

# Notice of Annual General Meeting

## Biofutures International plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5712979)*

**Notice is hereby given that** an annual general meeting of the above named company (the "Company") will be held at the offices of Stephenson Harwood, One St Paul's Churchyard, London EC4M 8SH at 10.00 a.m. on 25 June 2010 for the purpose of considering and, if thought fit, passing the following resolutions:

### AS ORDINARY BUSINESS

1. To receive and adopt the accounts of the Company for the year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Julie Pomeroy as a Director.
3. To re-elect David Long as a Director.
4. To appoint Grant Thornton as auditors of the Company and to authorize the Directors to fix their remuneration.

### AS SPECIAL BUSINESS

To consider, and if thought fit, pass the following resolutions as Ordinary Resolutions:-

5. That the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorized for the purposes of section 366 of the Companies Act 2006 (the "Act") to:
  - 5.1 make political donations to political parties and/or independent election candidates (as such terms are defined in sections 363 and 364 of the Act), not exceeding £20,000 in aggregate;
  - 5.2 make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the Act), not exceeding £20,000 in aggregate; and
  - 5.3 incur political expenditure (as such term is defined in sections 365 of the Act), not exceeding £20,000 in aggregate,during the period commencing on the date of this resolution and ending at the close of the next Annual General Meeting of the Company, and provided that the maximum amounts referred to in sub-resolutions 5.1, 5.2 and 5.3 may comprise sums in different currencies which shall be converted at such rate as the Board may in its absolute discretion determine to be appropriate.
6. That the Directors be and are hereby generally and unconditionally authorized in accordance with section 551 of the Act to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act):
  - 6.1 up to an aggregate nominal amount of £503,533 (being one third of the nominal value of the issued share capital of the Company as at 17 May 2010, the latest practicable date before publication of this notice); and in addition
  - 6.2 up to a further aggregate nominal amount of £503,333 (being one third of the nominal value of the issued share capital of the Company as at 17 May 2010, the latest practicable date before publication of this notice) in connection with a rights issue in favour of ordinary shareholders in proportion, as nearly as practicable, to their existing holding, subject only to such exclusions or arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territories or requirements of any recognised regulatory body or any stock exchange of any territory;

and this authority shall be in substitution for and replace any previous authority given to the Directors pursuant to section 80 of the Companies Act 1985, and shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the passing of this resolution save that the Company may, 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 offer or agreement as if the authority so conferred had not expired.

To consider, and if thought fit, pass the following resolutions as Special Resolutions:-

7. That subject to the passing of resolution 6 above as an Ordinary Resolution, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined by Section 560 of the Act) pursuant to the authority granted by resolution 6 above as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:

# Notice of Annual General Meeting (continued)

- 7.1 the allotment of equity securities in connection with or pursuant to an offer by way of a rights issue or any other pre-emptive offer in favour of ordinary shareholders in proportion as nearly as is practicable, to their existing holding, subject to such exclusions or arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territories or requirements of any recognised regulatory body or any stock exchange in any territory; and
- 7.2 the allotment (otherwise than pursuant to sub-resolution 7.1 above) of equity securities consisting of or related to ordinary shares up to an aggregate nominal amount of £302,120 or if less, twenty per cent. of the issued ordinary share capital of the Company from time to time;

and this authority shall be in substitution for and replace any previous authority given to Directors pursuant to section 95 of the Companies Act 1985, and shall expire at the conclusion of the Company's next Annual General Meeting or 15 months after the date of the passing of this resolution, whichever first occurs provided that the Company may, before such expiry, make any offer or agreement which would, or might, require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

8. THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares upon such terms and in such manner as the Directors shall determine, provided that:
- 8.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is 22,659,000 (representing 15 per cent. of the total ordinary share capital of the Company in issue at 17 May 2010);
- 8.2 the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 1 penny per share;
- 8.3 the maximum price (exclusive of expenses) which may be paid for an Ordinary Share cannot be more than an amount equal to 105 per cent. of the average of the closing middle market price for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the Ordinary Share is purchased;
- 8.4 unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or the date falling 15 months after the passing of this resolution, whichever is the earlier; and
- 8.5 the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.
9. THAT
- 9.1 the Memorandum and 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 Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- 9.2 the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be 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**  
**Secretary**

