

PURICORE PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of PuriCore plc (the "Company") will be held at Wolseley House, Dyson Way, Staffordshire Technology Park, Beaconside, Stafford ST18 0GA on 30 June 2010 at 9.00 a.m. to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions

1. To receive the audited accounts for the year ended 31 December 2009, the Directors' report on the accounts and the Auditors' reports on the accounts.
2. To approve the Directors' remuneration report for the year ended 31 December 2009.
3. To re-elect Mr Bosch as a Director.
4. To re-elect Mr Sapountzoglou as a Director.
5. To re-elect Mr Weiss as a Director.
6. To re-elect Mr Wightman as a Director.
7. To re-appoint KPMG Audit Plc as Auditors of the Company to hold office until the conclusion of the next general meeting at which audited accounts are laid before the Company.
8. To authorise the Directors to determine the remuneration of the Auditors.
9. That with effect from the close of business on 30 June 2010 all the ordinary shares of 1 pence each in the capital of the Company ("1 Pence Ordinary Shares") be consolidated into ordinary shares of 10 pence each in the capital of the Company ("10 Pence Ordinary Shares") on the basis of ten 1 Pence Ordinary Shares being consolidated into one 10 Pence Ordinary Share, each 10 Pence Ordinary Share having the same rights as the 1 Pence Ordinary Shares provided that, where such consolidation results in any member being entitled to a fraction of a 10 Pence Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a 10 Pence Ordinary Share to which other members of the Company may be entitled and the Directors be and are hereby authorised to sell (or appoint any other person to sell to any person), on behalf of the relevant members, all the 10 Pence Ordinary Shares representing such fractions at the best price reasonably obtainable to any person, and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant members entitled thereto (save that any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company and save that the Company may retain the net proceeds of sale of such 10 Pence Ordinary Shares representing such fractions where the individual amount of proceeds to which any member is entitled is less than three pounds (£3)) and that any Director (or any person appointed by the Directors) shall be and is hereby authorised to execute an instrument of transfer in respect of such shares on behalf of the relevant members and to do all acts and things as the Directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares.
10. To authorise the Directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together "relevant securities") up to an aggregate nominal amount of £2,226,514 comprising:
 - a. an aggregate nominal amount of £1,113,257, if authority is granted to allot the Convertible Loan Notes (as defined in the Explanatory Notes accompanying this Notice), or £757,701 if it is not, in either case whether in connection with the same offer or issue as under (b) below or otherwise; and
 - b. an aggregate nominal amount of £1,113,257, if authority is granted to allot such Convertible Loan Notes, or £757,701 if it is not, in the form of equity securities (within the meaning of section 560(1) of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever,

such authority to expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of fifteen months from the date this resolution is passed and the conclusion of the Annual General Meeting of the Company to be held in 2011, except that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if such authority had not expired.

Special Resolutions

11. To empower the Directors pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of that Act) for cash pursuant to the general authority conferred on them by resolution 10 above as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
 - a. any such allotment of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - b. any such allotment, otherwise than pursuant to paragraph (a) above, of equity securities having an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal amount, not exceeding the sum of £333,977 if authority is granted to allot the Convertible Loan Notes (as defined in the Explanatory Notes accompanying this Notice), or £227,310 if it is not.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 10 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

12. To authorise the Directors to call a general meeting of the Company, other than an Annual General Meeting, on not less than 14 clear days' notice.
13. That the Articles of Association contained in the document produced to the Meeting and for the purpose of identification signed by the Chairman of the Meeting be approved and adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the current Articles of Association of the Company.

By order of the Board:

Andrea Holtzman Drucker
Company Secretary

Registered Office
26-28 Mount Row
London
W1K 3SQ
28 May 2010

Inspection of documents

The following documents will be available for inspection at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD from the date of this Notice until the time of the AGM during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) and at Wolseley House, Dyson Way, Staffordshire Technology Park, Beaconside, Stafford ST18 0GA from 15 minutes before the AGM until it ends: copies of the executive Directors' service contracts; copies of letters of appointment of the non-executive Directors; and copies of the current Articles of Association and the proposed new Articles of Association.

