

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended.**

If you have sold or transferred all of your Ordinary Shares in Kurawood plc, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Ordinary Shares in Kurawood plc, you should retain these documents.

The Directors, whose names appear on page 5, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on page 5 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below.**

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# **KURAWOOD PLC**

(Incorporated and registered in England and Wales  
under the Companies Act 1985 with registered number 5696525)

## **Proposed Cancellation of Admission**

## **Proposed Re-registration as a Private Limited Company**

**and**

## **Notice of General Meeting**

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Notice convening a General Meeting of Kurawood plc to be held at the offices of Zeus Capital Limited, 3 Ralli Courts, West Riverside, Manchester, M3 5FT on 10 December 2009 at 12.00 p.m. Shareholders will find at the end of this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by the Company Secretary, care of Lorne House, Castletown, Isle of Man, IM9 1AZ as soon as possible but in any event by not later than 12.00 p.m. on 8 December 2009. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

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## TIMETABLE

Dispatch of this document	12 November 2009
Last date and time for receipt of Forms of Proxy	12.00 p.m. on 8 December 2009
General Meeting	12.00 p.m. on 10 December 2009
Expected date of cancellation of Ordinary Shares from Admission	18 December 2009

### Notes:

1. References to time in this document are to London time.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a RIS.
3. All events in the above timetable following the General Meeting are conditional upon approval by Shareholders of the Resolutions to be proposed at the General Meeting.

## DEFINITIONS

"1985 Act"	the Companies Act 1985 (as amended)
"2006 Act"	the Companies Act 2006
"Admission"	the admission of the Ordinary Shares to trading on AIM
"AIM"	a market operated by London Stock Exchange plc
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
"Board"	the board of directors of the Company at the date of this document
"Cancellation"	the proposed cancellation of the Company's Ordinary Shares from admission to trading on AIM, subject to the passing of the Resolutions
"Company" or "Kurawood"	Kurawood plc
"Conversion"	the proposed conversion of the Company from a public limited company to a private limited company, subject to the passing of the Resolutions
"CREST"	the computer based system established under the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) which enables title to units of relevant securities to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland is the operator
"Directors"	the directors of the Company whose names are set out on page 5 of this document
"General Meeting" or " GM"	the extraordinary general meeting of the Company, convened for 12.00 p.m. on 10 December 2009, and any adjournment thereof, notice of which is set out at the end of this document, which will consider the Resolutions
"Form of Proxy"	the Form of Proxy enclosed on Page 29 of this document for use by Shareholders in connection with the GM
"Group"	Kurawood and its subsidiaries
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company

"Resolutions"	the special resolutions to be proposed at the General Meeting, details of which are set out in the notice of General Meeting set out at the end of this document
"RIS"	Regulatory Information Service
"Shareholders"	holders of Ordinary Shares and "Shareholder" means any one of them
"UK"	the United Kingdom of Great Britain and Northern Ireland

**Part I**  
**LETTER FROM THE CHAIRMAN**

**Kurawood plc**

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5696525)

*Directors:*

Mr. Roy William Tilleard (*Chairman*)  
Mr. Justin Gaisford Martin (*Executive Director*)  
Mr. Peter James Scott Hammonds (*Non-Executive Director*)

*Registered Office:*

21 St. Thomas Street  
Bristol  
BS1 6JS

12 November 2009

*To the holders of Ordinary Shares and, for information only, to holders of options over Ordinary Shares*

Dear Sir/Madam,

**PROPOSED CANCELLATION OF ADMISSION, PROPOSED REREGISTRATION AS A PRIVATE LIMITED COMPANY AND NOTICE OF GENERAL MEETING**

**1 Introduction**

The Company has today announced that it is seeking Shareholder approval for the cancellation of admission to trading on AIM of the Ordinary Shares and the conversion of the Company from a public limited company to a private limited liability company.

The purpose of this letter is to explain the rationale behind the proposed Cancellation and Conversion and why the Directors unanimously consider the proposed Cancellation and Conversion to be in the best interests of the Company and its shareholders as a whole and to seek your approval for it. The notice of General Meeting is set out at the end of this document.

**2 Cancellation of Admission**

Following careful consideration, the Directors have concluded that it is no longer in the best interests of the Company or its Shareholders to maintain the admission to trading on AIM of the Ordinary Shares.