.....  
**Julie Pomeroy**

19 May 2010

Biofutures International plc

# Notice of Annual General Meeting (continued)

## Notes:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting ("AGM") and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the AGM or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to him/her.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
4. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, Shareholders who hold their shares in uncertificated form must be entered on the Company's share register by 10.00 a.m. on 23 June 2010 in order to be entitled to attend and vote at the AGM. Such Shareholders may only cast votes in respect of shares held at such time. Changes to entries on the register of members after such time on such date will be disregarded in determining the rights of any person to attend and vote at the AGM.
5. To be effective, a proxy form must be duly completed, executed and returned, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power of attorney or authority, so as to reach the Company's registrars, Share Registrars Limited, Suite E, First Floor 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL (or faxed to Share Registrars Limited on 01252 719232) by 10.00 a.m. on 23 June 2010.
6. 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).
7. The following documents will be available at the registered office of the Company on any weekday (except Saturday) during normal business hours from the date of this notice until the date of the AGM:
  - 7.1. a copy of the service agreements for the Executive Directors;
  - 7.2. a copy of the letters of appointment for the Non-Executive Directors; and
  - 7.3. a copy of the Company's existing Memorandum and Articles of Association and a copy of the proposed new Memorandum and Articles of Association marked up to show the differences from the existing documents.

These documents will also be available for inspection during the AGM and for at least fifteen minutes before it begins.

# Notice of Annual General Meeting (continued)

## Notes

### **Resolution 1**

The Directors are required by law to present to the AGM the Accounts and the reports of the Directors and auditors for the year ended 31 December 2009.

### **Resolutions 2 and 3**

To reappoint Julie Pomeroy and David Long as Directors who, in accordance with the Company's Articles of Association, are required to resign at the AGM and, being eligible, each offers themselves for reappointment. The Board, following its evaluation of the performance of the Directors offering themselves for reappointment, confirms that each of the Directors is performing effectively and demonstrates commitment to their role.

### **Resolution 4**

The re-appointment of the auditors is proposed. Following assessment of the audit service by the Audit Committee, the Board considers the auditors to be effective and independent in their role.

### **Resolution 5**

It is not the policy of the Company to make donations (such as monetary donations, gifts and benefits in kind) to political parties, other political organisations and independent election candidates; or to incur political expenditure and the Directors confirm that this policy will remain. However, the political donations regime in the Act is drafted very broadly and could catch activities such as funding seminars and other functions to which politicians may be invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities (especially those whose objectives become a matter of major party political significance). The Directors decided to seek shareholder authority for political donations and expenditure to avoid inadvertent infringement in case any of its normal activities were caught by the legislation. Any political donation made or political expenditure incurred which is in excess of £2,000 will be disclosed in the Company's Annual Report for next year, as required by the Act.

### **Resolution 6**

Under the Act the directors of a company may only allot unissued shares if authorised to do so. Passing this resolution will allow the Directors flexibility to act in the best interests of shareholders when opportunities arise by issuing new shares. In resolution 6.1 the Directors are seeking authority to allot shares with a nominal value of up to £503,533 which represents approximately one third of the Company's issued ordinary share capital. The Directors intend to use this authority, which will lapse at the conclusion of the next Annual General Meeting of the Company or, if earlier, 25 September 2010, for general corporate purposes. The authority in resolution 6.2 would permit the Directors to issue securities up to a further aggregate nominal amount of £505,533, pursuant to a rights issue on a pre-emptive basis, which is in accordance with current ABI guidance.

### **Resolution 7**

If shares are to be offered for cash, the Act requires that those shares are offered first to the existing shareholders in proportion to the number of shares they hold at the time of the offer. However, it may sometimes be in the interests of the Company for the Directors to allot shares other than to shareholders in proportion to their existing holdings. This resolution authorises the Board, subject to specified limits:

- to allot shares in connection with a rights issue, defined in summary as an offer of equity securities to shareholders which is open for a period decided by the Board subject to any limits or restrictions which the Board thinks are necessary or appropriate;
- for allotments of shares not in connection with a rights issue so that the pre-emption requirement does not apply to the allotments of shares for cash up to a maximum nominal value amount of £302,120. This authority lapses on conclusion of the next Annual General Meeting of the Company, or, if earlier, on 25 September 2010.