Notes:

1. A member who is an individual is entitled to attend, speak and vote at the meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A member that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, the person attending the meeting will need to provide the Company or its registrars, Equiniti Limited, with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of the member.
2. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. To appoint a proxy or proxies shareholders must: (a) complete a BLUE Form of Proxy, sign it and return it, together with the power of attorney or other authority (if any) under which it is signed, to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZX; (b) complete a CREST Proxy Instruction (see paragraph 11 below); or (c) register the appointment of a proxy electronically at www.sharevote.co.uk (see paragraph 13 below), in each case so that it is received no later than 9.00 a.m. on 28 June 2010. To appoint more than one proxy, you will need to complete a separate BLUE Form of Proxy in relation to each appointment. A BLUE Form of Proxy for use in connection with the Annual General Meeting is enclosed with this document. If you do not have a BLUE Form of Proxy and believe that you should, please contact the Company's registrars, Equiniti Limited on 0871 384 2030* (or, if calling from overseas, on +44 121 415 7047) or at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL.
3. Where more than one proxy is being appointed, you will need to state clearly on each BLUE Form of Proxy the number of shares in relation to which the proxy is appointed. If you fail to specify the number of shares each proxy appointment relates to or specify a number of shares in excess of those held by the member the proxy appointment will be invalid.
4. The return of a completed BLUE Form of Proxy or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/ she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the register of members of the Company at 6.00 p.m. on 28 June 2010 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two working days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.00 p.m. on 28 June 2010, or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two working days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

9. As at 28 May 2010, the Company's issued share capital comprised 227,310,439 ordinary shares of 0.1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 28 May 2010 is 227,310,439.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by the Company's agent (ID RA19) by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. You may, if you wish, register the appointment of a proxy electronically by visiting www.sharevote.co.uk. To use this service you will need your Voting ID, Task ID and Shareholder Reference Number printed on the accompanying BLUE Form of Proxy. Full details of the procedure are given on the website at www.sharevote.co.uk.
14. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
15. Any member attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

16. You may not use any electronic address provided in this Notice, or any related documents including the BLUE Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.
17. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.puricore.com.

** Calls to this number are charged at 8p per minute from a BT landline. Other providers' costs may vary. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday.*

Explanatory Notes

Resolution 1 – Presentation of Accounts

The Directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the Directors and Auditors and the audited accounts for the year ended 31 December 2009.

Resolution 2 – Directors' Remuneration Report

The Companies Act 2006 requires the Company to seek shareholder approval for the Directors' Remuneration Report at the general meeting before which the Company's annual accounts are presented.

Resolutions 3 to 6 – Re-election of Directors

In accordance with the Company's Articles of Association, Mr Bosch, Mr Sapountzoglou, Mr Weiss and Mr Wightman will be retiring at the Annual General Meeting and, being eligible, will offer themselves for re-election. In respect of each of these Directors, the Board is satisfied that, following formal evaluation, each Director continues to be effective and to demonstrate commitment to his role. The Directors therefore unanimously recommend that each be re-elected as a Director of the Company. Short biographical details of each Director seeking re-election are set out on page 12 of the Annual Report of the Company for the year ended 31 December 2009.

Resolution 7 and 8 – Auditors' re-appointment and remuneration

These resolutions seek shareholder approval for the re-appointment of KPMG Audit Plc as Auditors and also gives the Directors the authority to determine their remuneration.

Resolution 9 – Approval of a consolidation of the ordinary share capital

The purpose of resolution 9 is to effect a consolidation of the Company's share capital whereby every ten ordinary shares of 1 pence each will be consolidated into one consolidated ordinary share of 10 pence. The Directors believe that this share consolidation is necessary in order to improve the marketability of the ordinary shares by creating a higher trading price per ordinary share and thus reducing the share price volatility that results from a lower absolute share price. Although the share consolidation will reduce the number of shares each shareholder holds by a factor of ten, it will not, by itself (ignoring the effect of fractional entitlements), affect the market value of that shareholding. The consolidated ordinary shares will carry the same rights as those currently attaching to the existing ordinary shares.

