

**ENVIRONMENTAL PRACTICAL SOLUTIONS LIMITED**  
(the "Company")

**COMPANY LIMITED BY SHARES**

**THE COMPANIES ACT 1985 (as amended)**

**RESOLUTION**

By a Written Resolution dated 30<sup>th</sup> December 2005 the following resolutions as to which, those numbered 1 and 3 below take effect as Ordinary Resolutions of the Company and resolutions 2 and 4 take effect as Special Resolutions of the Company:

**RESOLUTIONS**

1. That the capital of the Company be increased from £1,000 divided into 1,000 ordinary shares of £1.00 each to £101,000 by the creation of 100,000 Redeemable Preference Shares of £1.00 each having the rights set out in the articles of association of the company as amended by resolution 2 below.
2. That the articles of association of the Company be altered by inserting after article 3 the following new article 4, and renumbering thereafter: -
  - "4.1 The authorised share capital of the Company is £101,000 divided into 1,000 Ordinary Shares of £1.00 each (the "Ordinary Shares") and 100,000 Redeemable Preference Shares of £1.00 each (the "Redeemable Preference Shares") having the rights and restrictions hereinafter set out.
  - 4.2 The rights attaching to the Redeemable Preference Shares shall be as follows:
    - 4.2.1 as to INCOME, the Redeemable Preference Shares shall confer on their holders the right to a fixed cumulative preferential dividend at the rate of 3% above the base rate for the time being of Barclays Bank Plc per year on the capital for the time being paid up or credited as paid up on the Redeemable Preference Shares and with such dividend being paid to the extent that there are profits available for distribution by the Company in monthly instalments the first such payment commencing on the first day of the month following that in which Redeemable Preference Shares are issued and if the Company defaults in making such payment interest shall accrue on a compound basis until such payment is made by the Company.



4.2.2 as to CAPITAL, the right on a winding-up or other return of capital to repayment in priority to any payment to the holders of any other shares in the capital of the Company of :

4.2.2.1 the amounts paid up or credited as paid up on the Redeemable Preference Shares held by their holders (including any premium); and

4.2.2.2 any arrears or accruals of the fixed dividend on the Redeemable Preference Shares held by their holders whether declared or earned or not calculated down to the date of such payment

4.2.3 the Redeemable Preference Shares shall, subject to the provisions of the Companies Act 1985 Part V Chapter VII, be redeemed upon and subject to the following terms and conditions: -

4.2.3.1 The holders of the Redeemable Preference Shares shall have the right to give not less than 14 days notice in writing prior to the second anniversary of this Resolution specifying whether they require the Company to:

4.2.3.1.1 redeem the Redeemable Preference Shares (provided the share is fully paid) as to one-half of them on the third anniversary and as one-half of them on the fourth anniversary of the date of this Resolution at a par value of £1.00 per share or;

4.2.3.1.2 redeem all the Redeemable Preference Shares on the fourth anniversary of the date of this Resolution

4.2.3.2 If the Company defaults in redeeming the Redeemable Preference Shares in accordance with a notice served pursuant to 4.2.3.1 the holders of the Redeemable Preference Shares (the "Vendors") shall give notice in writing ("the Notice") to the holders of the Ordinary Shares in the Company ("the Purchasers") at any time after the fourth anniversary of the date of this Resolution of their desire to dispose of the Redeemable Preference Shares (the "Sale Shares") at a par value of £1.00 per share plus all arrears or accruals of the fixed dividend on the Redeemable Preference Shares whether declared or earned or not calculated down to the date of completion of the proposed purchase (the "Notice Price") and in that case the Sale Shares shall be offered to the Purchasers in the same proportion as nearly as

may be to the proportions of the number of the Ordinary shares held by them

- 4.2.3.3 The Purchasers shall within 7 working days (which for the avoidance of doubt means between 9.00am and 4.00pm Monday to Friday of each week excluding Good Friday, Christmas Day and all other bank and public holidays) of receipt of the Notice serve upon a Vendors a notice in writing ("the Counter Notice") stating whether they agree to purchase the Sale Shares for the Notice Price and if the Purchasers fail to serve such Counter Notice they shall be deemed to have refused the offer contained in the Notice and the provisions of 4.2.3.8 shall apply
- 4.2.3.4 If the Purchasers or any of them agree to purchase the Sale Shares for the Notice Price there shall be deemed to be a binding Agreement (the "Agreement") between the parties for the sale to such Purchasers of the Sale Shares for the Notice Price subject to 4.2.3.8
- 4.2.3.5 If there are no Purchasers who wish to purchase the Sale Shares for the Notice Price the provisions of 4.2.3.8 or 4.2.3.9 shall apply
- 4.2.3.6 The Purchasers shall pay the Notice Price within twenty eight days after the date of the Counter Notice
- 4.2.3.7 The Vendors shall retain all share certificates in respect of the Sale Shares as a lien against any sums outstanding to them and upon payment of the whole of the Notice Price shall hand to the Purchasers the share certificates and an executed stock transfer form in favour of the Purchasers or as the Purchasers direct
- 4.2.3.8 If the Purchasers do not purchase all the Sale Shares the Vendors may but shall not be required to sell part only of the Sale Shares and in this event the Vendors shall be entitled to serve a notice on the Company requiring that the unsold Sale Shares be converted into Ordinary Shares on the basis that 100,000 Redeemable Preference Shares shall be converted into an equivalent of 10% (ten per cent) of the Company's issued Ordinary Share Capital at the time of such conversion
- 4.2.3.9 Notwithstanding the provisions contained in 4.2.3.2 to 4.2.3.8 if the Company has not redeemed the Redeemable Preference Shares on or before the fourth anniversary of the date of this Resolution the holders of the Redeemable Preference Shares shall have the right

to serve notice on the Company after the fourth anniversary of the date of this Resolution requiring the Company to redeem the shares on a date not later than the tenth anniversary of the date of this Resolution