The current economic crisis has led to significant falls in the values of the global stock markets, which have been exaggerated in small cap, low liquidity stocks. The Directors believe this has and will continue to impact the Company if it were to remain listed on AIM.

Whilst the Company has successfully moved from operating as a manufacturer of products to a licensor of its intellectual property, it has been unable to generate revenues through the charging of manufacturing licensing fees predicated on a payment per m<sup>3</sup> of nameplate capacity and is instead having to rely on generating revenues through the Company's ability to charge and earn ongoing production royalties predicated on quarterly production output from its existing and potential licensees.

As at the date of this document, the Company has one licensee being PG Industries Limited, ("PGI"), the Company's former subsidiary, which has a nameplate capacity of approximately 300,000 m<sup>3</sup>. The terms of the license agreement include exclusivity to manufacture and sell these products within New Zealand, subject to PGI meeting certain time sensitive minimum

volume commitments, the first commitment running for a period of 24 months from the commencement of the license. The terms of the licence include a production royalty of 4% of the sales revenue generated by PGI for an initial period of 5 years or until the expiry of patents filed by Kurawood, whichever is the latter. The Directors believe the license granted to PGI could result in significant future revenues being generated within the Company in the medium to long term.

The Company has also recently initiated discussions with one of Great Britain's most significant sawmilling businesses that supplies sawn timber products to customers in the construction, pallet and packaging, fencing, decking, and cladding product sectors. These discussions have centred on the opportunity to establish a joint venture company that will hold the necessary rights to manufacture, distribute and sell Vecowood from a facility located in Great Britain using species indigenous to this region such as scots pine, ash and poplar as the source material. Whilst, as at the date of this document, no formal agreements have been entered into, the Directors are confident that a joint venture agreement will be forthcoming following trials on the modification of these indigenous species. The Directors believe the potential joint venture could result in significant future revenues being generated within the Company in the medium to long term.

It is however clear that the proposed joint venture partner and Fox Capital Limited, the primary funder of the Company, do not wish to enter into any such joint venture agreement whilst the Company remains in the public domain due to the reputational risk should the trial results prove to be inconclusive.

As the Company has not yet generated any revenue through these arrangements and since the Company is likely to generate revenue only in the medium term, the Directors believe it is vital that they reduce costs in the short term. The Directors believe that the Company's continued Admission results in significant direct costs including nomad and broker fees, listing fees and professional fees which management estimate to be in excess of £100,000 (including VAT) per annum. The Directors believe it would be more beneficial for the Company's future growth if this money was used to fund the working capital of the Company rather than the continued Admission to AIM.

The Directors also believe that the Company's continued Admission:

- results in a disproportionate amount of senior management time being spent in meeting the AIM Rules and related regulatory requirements, including reporting, disclosure and corporate governance requirements; and
- may no longer serve a useful function in terms of access to capital or the ability to use the shares of the Company to effect acquisitions.

With this in mind, the Board has decided to propose cancelling admission to trading on AIM of the Ordinary Shares to focus on continuing to grow the inherent value of the Company. It will also carry out a strategic review to consider how to best maximise Shareholder value and enhance the Company's ability to meet the needs of its present and future licensees and joint venture partners.

### **3 Conversion to a limited company**

In an effort to reduce costs further, the Board is also proposing to re-register the Company as a private company limited by shares by passing a special resolution to do so and to adopt new articles of association of the Company reflecting the Company's status as a private limited company and the implementation of the 2006 Act. This change will enable the Directors to negotiate lower annual audit fees for the Company. Upon passing of this resolution the Board will complete a Form RR02 accompanied by copies of the resolution and a copy of the company's articles of association, as set out in Part II of this document to

meet the company's new circumstances. Shareholders should note that the proposed new articles of association of the Company reflect the Company's proposed new status as a private limited company and are different from the Company's current articles of association. In particular the proposed new articles of association:

- (a) entitle the directors to refuse to register a transfer of shares;
- (b) contain provisions that would enable the holders of 51% of the Ordinary Shares who wish to sell their shares to a bona fide arm's length purchaser to require other shareholders to sell their shares to such purchaser; and
- (c) contain provisions that would require any purchaser of shares (other than an existing shareholder) who acquired control of the Company to offer to purchase the other shareholders shares.