Resolution 10 – Authority to the Directors to allot shares

The Companies Act 2006 provides that the Directors may only allot shares if authorised by shareholders to do so. Resolution 10 provides for two alternative authorities, depending on whether the Company authorises the allotment and issue of the convertible loan notes that are the subject of a circular to shareholders dated the same date as this Notice (the "Convertible Loan Notes"). If so, resolution 10 will, if passed, authorise the Directors to allot shares up to a maximum nominal amount of £2,226,514, which represents an amount approximately equal to two-thirds of the aggregate of the issued share capital of the Company as at 28 May 2010 (the latest practicable date prior to the publication of this Notice) and the maximum number of ordinary shares that would be issued if all the Convertible Loan Notes were converted. If not, resolution 10 will, if passed, authorise the Directors to allot shares up to a maximum nominal amount of £1,515,402, which represents an amount approximately equal to two-thirds of the issued share capital of the Company as at 28 May 2010. If the first alternative applies, the Directors will limit their use of the authority so that, on any use of it, the sum of the allotments made under it will not exceed two-thirds of the issued share capital immediately before the relevant allotment.

Whichever of the alternatives applies, paragraph (a) of the resolution provides that up to half of the authority (equal to the first one-third) will enable Directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the resolution provides that the

remainder of the authority (equal to a further one-third) may only be used in connection with a rights issue in favour of ordinary shareholders. As paragraph (a) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue. Where usage of the authority exceeds the one-third threshold in the circumstances set out in the guidance issued by the Association of British Insurers (the 'ABI') the Directors will stand for re-election at the following AGM, to the extent required by the ABI.

The authority will expire at the earlier of the date that is fifteen months after the date of the passing of the resolution and the conclusion of the next Annual General Meeting of the Company.

Passing resolution 10 will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes or in respect of convertible securities which have been issued by the Company.

As at 28 May 2010, the latest practicable date prior to the publication of this Notice, the Company had 227,310,439 ordinary shares of 0.1 pence each in issue. No shares are held in treasury.

The authority will expire at the earlier of the date that is fifteen months after the date of the passing of the resolution and the conclusion of the next Annual General Meeting of the Company.

Resolution 11 – Partial disapplication of statutory pre-emption rights

The Companies Act 2006 requires that, if the Company issues new shares for cash, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the Directors be authorised to issue shares for cash without offering them to shareholders first up to an aggregate nominal amount of either £333,977 (representing approximately 10% of the aggregate of the issued share capital of the Company as at 28 May 2010 (the latest practicable date prior to the publication of this Notice) and the maximum number of ordinary shares that would be issued if all the Convertible Loan Notes were converted (as described in the explanatory note to resolution 10 above)) or, if authority to issue the Convertible Loan Notes is not granted, £227,310 (representing approximately 10% of the Company's issued share capital as at 28 May 2010), and to modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. If authority to issue the Convertible Loan Notes is granted, the Directors will limit the use of the power to allot up to 10% on a non pre-emptive basis so that, on any use of it, the aggregate nominal amount of the relevant shares, together with that of the shares (if any) already allotted using the power, does not exceed 10% of the Company's share capital immediately before the relevant allotment.

The Directors consider this authority necessary in order to give them flexibility to deal with opportunities as they arise, subject to the restrictions contained in the resolution and highlight the following factors, which they consider to be relevant to their recommendation to vote in favour of resolution 11:

- a. stock markets for bioscience companies can be extremely volatile and opportunities for equity fundraising can open and close very quickly. The prescribed period of time for which pre-emptive issues must remain open can prejudice the ultimate success of an issue and invariably expose the share price to downward pressure; and
- b. the authority could be used, for example, to issue equity for cash to invest in a focused and timely manner for specific opportunities for progressing development or commercialisation of one or more of the Company's products. This would enable the commercial value of those products to be enhanced and further the Company's overall strategic objective to continue to add shareholder value.

The Directors intend that if given, the authority conferred by resolution 11 will be exercised in a manner consistent with the Statement of Principles of the Pre-Emption Group and in the interests of shareholders as a whole. In keeping with the Company's policy of open and clear communication with shareholders, the Company would consult with major shareholders ahead of any issue of equity on a non pre-emptive basis.

Resolution 12 – Notice of General Meetings

Following the introduction of new rules in August 2009 to implement the Shareholder Rights Directive in the UK, in order to preserve flexibility to call general meetings (other than an Annual General Meeting) on 14 clear days' notice, the Company must offer all shareholders the opportunity to appoint

a proxy electronically (via the website of the Company or its registrars) and must obtain the approval of its shareholders by means of a special resolution passed each year. Resolution 12 seeks such approval. It is intended that a similar resolution will be proposed at future Annual General Meetings. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders as a whole.

