



Special resolutions passed by the AGM of Lupus capital plc on 2 July 2008

- 10 **It was resolved that** the directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash where such allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Act, as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to

- (A) the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (excluding any shareholder holding shares as treasury shares) and in favour of holders (excluding any holder holding shares as treasury shares) of any other class of equity security in accordance with the rights attached to such class where the equity securities respectively attributable to the interests of such persons on a fixed record date are proportionate (as nearly may be) to the respective numbers of equity securities held by them, or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or 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) the allotment (otherwise than pursuant to 11(A) above) of equity securities up to an aggregate nominal value of £343,218 70

and shall expire on the close of the Annual General Meeting of the Company in 2009 save that the Company may make an offer or agreement before such expiry 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 thereby had not expired

- 11 **It was resolved that** the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 5 pence nominal value of the Company provided that

- (A) the maximum number of ordinary shares of 5 pence nominal value hereby authorised to be purchased is 19,463,135, subject to a maximum of 14.99% of the Company's voting ordinary shares in issue at the date of this Meeting,
- (B) the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 5 pence,
- (C) the maximum price, exclusive of any expenses, which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased,
- (D) any ordinary shares purchased pursuant to this authority shall be cancelled, or, if the Directors so determine, held as treasury shares,
- (E) the authority hereby confirmed shall expire on the close of the Annual General Meeting in 2009, and
- (F) the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired

- 12 **THAT** the existing article 83 be deleted and replaced by the following new article 83

- (A) The Board or any committee authorised by the Board may from time to time appoint one or more directors to hold any employment or executive office with the Company for such period and upon such other terms as the Board or any committee authorised by the Board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the Company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration, whether by way of salary, commission, participation in profits or otherwise, as the Board or any committee of the Board may decide, and either in addition to or in lieu of his fee as a director.
- (B) Each of the directors shall be paid a fee at such rate as may from time to time be determined by the Board provided that the aggregate of all fees so paid to directors shall not exceed £500,000 per year or such higher amount as may from time to time be decided by ordinary resolution of the Company.
- (C) Any director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director may be paid such extra remuneration (by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may in its discretion decide in addition to any remuneration provided by or pursuant to any other article.
- (D) Each director may be paid his reasonable travelling, hotel or incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director. The Company may also fund a director's expenditure and that of a director of any holding company of the Company for the purposes permitted under the Companies Acts and may do anything to enable a director or a director of any holding company of the Company to avoid incurring such expenditure as provided in the Companies Acts.

13 THAT the existing article 89 be deleted and replaced by the following new article 89

"Conflicts of interest requiring authorisation by directors"

- (A) The directors may, subject to the quorum and voting requirements set out in this article, authorise any matter which would otherwise involve a director breaching his duty under the legislation to avoid conflicts of interest ("Conflict")
- (B) A director seeking authorisation in respect of a Conflict must tell the directors of the nature and extent of his interest in a Conflict as soon as possible. The director must give the directors sufficient details of the relevant matter to enable them to decide how to address the Conflict together with any additional information which they may request.
- (C) Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of these articles except that
 - (i) the relevant director and any other director with a similar interest will not count in the quorum and will not vote on a resolution giving such authority, and

- (ii) the relevant director and any other director with a similar interest may, if the other directors so decide, be excluded from any meeting of the directors while the Conflict is under consideration

(D) Where the directors give authority in relation to a Conflict

- (i) they may (whether at the time of giving the authority or subsequently) (a) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the Conflict, and (b) impose upon the relevant director such other terms for the purpose of dealing with the Conflict as they think fit,
- (ii) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict,
- (iii) the directors may also provide that where the relevant director obtains (otherwise than through his position as a director of the company) information that is confidential to a third party, the director will not be obliged to disclose that information to the company, or to use or apply the information in relation to the company's affairs, where to do so would amount to a breach of that confidence,
- (iv) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded), and
- (v) the directors may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority

Other conflicts of interest

- (E) If a director knows that he is in any way directly or indirectly interested in a proposed contract with the company or a contract that has been entered into by the company, he must tell the other directors of the nature and extent of that interest in accordance with the legislation

(F) If he has disclosed the nature and extent of his interest in accordance with paragraph (E), a director can do any one or more of the following

- (i) have any kind of interest in a contract with or involving the company or another company in which the company has an interest,
- (ii) hold any other office or place of profit with the company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the directors may decide,
- (iii) alone, or through a firm with which he is associated do paid professional work for the company or another company in which the company has an interest (other than as auditor),
- (iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the company or any other company in which the company has an interest, and
- (v) be or become a director of any other company in which the company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company