The articles of association as set out in Part II of this document make reference to the Model Articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008. A copy of the Company's adopted new articles and the Model Articles will be made available to Shareholders on the Company's website at [www.kurawood.com](http://www.kurawood.com).

#### **4 Effect of the Cancellation and Conversion on Shareholders**

The principal effects of the Cancellation and Conversion would be that:

- (a) there would no longer be a formal market mechanism enabling the Shareholders to trade their shares on AIM or any other market or tracking exchange and the CREST trading facility will be cancelled;
- (b) the Company would not be bound to announce material events or material transactions nor to announce interim or final results;
- (c) the Company would no longer be required to comply with any of the additional specific corporate governance requirements for companies admitted to trading on AIM; and
- (d) the Company will no longer be subject to the AIM Rules and Shareholders will no longer be required to vote on certain matters as provided in the AIM Rules.

The Board will, however, continue to:

- (i) post information relating to the Company on its website at [www.kurawood.com](http://www.kurawood.com);
- (ii) hold general meetings in accordance with the applicable statutory requirements and the Company's articles of association; and
- (iii) send Shareholders copies of the Company's audited accounts in accordance with the applicable statutory requirements. By converting from a PLC to a limited company the Company may be entitled to prepare its accounts in accordance with the special provisions of part 15 of the Companies Act 2006 and the Financial Standards for Small Entities (effective January 2007) relating to small companies.

The provisions of the City Code on Takeovers and Mergers will continue to apply to the Company following the Cancellation and conversion from a public limited company to a private limited liability company for a period of 10 years from the date of Cancellation.

## **5 Proposed Change to the Board of Directors**

If the Cancellation is approved, Mr Peter Hammonds will tender his immediate resignation as Non-executive Director of the Company and terminate his letter of engagement with the Company from the date of Cancellation.

## **6 Approving the Cancellation and Conversion**

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of the Shareholders voting in the General Meeting. Accordingly, the notice of General Meeting set out on page 27 of this document contains a special resolution to approve the application to the London Stock Exchange for the Cancellation. If the resolution is approved, it is expected that the Cancellation will take effect on 18 December 2009, being at least 5 business days following the passing of the resolution.

Under the Companies Act 2006, it is a requirement that the Conversion of the Company must be approved by not less than 75 per cent. of the Shareholders voting in the General Meeting. Accordingly, the notice of General Meeting set out on page 27 of this document contains a special resolution to approve the Conversion. If the resolution is approved, it is expected that the Conversion will take effect on 18 December 2009.

## **7 Exercise of Fox Capital Warrants**

In relation to the Warrant Agreement dated 23 February 2009 entered into with Fox Capital Limited, a Notice of Exercise of Warrants has been received by the Directors from Fox Capital Limited to subscribe for 4,000,000 new ordinary shares in the Company at a price of 2 pence per share. The Board of Directors has resolved to accept this Notice of Exercise of Warrants which results in Fox Capital Limited having a beneficial interest of 66.08 per cent of the enlarged issued Ordinary Share Capital in the Company. On exercise of the warrants, the Company received a credit note from Fox Capital Limited for £80,000 which has been set off against the existing liabilities due to Fox Capital Limited.

## **8 Irrevocable undertakings and voting in relation to Kurawood plc**

The Company has received an irrevocable undertaking to vote in favour of the Resolutions to be proposed at the General Meeting from Shareholders (including Directors) holding an aggregate 23,822,000 Ordinary Shares representing approximately 66.17 per cent of the entire issued share capital of the Company at the time of the proposed General Meeting.

In addition and as announced on 21 August 2009, Peter Duncan McArthur and Ian Douglas Macrae entered into a Deed of Release and Voting in relation to Kurawood plc to vote in favour of all future resolutions proposed by the Directors at any General Meeting of the Company. As of the date of this document, Peter McArthur and Ian Macrae together own 3,413,600 issued shares of the Company.

Accordingly, the Company has received in aggregate, irrevocable undertakings and voting in favour of the proposed Resolutions from Shareholders holding an aggregate of 27,235,600 Ordinary Shares representing approximately 75.65 per cent of the entire issued share capital of the Company.

## **9 Following the Cancellation**

Whilst the Board believes that the Cancellation is in the Shareholders' interests, it recognises that the Cancellation will make it more difficult for the Shareholders to buy and sell Ordinary Shares should they so wish.