Resolution 13 – Adoption of new Articles of Association

It is proposed in resolution 13 to adopt new articles of association (the “New Articles”) in order to update the Company’s current articles of association (the “Current Articles”), primarily to reflect the implementation of the Shareholder Rights Directive in August 2009 and to take account of the implementation on 1 October 2009 of the last parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature, and also some more minor changes which merely reflect changes made by the Companies Act 2006 and the Companies (Shareholders’ Rights) Regulations 2009 (the Shareholders’ Rights Regulations), have not been noted in the summary below. The New Articles and the Current Articles are available for inspection, as noted on page 2 of this document.

The Company’s objects, limited liability and authorised share capital

The Company is proposing to remove the provisions of its Memorandum of Association that, by virtue of the Companies Act 2006, have been treated since 1 October 2009 as forming part of the Current Articles.

As the effect of the resolution will be to remove the objects clause imported by operation of law from the Memorandum of Association, this will mean that the Company will have unlimited capacity.

As the statement imported by operation of law from the Memorandum of Association regarding limited liability will also be removed, the New Articles contain an express statement regarding the limited liability of the shareholders.

The Companies Act 2006 has also abolished the requirement for a company to have an authorised share capital and the New Articles reflect this. The statement of the Company’s authorised share capital originally set out in the Memorandum of Association has been imported into the Current Articles by operation of law, where it operates as a limit on future issues of shares. It will be removed – and the limit will be disapplied – on adoption of the New Articles. The New Articles omit references to authorised share capital. The Directors will still be limited as to the number of shares they can at any time allot, because an allotment authority continues to be required under the Companies Act 2006 (except in respect of employee share schemes).

Articles that duplicate statutory provisions

Provisions in the Current Articles that replicate provisions of the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company’s constitution. Examples of such provisions include provisions as to the variation of class rights and the requirement to keep accounting records. The main changes made to reflect this approach are detailed below.

Change of name

Currently, the Company can only change its name by special resolution. Under the Companies Act 2006 a company may change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company’s name.

Redeemable shares

Under the previous legislation, if a company wished to issue redeemable shares it was required to include in its articles the terms and manner of redemption. The Companies Act 2006 enables Directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders’ authority to issue new shares in the usual way.

Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been amended in the New Articles.

Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the previous legislation, a company required enabling provisions in its articles – as well as specific shareholder authority – in order to purchase its own shares, to consolidate or sub-divide its shares or to reduce its share capital or other undistributable reserves. Under the Companies Act 2006 a company simply requires shareholder authority to do any of these things, whether or not its articles contain enabling provisions. The New Articles therefore dispense with the enabling provisions included in the Current Articles.

Suspension of registration of share transfers

The Current Articles permit the Directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. This power has therefore been omitted in the New Articles.

Notice of general meetings

The Shareholders' Rights Regulations amend the Companies Act 2006 to require the company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual General Meetings must be held on 21 clear days' notice. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

Adjournments for lack of quorum

Under the Companies Act 2006, as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

Voting record date

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles reflect this requirement.

Voting by proxies

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member, in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes and contain a provision clarifying how the provision of the Companies Act 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities. The New Articles also provide that the Company is not responsible for ensuring that a proxy is complying with his duty under the Companies Act 2006 (as amended by the Shareholders' Rights Regulations) to comply with the appointor's voting instructions.

Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Companies Act 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles remove provisions in the Current Articles dealing with voting by corporate representatives, on the basis that these are dealt with in the Companies Act 2006.

Vacation of office by Directors

The Current Articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced under the Companies Act 2006.

Directors' Fees

In accordance with best practice, the New Articles contain a monetary cap of £250,000 on the amount of aggregate fees payable to non-executive Directors.

Records to be kept

The provision in the Current Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been omitted in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

Use of seals

Under the previous legislation, a company required authority in its articles to have an official seal for use abroad. Since 1 October 2009 this authority is no longer required. The New Articles therefore dispense with the authorisation included in the Current Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a Director and the secretary or two Directors or such other person or persons as the Directors may approve.

Dispute resolution and exclusive jurisdiction

In view of investor concerns, provisions in the Current Articles providing for a dispute resolution procedure and governing law have been omitted in the New Articles.

Directors' Recommendation

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11, 12 and 13 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The Directors consider all of the resolutions set out in the Notice of Annual General Meeting and explained above to be in the best interests of the Company and its shareholders as a whole. The Directors will be voting in favour of them and unanimously recommend that shareholders do so as well.