

THE COMPANIES ACTS 1931 – 2004

ISLE OF MAN

PUBLIC COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

**DAWNAY DAY CARPATHIAN PLC
(the “Company”)**

Passed the 30th day of June 2008

At an Annual General Meeting of the Company, duly convened and held on the above date at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP, the following resolutions were passed as special resolutions.

1. That in revocation of any existing general authority granted to the Directors for the purposes of article 10.1 of the Articles of Association of the Company, the Directors be generally and unconditionally authorised in accordance with article 10.1 of the Articles of Association to exercise all the powers of the Company to allot ordinary shares up to an aggregate nominal value of £764,544; such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months after the date of passing this resolution; provided that the authority shall allow the Company to make an offer or enter into an agreement which would or might require ordinary shares to be allotted after this authority expires.
2. That the provisions of Regulation 10.2 of the Company’s Articles of Association requiring ordinary shares proposed to be issued for cash first to be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively be and it is hereby disappplied in relation to any allotment of ordinary shares pursuant to the authority in Resolution 4 above; provided that the authority so granted to the Directors to allot ordinary shares by such disapplication shall be limited to the allotment of ordinary shares up to an aggregate nominal value of £114,681 and shall expire (unless and to the extent previously revoked, varied or renewed by special resolution) at the conclusion of the next Annual General Meeting of the Company; save that such authority shall allow the Company to make an offer or enter into an agreement which would or might require ordinary shares to be allotted after such authority expires.
3. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 13 of the Companies Act 1992) of ordinary shares in the capital of the Company provided that:
 - (a) the maximum number of ordinary shares of 1 pence each in the capital of the Company (“ordinary shares”) authorised to be acquired is a number of ordinary shares representing not more than 10% of the issued share capital of the Company;
 - (b) the minimum price that may be paid for each ordinary share is £0.01 (nominal value);

(c) the maximum price that may be paid for each ordinary share is an amount equal to 105% of the average of the mid-market quotation for an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the ordinary shares are contracted to be purchased;

(d) the authority conferred shall expire at the conclusion of the next Annual General Meeting of the Company, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to acquire its ordinary shares under the authority conferred prior to the expiry of such authority, which will or may be executed wholly or partly after such authority, and may purchase its ordinary shares in pursuance of any such contract.

4. That the investing strategy of the Company be approved.

5. That the Articles of Association of the Company be altered by the deletion of Article 171 and the insertion of the following new Article 171:

“171. NOTIFICATION OF INTERESTS IN SHARES

171.1 In order to assist the Company in complying with its notification obligations set out in rule 17 of the AIM Rules, each holder of any legal or beneficial interest in shares in the Company that is a significant shareholder shall notify the Company without delay of any relevant changes to its shareholdings in the Company as if the provisions of chapter 5 of the Disclosure and Transparency Rules published by the FSA from time to time (the “DTR”) in respect of significant shareholder notifications were set out in full in these Articles, and as if references therein and, without limitation, in Chapter 5 of the DTR (i) to a “person” and “shareholder” were references to a significant shareholder (ii) to “shares” were references to shares of the Company and (iii) to an “issuer” were references to the Company (and, for the avoidance of doubt, the Company shall for the purposes of chapter 5 of the DTR as applied by these Articles, be deemed to be an “issuer” and shall not qualify as a “non-UK issuer”).

171.2 Notwithstanding the provisions of the DTR:

171.2.1 the Company will issue notification in accordance with the AIM Rules without delay of any relevant changes to any significant shareholders of which it becomes aware pursuant to Article 171.1; and

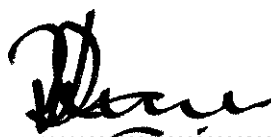
171.2.2 the information in respect of which the Company is so required to issue notification will be notified by the Company in accordance with the AIM Rules rather than “made public” in accordance with the DTR.

171.3 For the purposes of this article 171:

171.3.1 “AIM Rules” means the rules for companies published from time to time by the London Stock Exchange plc governing Admission to and the operation of AIM; and

171.3.2 each of a “significant shareholder” and “relevant changes” shall have the meanings given to those terms from time to time as set out in the AIM Rules.

171.4 The provisions of Articles 30 to 37 shall mutatis mutandis apply to this Article 171 to the shares held by any non complying Member.



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P.R Cottrell
Chairman