Following the Cancellation, the Board intends to set up a matched bargain facility to enable Shareholders to trade Ordinary Shares. Under this facility, it is intended that Shareholders or persons wishing to acquire shares will be able to leave an indication with a matched bargain facility provider that they are prepared to buy or sell at an agreed price. In the event that the matched bargain facility provider is able to match that order with an opposite sell or buy instruction, the matched bargain facility provider will contact both parties and effect the bargain. Shareholders who do not have their own broker may need to register with the matched bargain facility provider as a new client. Once the facility has been arranged details will be made available to Shareholders on the Company's website at [www.kurawood.com](http://www.kurawood.com).

## **10 General Meeting**

Set out at the end of this document is the notice convening the General Meeting to be held at 12.00 p.m. on 10 December 2009 at which the Resolutions will be proposed.

## **11 Action to be taken by Shareholders**

A Form of Proxy for use at the General Meeting is included at the end of this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company Secretary at Lorne House, Castletown, Isle of Man, IM9 1AZ, as soon as possible, but in any event so as to be received by no later than 12.00 p.m. on 8 December 2009. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she so wish.

## **12 Recommendation**

**For the reasons set out above, particularly in paragraph 2 and 3, the Directors consider that the Cancellation and Conversion will promote the success of the Company and is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they have irrevocably undertaken to do so in respect of their own beneficial holdings of 23,822,000 Ordinary Shares, representing approximately 66.17 per cent. of the entire issued share capital of the Company.**

Yours faithfully

Roy William Tilleard  
Chairman

## Part II

### Copy of the Company's proposed new Articles of Association as a private limited liability company.

#### THE COMPANIES ACT 2006

#### PRIVATE COMPANY LIMITED BY SHARES

#### ARTICLES OF ASSOCIATION

#### OF

#### KURAWOOD LIMITED

### INTRODUCTION

#### 1. Interpretation

- 1.1. In these Articles, unless expressly provided otherwise, the following words have the following meanings:

<b>Act</b>	the Companies Act 2006;
<b>acting in concert</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);
<b>Adoption Date</b>	the date of adoption of these Articles;
<b>Articles</b>	the Company's articles of association for the time being in force;
<b>Available Profits</b>	profits available for distribution within the meaning of part 23 of the Act;
<b>Business Day</b>	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
<b>Call</b>	has the meaning given to it in <i>article</i> 18.4;
<b>Call Notice</b>	has the meaning given to it in <i>article</i> 18.4;
<b>Chairman</b>	has the meaning given to it in <i>article</i> 5.4;
<b>Companies Acts</b>	has the meaning given to it in the Act;
<b>Company</b>	means Kurawood Limited (Company number 5696525);
<b>connected</b>	has the meaning given in section 252 of the Act;

<b>Controlling Interest</b>	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988;
<b>Deferred Shares</b>	the deferred shares of £0.01 each in the capital of the Company;
<b>Directors</b>	the directors of the Company from time to time;
<b>Eligible Director</b>	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
<b>Financial Year</b>	an accounting reference period (as defined in section 391 of the Act) of the Company;
<b>Group</b>	the Company and its subsidiaries (if any) from time to time and <b>Group Company</b> shall be construed accordingly;
<b>holding company</b>	has the meaning given in section 1159 of the Act;
<b>Issue Price</b>	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;
<b>Lien Enforcement Notice</b>	means a notice in writing which complies with the requirements of article 18.3 (b);
<b>Member of the Same Group</b>	as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ), as amended prior to the Adoption Date;
<b>Ordinary Shares</b>	the ordinary shares of £0.01 each in the capital of the Company;
<b>Seller</b>	has the meaning given in <i>article 22.2</i> ;
<b>Shareholder</b>	a holder for the time being of Shares;
<b>Share Option Scheme</b>	any share option scheme of the Company which the Directors identify in writing as being a Share Option Scheme for the purposes of these Articles;
<b>Shares</b>	shares (of any class) in the capital of the Company;

**Share Sale**

the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before to the sale;

**subsidiary**

in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

1.2. A reference in these Articles to:

(a) an **Article** is a reference to the relevant numbered article of these Articles; and

(b) a model article is a reference to the relevant article,

unless expressly provided otherwise.

1.3. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).

1.4. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.5. In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

1.6. Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

(a) any subordinate legislation from time to time made under it; and

(b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

**2. Adoption of the Model Articles**

2.1. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall

together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy is set out in the schedule to these Articles.