This means that the interests of existing shareholders are protected. If a share issue is not a rights issue the proportionate interest of existing shareholders could not without their agreement be reduced by more than 20 per cent of the value of the new shares in cash to new shareholders by reference to the issued share capital at the date of this notice. There are no current plans to allot shares except in connection with the share schemes or existing stand alone option agreements.

# Notice of Annual General Meeting (continued)

## Resolution 8

This resolution seeks to grant the Directors authority to make market purchases of the Company's own Ordinary Shares, up to a maximum aggregate number of 22,659,000 shares, being an amount equal to approximately 15 per cent. of the current issued share capital of the Company. The maximum price payable would be an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share of the Company for the five business days immediately preceding the date of purchase and the minimum price would be the nominal value of 1p per share. This authority lapses on conclusion of the next Annual General Meeting of the Company, or, if earlier, on 25 September 2010. Any ordinary shares purchased by the Company pursuant to this authority would either be cancelled or held in treasury.

Although the Directors have no current intention to make such purchases, they consider that it is in the best interests of the Company and its shareholders to keep the ability to make market purchases of the Company's own shares in appropriate circumstances, without the cost and delay of a General Meeting. The authority would only be exercised if the Directors believe the purchase would enhance earnings per share and be in the best interests of shareholders generally.

## Resolution 9

It is proposed in resolution 9 to amend the existing Articles of Association (the "Existing Articles") in order to update the Existing Articles primarily to take account of changes in English company law brought about by the coming into force of the Shareholders' Rights Regulations and the implementation of the last parts of the Companies Act. However, the Directors are also taking the opportunity to change the borrowing limits in the Articles (see sub-paragraph (x) below).

The amended Articles of Association (the "New Articles") are a replacement of (rather than a series of amendments to) the Existing Articles. 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 other minor changes which merely reflect changes made by the Act and the Shareholders' Rights Regulations have not been detailed.

The New Articles showing the changes to the Existing Articles are available for inspection at the offices of Stephenson Harwood, One St Paul's Churchyard, London EC4M 8SH or on the Company's website [www.biofuturesplc.com](http://www.biofuturesplc.com).

### (i) The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum and Articles of Association. The Company's Memorandum of Association contains, among other things, the objects clause which sets out the scope of the activities the Company is authorized to undertake. This is drafted to give a wide scope.

The Act significantly reduces the constitutional significance of a company's Memorandum of Association. The Act provides that a Memorandum of Association will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Act the objects clause and all other provisions which are contained in a company's Memorandum of Association, for existing companies at 1 October 2009, are deemed to be contained in the company's Articles of Association but the company can remove these provisions by special resolution.

Further, the Act states that, unless a company's Articles of Association provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its Memorandum of Association which, by virtue of the Act, have been treated as forming part of the Company's Articles of Association. Resolution 9.1 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's Memorandum of Association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

### (ii) Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Act a company will be able to change its name by other means provided for by its Articles of Association. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

### (iii) Authorised share capital and unissued shares

The Act abolishes the requirement for a company to have an authorized share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act.

# Notice of Annual General Meeting (continued)

## (iv) Use of seals

Under the Companies Act 1985, a company required authority in its Articles of Association have an official seal. Under the Act, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New 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 director in the presence of a witness, whereas previously the requirement was for signature by either a Director and the Secretary or two Directors.

## (v) Vacation of office by Directors

The Existing 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 by the Department for Business, Innovation and Skills.

## (vi) Voting by proxies on a show of hands

The Shareholders' Rights Regulations have amended the Act 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 contain provisions which reflect these changes.

## (vii) Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Act 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 contain provisions which reflect these amendments. The New Articles remove provisions in the Existing Articles dealing with voting by corporate representatives on the basis that there are dealt with in the Act.

