

CLS Holdings Plc

(Registered in England and Wales number 2714781)

RESOLUTIONS

**passed at the Annual General Meeting held on
Tuesday, 20 May 2008**

At the Annual General Meeting of the Company held on Tuesday, 20th May 2008 at 86 Bondway, London, SW8 1SF the following Resolutions were passed -

As an Ordinary Resolution

- 12 That, in place of the equivalent authority conferred on the Directors at the last annual general meeting, the Directors be and hereby are generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to allot relevant securities (which for the purposes of this resolution shall have the same meaning as in section 80(2) of the Companies Act 1985) of the Company provided that
- (a) the maximum amount of relevant securities that may be allotted pursuant to the authority given by this resolution shall be an aggregate nominal amount of £5,573,979 50,
 - (b) subject as provided in paragraph (c) of this resolution, the authority shall expire five years from the date of the passing of this resolution but may be previously revoked or varied by an ordinary resolution of the Company,
 - (c) such authority shall permit and enable the Company to make an offer or agreement before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and shall permit the Directors to allot such securities pursuant to any such offer or agreement as if such authority had not expired, and
 - (d) in relation to the grant of any right to subscribe for, or convert any securities into shares in the Company, the reference in this resolution to the maximum amount of relevant securities that may be allotted is to the maximum amount of shares which may be allotted pursuant to such right

As Special Resolutions

- 13 That, in place of the equivalent authority conferred on the Directors at the last annual general meeting, the Directors be generally and unconditionally authorised
- (a) to exercise the power contained in article 164(B) of the articles of association of the Company as from time to time varied so that, to the extent and in the manner determined by the Directors, the holders of ordinary shares of 25p each in the capital of the Company be permitted to elect to receive new ordinary shares credited as fully paid, instead of the whole or any part of any dividends (including interim dividends) paid by the Directors or declared by the Company in general meeting (as the case may be) during or in respect of the financial year of the Company ending on 31 December 2008, and

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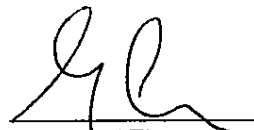
- (b) to capitalise the appropriate nominal amount of the new ordinary shares failing to be allotted pursuant to any elections made as aforesaid out of the amount standing to the credit of any reserve or fund (including profit and loss account, share premium account, capital redemption reserve or any other non-distributable reserve), whether or not the same is available for distribution, as the Directors may determine, to apply such sum in paying up such ordinary shares in full and to allot such ordinary shares to the shareholders of the Company validly making such elections in accordance with their respective entitlements

14 That

- (a) the Directors be empowered to allot equity securities within the meaning of section 94(2) of the Companies Act 1985 of the Company (pursuant to the authority conferred on the Directors by resolution 12 above) at any time up to the conclusion of the Company's next annual general meeting following the date of the passing of this resolution or, if earlier, the expiry of 15 months from the date of the passing of this resolution, as if section 89(1) of the Companies Act 1985 did not apply to such allotment (such authority to be in substitution for all existing authorities granted to the Directors in respect of the allotment of equity shares as if section 89(1) of the Companies Act 1985 did not apply), provided that such power shall be limited to the allotment of equity securities
 - (i) in connection with a rights issue, and
 - (ii) otherwise than under sub-paragraph (a)(i) of this resolution, up to an aggregate nominal amount of up to £841,159, being up to 3,364 637 Ordinary Shares and representing approximately five per cent of the issued share capital of the Company (excluding treasury shares)
- (b) such power shall permit and enable the Company to make an offer or agreement before the expiry of such power which would or might require equity securities to be allotted after such expiry and shall permit the Directors to allot such securities pursuant to any such offer or agreement as if such power had not expired,
- (c) in this resolution
 - (i) rights issue means an offer of equity securities open for acceptance for a period fixed by the Directors to ordinary shareholders on the register on a fixed record date in proportion to their respective holdings of such shares or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, the requirements of any regulatory body or any stock exchange in, any territory), and
 - (ii) the nominal amount of any securities should be taken to be, in the case of a right to subscribe for, or convert, any securities into shares of the Company, the nominal amount of the shares which may be allotted pursuant to such right, and
 - (iii) any references to an allotment of equity securities shall include a sale of treasury shares

- (d) words and expressions defined in or for the purposes of section 89 to 95 inclusive of the Companies Act 1985 shall bear the same meanings in this resolution
- 15 That the Company be generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of 25p each in the capital of the Company provided that
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 6,729,275 Ordinary Shares,
 - (b) the minimum price which may be paid for any Ordinary Shares is the par value of such share from time to time,
 - (c) the maximum price which may be paid for any Ordinary Share is the higher of an amount equal to 5 per cent above the average of the closing middle-market quotations for the Ordinary Shares as derived from the London Stock Exchange Daily Official List (SEDOL) for the five dealing days immediately preceding the day on which the purchase is made, and an amount equal to a price no higher than the higher of the price of the last independent trade and the highest current independent bid on SEDOL, in each case exclusive of expenses,
 - (d) unless previously revoked or varied, the authority hereby conferred shall, subject as provided in paragraph (e) of this resolution, expire at the conclusion of the annual general meeting of the Company next following the passing of this resolution (or, if earlier, 18 months from the date of the passing of this resolution), and
 - (e) the Company may contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiry of such authority, and may purchase ordinary shares pursuant to any such contract as if such authority had not expired

Certified a true copy


Thomas J Thomson
Secretary