- 2.2. Model articles 7, 8, 9(1) and (3), 11(2) and (3), 14(1) to (4) (inclusive), 22, 38 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3. Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 2.4. Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

## **DIRECTORS**

### **3. Number of directors**

Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed 12 but shall not be less than two.

### **4. Proceedings of directors**

- 4.1. Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2. A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3. A decision taken in accordance with article 4.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4. A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.6 and article 4.7.
- 4.5. Meetings of the Directors shall take place at least four times in each year, with a period of not more than twelve weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice.
- 4.6. The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 4.7. For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7.1), if there is only one Eligible

Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

- 4.8. If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
  - (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.9. Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote.
- 4.10. Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.
- 4.11. The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## **5. Appointment and removal of directors and Chairman**

- 5.1. Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.1 of these Articles".
- 5.2. Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
  - (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
  - (b) a majority of the other Directors resolve that he cease to be a Director; and
  - (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.
- 5.3. The Directors may appoint any person as chairman of the board of Directors (**Chairman**) and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

## **6. Transactions or other arrangements with the Company**

- 6.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
  - (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
  - (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
  - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
  - (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
  - (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **7. Directors' conflicts**

- 7.1. The Directors may, in accordance with the requirements set out in this article 7, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict).
- 7.2. Any authorisation under this article 7 will be effective only if:
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 7.3. Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
  - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4. Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5. The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6. A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **8. Secretary**

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **SHARES AND DISTRIBUTIONS**

### **9. Dividends**

- 9.1. Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares pro rata to their respective holdings of Ordinary Shares. No distributions shall be made on the Deferred Shares.
- 9.2. Subject to the Companies Acts, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.

### **10. Liquidation preference**

- 10.1. On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
  - (a) first, in paying to the holders of the Ordinary Shares in respect of each Ordinary Share held the sum of £1,000,000 and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Ordinary Shares pro rata to the aggregate amounts paid up or deemed to be paid up on such Shares; and
  - (b) second, in paying to the holders of the Deferred Shares in respect of each Deferred Share held the sum of £0.01 and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Deferred Shares pro rata to the aggregate amounts paid up or deemed to be paid up on such Shares; and
  - (c) thereafter, in distributing the balance among the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.

### **11. Variation of class rights**

- 11.1. Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

### **12. Pre-emption rights on the issue of further shares**

- 12.1. Subject to the remaining provisions of this article 12, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
  - (a) offer or allot;
  - (b) grant rights to subscribe for or to convert any security into; and
  - (c) otherwise deal in, or dispose of,any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

12.2. The authority referred to in article 12.1:

- (a) shall be limited to a maximum nominal amount of £451,369 of Ordinary Shares;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

12.3. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

### **13. Transfers of shares: general**

13.1. In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

13.2. No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles.

13.3. Any transfer of a Share by way of sale which is required to be made under article 15 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

### **14. Mandatory offer on change of control**

14.1. In the event that a proposed transfer of Shares, whether made as one or as a series of transactions (a Proposed Transfer) would, if completed, result in any person other than an existing Shareholder (the Buyer), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 14 shall apply.

14.2. The Shareholder who wishes to transfer shares:

- (a) the Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the Offer) to each Shareholder on the date of the Offer (other than any holder(s) of Deferred Shares), to buy all of the Ordinary Shares held by such Shareholders on the date of the Offer for a consideration in cash per Ordinary Share (the Offer Price) which is equal to the highest price per Ordinary Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Ordinary Shares in connection with the Proposed Transfer or any transaction in the three calendar months preceding the date of completion of the Proposed Transfer.

- 14.3. The Offer shall be made by notice in writing (an Offer Notice) addressed to each Shareholder on the date of the Offer at least 10 Business Days (the Offer Period) before the date fixed for completion of the Proposed Transfer (the Sale Date). To the extent not described in any accompanying documents, the Offer Notice shall specify:
- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
  - (b) the Offer Price and any other terms and conditions of the Offer;
  - (c) the Sale Date; and
  - (d) the number of Ordinary Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 14.4. The completion of the Proposed Transfer shall be conditional in all respects on:
- (a) the making of an Offer in accordance with this article 14; and
  - (b) the completion of the transfer of any Ordinary Shares by any Shareholder (each an Accepting Shareholder) who accepts the Offer within the Offer Period,
- and the Directors shall refuse to register any Proposed Transfer made in breach of this *article* 14.4.

