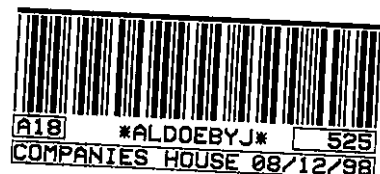
CLS HOLDINGS PLC

Passed on 1 December 1998

At an extraordinary general meeting of CLS Holdings plc duly convened and held on 1 December 1998 the following resolutions were duly passed, in the case of resolution 1 as a special resolution of the Company and in the case of resolutions 2, 3 and 4 as ordinary resolutions of the Company:

Special Resolution

- 1 THAT the Company be and is hereby unconditionally authorised in accordance with section 166 of the Companies Act 1985, in addition to the authority granted at the last annual general meeting of the Company to purchase up to 11,297,900 ordinary shares of 25p each in the capital of the Company ("Ordinary Shares"), 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 6 November 1998) provided that:
- (i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 2,890,966;
 - (ii) the minimum price (exclusive of advanced corporation tax and expenses) which shall be paid for an Ordinary Shares pursuant to this authority shall be 125p;
 - (iii) the maximum price (exclusive of advanced corporation tax and expenses) which shall be paid for an Ordinary Share pursuant to this authority shall be 140p;
 - (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.

Ordinary Resolutions

- 2 THAT the purchase by the Company of Ordinary Shares from a director of the Company or a person connected with him for the purposes of Part X of the Companies Act 1985 pursuant to the Tender Offer (as defined in the circular to shareholders of the Company dated 6 November 1998) be and is hereby approved for the purposes of section 320 of the Companies Act 1985.

- 3 THAT the waiver by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on the directors of the Company and those acting in concert with them, collectively and/or individually, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the purchase by the Company of up to 2,890,966 Ordinary Shares in the market pursuant to the Tender Offer (as defined in the circular to shareholders of the Company dated 6 November 1998) and/or the purchase by the Company of up to 11,297,900 Ordinary Shares in the market pursuant to the authority granted at the last annual general meeting of the Company which, assuming a purchase of the maximum of 14,188,866 Ordinary Shares and no sales by directors of the Company and those acting in concert with them, would result in the aggregate shareholding of the directors and those acting in concert with them of 53,249,739 Ordinary Shares increasing as a percentage of the issued share capital of the Company (as a result of the reduction of issued Ordinary Shares from 115,638,659 to potentially 101,449,793) to a maximum of 52.49 per cent., be and is hereby approved.

- 4 THAT the waiver by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on the directors of the Company and those acting in concert with them, collectively and/or individually, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the full or partial exercise by Glyn Hirsch, a director of the Company, of any of his options over 1,000,000 Ordinary Shares, be and is hereby approved.



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Chairman