4.2.3.10 subject to 4.2.3.1 and not before the second anniversary of the date of this Resolution the Company shall provide not less than 1 month's notice of the intention of the Company to redeem shall be given to the holders of the Redeemable Preference Shares to be redeemed. The notice shall be in writing and shall fix the time and place for the redemption. At the time and place fixed, the registered holders of the Redeemable Preference Shares to be redeemed must deliver the relative certificates up to the company for cancellation, and the Company shall pay to them the redemption money in respect of the Redeemable Preference Shares together with any arrears or accruals of the preferential dividend (whether earned or declared or not) calculated down to the date fixed for payment;

4.2.3.11 at the time fixed for redemption of any of the Redeemable Preference Shares dividends shall cease to accrue on those shares except for any share in respect of which, on due presentation of the certificate or certificates (or an indemnity in respect of it or them in a form reasonably satisfactory to the Company), payment due at redemption was refused;

4.2.3.12 if any holder of the Redeemable Preference Shares fails or refuses to surrender the certificate or certificates for those shares, or fails or refuses to accept the redemption money payable in respect of them, the redemption money shall be retained and held by the Company in trust for the holder but without interest or further obligation whatever;

4.2.3.13 no Redeemable Preference Shares shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of shares made for the purposes of the redemption, or out of capital to the extent permitted by the Companies Act 1985;

4.2.4 The Redeemable Preference Shares shall not entitle the holders thereof to vote upon any resolution at any general meeting of the Company but the holders of the Redeemable Preference Shares shall be entitled to receive notice of and to attend at any general meeting of the Company save that the holders of the Redeemable Preference Shares shall be permitted to vote upon any resolution at any general meeting of the

Company in the following circumstances and subject always to the provisions for redeeming the Redeemable Preference Shares in 4.2.3:

4.2.4.1 If the Redeemable Preference Shares are not redeemed by the Company on or before the fourth anniversary of the date of this Resolution the holder thereof shall be entitled to 8% (eight per cent) of votes cast on a poll at any general meeting of the Company

4.2.4.2 If the Redeemable Preference Shares are not redeemed by the Company on or before the fifth anniversary of the date of this Resolution the holders thereof shall be entitled to 16% (sixteen per cent) of votes cast on a poll at any general meeting of the Company

4.2.4.3 Any voting rights obtained by the holder of the Redeemable Preference Share pursuant to 4.2.4.1 or 4.2.4.2 shall be cancelled upon redemption of the Redeemable Preference Shares and for the avoidance of doubt the holder of the Redeemable Preference Shares shall not be entitled to the rights set out in 4.2.4.1 and 4.2.4.2 unless the holder has exhausted the mechanism for redemption set out in 4.2.3 save that there shall be no requirement for the holder of Redeemable Preference Shares to serve a notice on the Company pursuant to 4.2.3.8 or 4.2.3.9

4.3 The Redeemable Preference Shares are not transferable without the holder obtaining the written consent of the Company.

4.4 In the event that it is proposed to transfer 75% or more of the issued ordinary share capital of the Company then prior to such transfer all Redeemable Preference Shares shall be redeemed by payment in full at par value to the holders together with all arrears or accruals of the fixed dividend on the Redeemable Preference Shares whether declared or earned or not calculated down to the date of redemption

4.5 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up only with the consent in writing of the holders of a 75% majority of the issued shares of that class."

3. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) ("the Act") up to a maximum aggregate nominal amount equal to the nominal amount of the authorised but unissued share capital at the date of the passing of this resolution in substitution for any authority previously conferred upon them save to the extent that the same may already have been exercised

PROVIDED that this authority shall expire on a date five years after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities in pursuance of such offer or agreement as if the authority conferred thereby had not expired. For the avoidance of doubt such authorisation shall (notwithstanding the date of this Written Resolution) apply retrospectively to the recent allotment of the Redeemable Preference Shares.

4. THAT subject to the passing of the previous Resolution 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) pursuant to the authority conferred by the previous Resolution, as if Section 89(1) of that Act did not apply to any such allotment PROVIDED that this power shall be limited to the allotment of equity securities up to a maximum aggregate nominal amount equal to the nominal amount of the authorised but unissued share capital at the date of the passing of this resolution and shall expire on a date five years after the passing of this Resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require the allotment of equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. For the avoidance of doubt such empowerment shall (notwithstanding the date of this Written Resolution) apply retrospectively to the recent allotment of the Ordinary Shares and Redeemable Preference Shares.

Dated this 30 day of DECEMBER 2005

  
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Signed by Director/Company Secretary