

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BORIS POZNIAK, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

vs.

IMPERIAL CHEMICAL INDUSTRIES PLC,
BRENDAN R. O'NEILL and PAUL J.
DRECHSLER,

Defendants.

Civil Case No. 1:03cv2457 (NRB)

(All Actions Consolidated Under
This File Number)

VUAY PURI, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

vs.

IMPERIAL CHEMICAL INDUSTRIES PLC,
BRENDAN R. O'NEILL and PAUL J.
DRECHSLER,

Defendants.

Civil Case No. 1:03cv3234 (NRB)

THE ESHE FUND, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

vs.

IMPERIAL CHEMICAL INDUSTRIES PLC,
BRENDAN R. O'NEILL and PAUL J.
DRECHSLER,

Defendants.

Civil Case No. 1:03cv4138 (NRB)

PRELIMINARY APPROVAL ORDER

WHEREAS the parties to the above-captioned action have entered into a Stipulation and Agreement of Settlement (the "Stipulation") that, together with the exhibits thereto, sets forth the

terms and conditions for a proposed Settlement of the claims alleged in the Second Amended Consolidated Complaint ("Complaint"); and

WHEREAS, the Court having read and considered the parties' Stipulation and the accompanying exhibits ^{and the Supplemental Letter, dated May 25, 2006,} and the parties having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

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IT IS HEREBY ORDERED THAT:

1. This action is preliminarily certified as a class action pursuant to Fed. R. Civ. P. 23(a) and (b)(3) on behalf of all persons or entities who purchased Imperial Chemicals Industries, PLC ("ICI") American Depositary Shares ("ADS") listed on the New York Stock Exchange ("NYSE") between August 1, 2002 and March 24, 2003, inclusive, and who were damaged thereby, excluding Defendants, persons serving as officers and directors of ICI or its subsidiaries during the relevant time period, members of their immediate families, and their legal representatives, heirs, successors or assigns, and/or any entity in which Defendants have or had a controlling interest.

2. The Court finds that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: the number of Class Members is so numerous that joinder of all members thereof is impracticable; there are questions of law and fact common to the Class; the claims of the named representatives are typical of the claims of the Class they seek to represent; the Lead Plaintiffs will fairly and adequately represent the interests of the Class; the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Lead Plaintiffs Eugene M.J. Pugatch, Stephen Schendel and the Elysian Fund are certified as Class Representatives.

4. The Court approves the form, substance and requirements of the Notice of Pendency of Class Action, Hearing On Proposed Settlement, Motion for Attorneys' Fees, and Right to Share in Settlement Fund (the "Notice"), and the Proof of Claim and Release ("Proof of Claim") attached as Exhibits 1 and 2 respectively.

5. The Court approves Plaintiffs' Co-Lead Counsel's selection of Rust Consulting, Inc. as the Claims Administrator. The Claims Administrator shall send a Notice and Proof of Claim, substantially in the forms annexed hereto, to all Class Members who can be identified with reasonable effort, by first class mail, postage prepaid, no later than twenty (20) days after entry of this Preliminary Approval Order. ICI shall make its list of shareholders of record, in the format as those records are maintained, available to Plaintiffs' Co-Lead Counsel and the Claims Administrator, without charge by ICI, for the purpose of disseminating this Notice. The Claims Administrator shall use reasonable efforts to give notice to nominee owners such as brokerage firms and other persons or entities who purchased ICI ADS on the NYSE during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within seven (7) days of their receipt of the Notice, to either forward copies of the Notice and Proof of Claim to their beneficial owners, or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such identified beneficial owners. Nominee purchasers who elect to send the Notice and Proof of Claim to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional

copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notices and Proofs of Claim to beneficial owners. Plaintiffs' Co-Lead Counsel shall file a proof of mailing of the Notice with the Court before the Settlement Fairness Hearing date identified in paragraph 9, below.

6. The Court approves the form of Summary Notice of the pendency of this class action and the proposed settlement in the form attached as Exhibit 3, and directs Plaintiffs' Co-Lead Counsel to publish the Summary Notice in the national edition of The Wall Street Journal and over the Internet within ten (10) days of mailing the Notice. Plaintiffs' Co-Lead Counsel shall file a proof of publication of the Summary Notice with the Court before the Settlement Fairness Hearing date identified below.

7. The form and method set forth herein of notifying the Class of the Settlement and its terms and conditions meet the requirements of Rule 23 of the Fed.R.Civ.P., Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995 and due process. The form and method set forth herein of notifying the Class of the Settlement and its terms and conditions constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

8. In order to be entitled to participate in the Settlement Fund, in the event the Settlement is effected in accordance with all of the terms and conditions set forth in the

Stipulation, each Class Member shall take the following actions and be subject to the following conditions:

(a) Each Class Member must send a properly executed Proof of Claim by first class mail to the Claims Administrator on or before thirty (30) days after the Settlement Fairness Hearing. This deadline may be extended by Court Order. Each Proof of Claim will be deemed submitted when postmarked (if properly addressed and mailed by first class mail, postage prepaid) provided such Proof of Claim is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice.