## **15. Drag along**

- 15.1. If the holders of 51% of the Ordinary Shares in issue for the time being (the Selling Shareholders) wish to transfer all of their interest in Ordinary Shares (Sellers' Shares) to a bona fide arm's-length purchaser (Proposed Buyer), the Selling Shareholders shall have the option (Drag Along Option) to require all the other holders of Ordinary Shares on the date of the request (Called Shareholders) to sell and transfer all their interest in Ordinary Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 15.
- 15.2. The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a Drag Along Notice), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Ordinary Shares (Called Shares) pursuant to this article 15;
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - (c) the consideration payable for the Called Shares calculated in accordance with article 15.4;
  - (d) the proposed date of completion of transfer of the Called Shares.

- 15.3. Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 15.4. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares as if it were a return of assets on liquidation in accordance with the provisions of article 11.
- 15.5. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 15.
- 15.6. Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
  - (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - (b) that date is less than 5 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 15.7. Within 10 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Ordinary Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Ordinary Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of 20 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 15.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 15.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 15.4 in trust for the Called Shareholders without any obligation to pay interest.
- 15.8. To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period, put the Company in funds to pay the amounts due pursuant to article 15.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this article 15 in respect of their Ordinary Shares.
- 15.9. If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary

transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 15.

- 15.10. Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Ordinary Shares, whether or not pursuant to a Share Option Scheme (a New Shareholder), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such )Ordinary Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 15 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Ordinary Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.

## **DECISION-MAKING BY SHAREHOLDERS**

### **16. General meetings**

- 16.1. No business other than, subject to article 16.1, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 16.2. The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

### **17. Voting**

- 17.1. Subject to any other provisions in these Articles concerning voting rights, each Share (other than the Deferred Shares which shall have no voting rights) in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 17.2. A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 17.3. Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 17.4. Model article 45(1) shall be amended by:
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with

any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and

- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid ,unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

### **18.Lien, calls on shares and forfeiture**

- 18.1. The Company has a lien (the Company's Lien) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 18.2. The provisions of articles 52(2) and (3), 55, 56(2), 57(2), (3) and (4), 59, 60, 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company, save that each reference in those articles to a "member" or "members" shall be deemed to be references to a "Shareholder" or "Shareholders" (as the case may be).
- 18.3. Enforcement of the Company's Lien
- (a) Subject to the provisions of this article 18.3, if:
- (i) a Lien Enforcement Notice has been given in respect of a Share; and
  - (ii) the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Directors decide.
- (b) A Lien Enforcement Notice:
- (i) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - (ii) must specify the Share concerned;
  - (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
  - (iv) must be addressed either to the holder of the Share or to a transmittee of that holder; and
  - (v) must state the Company's intention to sell the Share if the notice is not complied with.
- (c) Where Shares are sold under this article 18.3:
- (i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

- (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
  - (ii) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice.
- (e) A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

#### 18.4. Call notices

- (a) Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice (a Call Notice) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a Call) which is payable to the Company at the date when the Directors decide to send the Call Notice.
- (b) A Call Notice:
  - (i) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
  - (ii) must state when and how any Call to which it relates is to be paid; and
  - (iii) may permit or require the Call to be made in instalments.
- (c) A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- (d) Before the Company has received any Call due under a Call Notice the Directors may:
  - (i) revoke it wholly or in part; or
  - (ii) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the Call is made.

(e) A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:

- (i) on allotment;
- (ii) on the occurrence of a particular event; or
- (iii) on a date fixed by or in accordance with the terms of issue.

#### 18.5. Forfeiture

(a) If a person is liable to pay a Call and fails to do so by the Call payment date:

- (i) the Directors may issue a notice of intended forfeiture to that person; and
- (ii) until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate.

(b) A notice of intended forfeiture:

- (i) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- (ii) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
- (iii) must require payment of the Call and any accrued interest [and all expenses that may have been incurred by the Company by reason of such non-payment] by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (iv) must state how the payment is to be made; and
- (v) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

(c) At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

## **ADMINISTRATIVE ARRANGEMENTS**

### **19. Notices**

19.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

(a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five

Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this *article* 19.1, no account shall be taken of any part of a day that is not a working day.