## (viii) Electronic conduct of meetings

Amendments made to the Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The New Articles contain provisions which reflect more closely the relevant provisions.

## (ix) Chairman's casting vote

The New Articles remove the provision giving the Chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Act.

## (x) Changes to limitations on borrowings

New Article 126 (B) increases the former borrowing limit contained in the Existing Articles of 200 per cent. of the aggregate of the amount paid up on the issued share capital for the time being of the Company and the amounts standing to the credit of the reserves of the Group (including any share premium account, capital redemption reserve and the amount standing to the credit of the profit and loss account but after deducting any deficit on the profit and loss account) to 300 per cent. of the same. The Directors feel this is necessary to take account of volatile exchange rates and the Company's potential working capital requirements over the next 12 months.



# Biofutures

Biofutures International plc

# Form of Proxy

For use at the Annual General Meeting to be held at the offices of Stephenson Harwood, One St Paul's Churchyard, London EC4M 8SH at 10.00 a.m. on 25 June 2010 ("AGM").

**Please insert full name** I/We .....  
(block letters)

**and address** of .....  
(block letters)

being (an) Ordinary Shareholder(s) of the Company hereby appoint: the Chairman of the AGM\* /

.....of.....  
(please insert name and address in block letters)

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM to be held on 25 June 2010 at 10.00 a.m. and at any adjournment thereof.

I/We direct the proxy to vote on the resolutions set out in the Notice convening the AGM as follows:

**Please indicate how you wish your proxy to vote by placing a tick in the appropriate space. Unless otherwise indicated the proxy will exercise his discretion as to how he votes and whether or not he abstains from voting.**

Ordinary Resolutions		For	Against	Vote Withheld
1.	To receive and adopt the Report and Accounts			
2.	To re-elect Julie Pomeroy as a Director			
3.	To re-elect David Long as a Director			
4.	To re-appoint Grant Thornton as Auditors and to authorize the Directors to fix their remuneration			
5.	To authorize the Company to make political donations and/or incur political expenditure			
6.	To authorize the Directors to allot shares			
Special Resolutions		For	Against	Vote Withheld
7.	To disapply pre-emption rights			
8.	To authorize the Company to make market purchases of its own shares			
9.	To amend the Memorandum and Articles of Association and adopt new Articles of Association			

### Questions for AGM

Please use the space below to detail any questions you may wish asked at the AGM.

.....  
.....

Dated .....2010

Signature .....

\* If you wish to appoint some other person as your proxy, please insert the name and address where indicated and delete the words "the Chairman of the AGM"

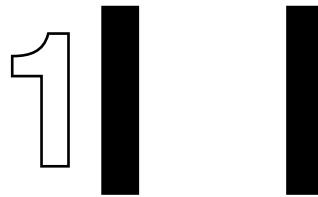
### Notes:

- As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a notice of AGM with this proxy form. You can only appoint a proxy using the procedures set out in these proxy form notes and the notes to the notice of AGM.
- A proxy does not need to be a member of the Company but must attend the AGM to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name and address where indicated and delete the words "the Chairman of the AGM" where indicated with the asterisk. If you sign and return this proxy form without indicating such other person, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
- To be effective, this proxy form must be duly completed, executed and returned, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power of attorney or authority, so as to reach the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL (or faxed to Share Registrars Limited on 01252 719232) by 10.00 a.m. on 23 June 2010.
- In the case of a corporation, this proxy form must be executed either under a common seal or under the hand of an officer or attorney duly authorized in writing.
- To direct your proxy how to vote on the resolutions mark the appropriate box with a tick. To abstain from voting on a resolution, tick the relevant "Vote Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy may vote or abstain from voting at his or her discretion on the resolution and any other business conducted at the meeting.

7. 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).
8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Share Registrars Limited by no later than 23 June 2010 at 10.00 a.m. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

*Third fold and tuck in*

BUSINESS REPLY SERVICE  
Licence No. GI 2155



Share Registrars Limited  
Suite E, First Floor  
9 Lion and Lamb Yard  
Farnham  
Surrey GU9 7LL

*First fold*

*Second fold*