Benefits

- (G) A director does not have to hand over to the company any benefit he receives or profit he makes as a result of anything authorised under paragraph (A) or allowed under paragraph (F) nor is any type of contract authorised under paragraph (A) or allowed under paragraph (F) liable to be avoided

Quorum and voting requirements

- (H) A director cannot vote or be counted in the quorum on a resolution of the directors relating to appointing that director to a position with the company or a company in which the company has an interest or the terms or the termination of the appointment
- (I) This paragraph applies if the directors are considering proposals about appointing two or more directors to positions with the company or any company in which the company has an interest. It also applies if the directors are considering setting or changing the terms of their appointment. These proposals can be split up to deal with each director separately. If this is done, each director can vote and be included in the quorum for each resolution, except any resolution concerning him or concerning the appointment of another director to a position with a company in which the company is interested where the director has a Relevant Interest in it
- (J) A director cannot vote or be counted in the quorum on a resolution of the directors about a contract in which he has an interest and, if he does vote, his vote will not be counted, but this prohibition will not apply to any resolution where that interest cannot reasonably be regarded as likely to give rise to a conflict of interest or where that interest is included in the following list -
- (i) a resolution about giving him any guarantee, indemnity or security for money which he or any other person has lent or obligations he or any other person has undertaken at the request of or for the benefit of the company or any of its subsidiary undertakings,
 - (ii) a resolution about giving any guarantee, indemnity or security to another person for a debt or obligation which is owed by the company or any of its subsidiary undertakings to that other person if the director has taken responsibility for some or all of that debt or obligation. The director can take this responsibility by giving a guarantee, indemnity or security,
 - (iii) a resolution about giving him any other indemnity where all other directors are also being offered indemnities on substantially the same terms,
 - (iv) a resolution about the company funding his expenditure on defending proceedings or the company doing something to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements,
 - (v) a resolution relating to an offer by the company or any of its subsidiary undertakings of any shares or debentures or other securities for subscription or purchase if the director takes part because he is a holder of shares, debentures or other securities or if he takes part in the underwriting or sub-underwriting of the offer,
 - (vi) a resolution about a contract in which he has an interest because of his interest in shares or debentures or other securities of the company or because of any other interest in or through the company,
 - (vii) a resolution about a contract involving any other company if the director has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder in that company). This does not apply if he knows that he has a Relevant Interest in that company,
 - (viii) a resolution about a contract relating to a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which gives the director benefits which are also generally given to the employees to whom the fund or scheme relates,
 - (ix) a resolution about a contract relating to an arrangement for the benefit of employees of the company or of any of its subsidiary undertakings which only gives him benefits which are also generally given to the employees to whom the arrangement relates, and

- (x) a resolution about a contract relating to any insurance which the company can buy or renew for the benefit of directors or of a group of people which includes directors
- (K) A director will be treated as having a Relevant Interest in a company if he holds an interest in shares representing one per cent or more of a class of equity share capital (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights of that company. In relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise. Interests which are unknown to the director and which it is unreasonable to expect him to know about are ignored.
- (L) Where a company in which a director has a Relevant Interest is interested in a contract, the director will also be treated as being interested in that contract.
- (M) Subject to these articles, the directors can exercise or arrange for the exercise of the voting rights attached to any shares in another company held by the company and the voting rights which they have as directors of that company in any way that they decide. This includes voting in favour of a resolution appointing any of them as directors or officers of that company and deciding their remuneration. Subject to these articles, they can also vote and be counted in the quorum as directors of the company in connection with any of these things.
- (N) If a question comes up at a meeting of the directors about whether a director (other than the chairman of the meeting) has an interest in a contract and whether it is likely to give rise to a conflict of interest or whether he can vote or be counted in the quorum and the director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about any other director is final and conclusive unless the nature or extent of the director's interest (so far as it is known to him) has not been fairly disclosed to the directors. If the question comes up about the chairman of the meeting, the question shall be decided by a resolution of the directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman of the meeting is conclusive, unless the nature or extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the directors.

- (O) References in this article to
- (i) a contract include references to an existing or proposed contract and to an existing or proposed transaction or arrangement whether or not it is a contract, and
 - (ii) a conflict of interest include a conflict of interest and duty and a conflict of duties
- (P) The company can by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract which has not been properly authorised in accordance with this article”

J. C. Westford