- 19.2. In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## **20. Indemnity and insurance**

- 20.1. Subject to article 20.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation thereto; and
  - (ii) in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and

- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 20.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 20.2. This article 20 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 20.3. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.
- 20.4. In this article 20:
- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
  - (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company (including any company with is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

## **21.Data protection**

- 21.1. Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a Recipient) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 21.2. The personal data that may be processed for such purposes under this article 21 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- (a) a Member of the Same Group as the Recipient (each a Recipient Group Company);
  - (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
  - (c) funds managed by any of the Recipient Group Companies.
- 21.3. Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **KURAWOOD PLC**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of the Company will be held at the offices of Zeus Capital Limited, 3 Ralli Courts, Manchester, M3 5FT on 10 December 2009 at 12.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions which shall be proposed as special resolutions:

### **SPECIAL RESOLUTIONS**

- 1. THAT,** the proposed cancellation of admission of the ordinary shares in the capital of the Company from trading on AIM, a market operated by London Stock Exchange plc, be and is hereby approved.
  
- 2. THAT,**
  - (a) the Company be re-registered as a private limited company under the Companies Act 2006 by the name of Kurawood Limited;
  
  - (b) with effect from the date on which the Company is reregistered as a private limited company:
    - (i) the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as part of the Company's articles of association; and
  
    - (ii) the regulations contained in the document submitted to the meeting and for the purposes of identification signed by the chairperson be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association

**BY ORDER OF THE BOARD**

**Tanya Rhodes**  
**Secretary**

Dated: 12 November 2009

**Notes:**

- 1 A person entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Appointment of proxies does not preclude members from attending and voting at the meeting should they wish to do so.
- 2 To be valid, the instrument appointing a proxy must be deposited at the office of the Company Secretary at Lorne House, Castletown, Isle of Man, IM9 1AZ not less than 48 hours before the time of the meeting.
- 3 As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 12:00 p.m. on 8 December 2009 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

**KURAWOOD PLC (Company No: 5696525)  
("the Company")**

**FORM OF PROXY**

For use at the extraordinary General Meeting to be held at the offices of Zeus Capital Limited, 3 Ralli Courts, Manchester, M3 5FT at noon on 10 December 2009.

I/We .....  
*PLEASE COMPLETE IN BLOCK CAPITALS*

of .....

being (a) member(s) of the above named Company hereby appoint ..... or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the General Meeting of the Company to be held at noon on 10 December 2009 and at any adjournment of that meeting.

I/We direct my/our proxy to vote as follows:

(INDICATE WITH AN "X" IN THE BOXES BELOW)

Special Resolutions	For	Against	Votes withheld (see note 6)	Discretionary (see note 6)
1 To approve the Cancellation in accordance with the AIM Rules.				
2 To re-register the Company as a private limited company and make certain alterations to the Company's Memorandum and adopt new Articles of Association.				

Your Board recommends that you vote in favour of all the above resolutions.

Signature ..... Dated .....2009

**Notes:**

1. Only holders of ordinary shares entered on the register of members of the Company at 12.00 p.m. on 8 December 2009, or, in the event of an adjournment, at 12:00 p.m. on the second day prior to the adjournment of it shall (unless otherwise entitled to do so) be entitled to attend, speak and vote at the meeting or at any such adjournment. This is in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and the Company's articles of association.
2. A member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him/her. A proxy need not be a member of the Company.
3. To be valid for the meeting, a form of proxy should be completed, signed and lodged (together with any power of attorney or any other authority under which it is signed or a duly certified copy of such power or authority) with the Company Secretary at Lorne House, Castletown, Isle of Man, IM9 1AZ no later than 48 hours before the time for which the meeting is convened.
4. The Chairman of the Meeting shall act as a proxy unless another proxy is desired, in which case, insert full name of your proxy in the space provided above. A proxy will act in his/her discretion in relation to any business, other than that above, at the meeting (including any resolution to amend a resolution or to adjourn the meeting).
5. In the case of joint holders, the vote of the senior holder shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names of such holders stand in the register of members in respect of the joint holding.
6. To abstain from voting on a resolution, tick the box "Vote withheld". A "Vote withheld" is not a vote in law which means that the vote will not be counted in the calculation of votes "for" and "against" the resolution. Ticking "Discretionary", or failing to tick any box against a resolution, will mean your proxy can vote as he or she wishes or can decide not to vote at all.