(b) Each Class Member must submit a Proof of Claim that satisfies the following conditions:

(i) it must be properly completed, signed and submitted with the provisions of the preceding subparagraph;

(ii) it must be accompanied by adequate supporting documentation for the claimed transactions, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Plaintiffs' Co-Lead Counsel;

(iii) if the person executing the Proof of Claim is acting in a representative capacity, he/she must include a certification of his/her current authority to act on behalf of the Class Member; and

(iv) it must be complete and contain no material deletions or modifications of any of the printed matter contained therein, and must be signed under penalty of perjury.

(c) Each Class Member must submit to the jurisdiction of this Court, and shall (subject to effectuation of the Settlement) agree to release his/her claims as provided in the Notice.

(d) Class Members will be bound by all determinations and judgments in this Action, whether favorable or unfavorable, unless they request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such request shall mail the request in written form by first class mail postmarked no later than August 28, 2006 [~~a date at least sixty (60) days after mailing of the Notice and at least~~ *MLK* ~~twenty (20) days before the Settlement Fairness Hearing~~] to the address designated in the Notice. Such request for exclusion shall clearly indicate the name, address and telephone number of the person seeking exclusion, that the sender requests to be excluded from the Class in Pozniak v. Imperial Chemical Industries, PLC, et al., Civil Action No. 1:03cv2457, and must be signed by such person. Such persons requesting exclusion are also directed to state: the date(s), price(s), and number(s) of shares of all purchases and sales of ICI ADS during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

9. A Settlement Fairness Hearing, pursuant to Fed. R. Civ. P. 23(e), will be held before the Court on September 18, 2006, at 9 : 15 a.m. ~~[a date at the Court's convenience more than one hundred (100) days after entry of this Preliminary Approval Order and at least twenty (20) days after the deadlines for exclusion requests and objections]~~ for the following purposes:

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- (a) to finally determine whether this Action satisfies the applicable prerequisites for class action treatment under Rules 23(a) and (b) of the Federal Rules of Civil Procedure;
- (b) to determine whether the proposed Settlement is fair, reasonable, and adequate, and should be approved by the Court;
- (c) to determine whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Complaint filed herein, on the merits and with prejudice, and to determine whether the release by the Class of the Settled Claims and covenant not to sue, as set forth in the Stipulation, should be provided to the Released Parties;
- (d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable, and should be approved by the Court;
- (e) to consider Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees and expenses; and
- (f) to rule upon such other matters as the Court may deem appropriate.

10. The Court will consider comments and/or objections to the Stipulation, the Plan of Allocation, or the award of attorneys' fees and reimbursement of expenses only if such comments or objections, along with any supporting papers, are filed with the Clerk of the Court, United States District, Southern District of New York Court, United States Courthouse, 500 Pearl Street, New York, New York 10007, and copies of all such papers are served upon each of the following: David A.P. Brower, Esquire, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165; Samuel H. Rudman, Esquire, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 58 South Service Road, Suite 200, Melville, New York 11747, Plaintiffs' Co-Lead Counsel; and Robert F. Wise, Jr., Esquire, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Defendants' Counsel, on or before August 28, 2006 [~~a date at least sixty (60) days after mailing of the Notice and at least twenty (20) days before the Settlement Fairness Hearing~~]. Persons or entities wishing to appear in person at the Settlement Fairness Hearing to oppose the Settlement, the Plan of Allocation, and/or the request for attorneys' fees must include in their written objection:

- (a) their intention to appear at the hearing;
- (b) a description of all witnesses or exhibits they intend to produce at the Settlement Fairness Hearing.

11. Pending final approval of the Settlement, Lead Plaintiffs, the Class Members, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action that asserts Settled Claims against any Released Party.

12. As provided in the Stipulation, Plaintiffs' Co-Lead Counsel may pay the Claims Administrator the reasonable fees and costs associated with giving notice to the Class and the

(b) the parties will return to the position they occupied vis-a-vis each other and the Action as of the date of the execution of the Stipulation except as expressly stated in the Stipulation; and

(c) the Stipulation shall be null and void and have no further force or effect, and shall not be referred to, admissible in or introduced in any other way for any reason in any proceeding.

16. The Court reserves the right to modify the Settlement without further notice of any kind; provided that no material modification will be made to the Settlement without the express approval of counsel for the parties. The Court reserves the right to enter an Order and Final Judgment regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses. The Court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement.

DATED: May 31, 2006


U.S.D.J.