

THE COMPANIES ACTS 1931 – 2004
ISLE OF MAN
PUBLIC COMPANY LIMITED BY SHARES
SPECIAL RESOLUTIONS
OF
METRO BALTIC HORIZONS PLC
(the “Company”)
Passed the 20th day of June 2008



At the Annual General Meeting of the Company, duly convened and held on the above date at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP, the following resolutions were passed as special resolutions.

1) **THAT** the authorised share capital of the Company be increased from €2,500,000 divided into 250,000,000 Ordinary Shares of €0.01 each to €5,000,000 divided into 250,000,000 Ordinary Shares of €0.01 each and 2,500,000 C Shares of €1.00 each; and that the articles of association be amended as follows:

THAT (1) article 2.1 be amended by inserting the following definition after the definition of the word “articles”:

“C Shares” *means the conversion shares of €1.00 each in the capital of the Company carrying the rights set out in article 3.2A’;*

THAT (2) article 3.1 be deleted in its entirety and replaced with the following article 3.1:

‘The share capital of the Company is €5,000,000 divided into 250,000,000 ordinary shares of €0.01 each (“Ordinary Shares”) and 2,500,000 C Shares of €1.00 each.’

THAT (3) following article 3.2 the following article be inserted, to be numbered article 3.2A:

“3.2A **C Shares and Deferred Shares**

(a) **Definitions**

For the purposes of this article 3.2A the following expressions shall have the following meanings:

“Administrator”	<i>means the administrator referred to in the Admission Document or such other administrator</i>
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	<i>who may be appointed from time to time;</i>
"Admission"	<i>means the admission of the Company's shares to trading on the AIM market of the London Stock Exchange becoming effective in accordance with the AIM Rules;</i>
"Admission Document"	<i>means the admission document issued on behalf of the Company in connection with Admission;</i>
"Auditors"	<i>the auditors for the time being of the Company or, in the case of joint auditors, any of them;</i>
"Business Day"	<i>means any day other than a Saturday, Sunday or a day on which the major clearing banks are not open for business in London;</i>
"Calculation Date"	<p><i>means the earlier of:</i></p> <p>(i) <i>the close of business on the day to be determined by the directors occurring not more than 28 Business Days (or such later date to be determined by the directors) after the day on which the Investment Manager shall have given notice to the directors that at least 85 per cent. of the Net Proceeds have been Invested in accordance with the Company's investment policy as set out in the Admission Document;</i></p> <p>(ii) <i>the close of business on such date as the directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion; and</i></p> <p>(iii) <i>31 December 2009</i></p> <p><i>provided that if, prior to the events set out in (i), (ii) and (iii) above, the directors resolve that Force Majeure Circumstances have arisen or are in contemplation, then the close of business on the date of such board resolution shall be the Calculation Date;</i></p>
"Conversion"	<i>means the conversion of the C Shares in accordance with these articles;</i>
"Conversion Date"	<i>means the close of business on such Business Day as may be selected by the directors provided that such day shall not be more than twenty Business Days after the Calculation Date;</i>
"Conversion Ratio"	<i>means the ratio at the Calculation Date to be used to determine the number of New Ordinary Shares and Deferred Shares (if any) arising on Conversion, more particularly being</i>

A

B

where:

$$A = \frac{C-D}{E}$$

E

where 'C' is the aggregate of,

- (i) the value of the real estate assets of the Company and its subsidiaries attributable to the C Shares calculated by reference to a valuation carried out by a valuer appointed by the directors; and
- (ii) the value of all other investments of the Company and its subsidiaries attributable to the C Shares at their respective acquisition costs, subject to such adjustments as the directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Date; and
- (iii) the amount which in the directors' opinion fairly reflects at the Calculation Date the value of all of the other assets of the Company and its subsidiaries attributable to the C Shares (including current assets and cash and deposits with or balances at bank and including any income and other items of a revenue nature);

'D' is the amount (to the extent not otherwise deducted in the calculation of C) which in the directors' opinion fairly reflects the amount of the liabilities attributable to the C Shares at the Calculation Date including any declared but unpaid dividend in respect of the C Shares; and

'E' is the number of C Shares in issue at the Calculation Date;

provided that the directors shall be entitled to make such adjustments to the value or amount of 'A' as the Auditors shall confirm to be appropriate having regard, inter alia, to the assets attributable to the C Shares on the Issue Date and to the reasons for the issue of the C Shares set out in the Admission Document;

	<p>and where: $B = \frac{(F - G) - (C - D)}{H}$</p> <p>where 'F' is the aggregate of:</p> <p>(i) the value of all the real estate assets of the Company and its subsidiaries calculated by reference to a valuation carried out by a valuer appointed by the directors; and</p> <p>(ii) the value of all other investments of the Company at the valuations adopted by the directors as at the Calculation Date; and</p> <p>(iii) the amount which, in the directors' opinion, fairly reflects at the Calculation Date the value of all of the other assets of the Company and its subsidiaries (including current assets and cash and deposits with or balances at bank and including any income or other items of a revenue nature);</p> <p>'G' is the amount which (to the extent not otherwise deducted in the calculation of 'F') in the directors' opinion reflects the amount of the liabilities of the Company at the Calculation Date including any declared but unpaid dividend; and</p> <p>'H' is the aggregate of the number of Ordinary Shares in issue at the Calculation Date,</p> <p>provided that the directors shall be entitled to make such adjustments to the value or amount of 'B' as the Auditors shall confirm to be appropriate having regard, inter alia, to the reasons for the issue of the C Shares set out in the Admission Document;</p>
"C Shareholder"	a holder of C Shares;
"C Share Surplus"	means the net assets of the Company attributable to the C Shares (for the avoidance of doubt, including any income and/or revenue arising from or relating to such assets less such proportion of the Company's liabilities as the directors shall allocate to the assets of the Company attributable to the C Shares, including an allowance for the fees and expenses of a liquidation or return of capital allocated to the assets of the Company attributable to the C Shares);
"Deferred Shares"	means redeemable deferred shares of €0.01 each

	<i>in the capital of the Company arising upon Conversion carrying the rights set out in this article 3.2A;</i>
"Force Majeure Circumstances"	<i>means any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the directors, renders Conversion necessary or desirable notwithstanding that less than 85 per cent. of the Net Proceeds have been Invested in accordance with the Company's investment policy;</i>
"Invested"	<i>means when the assets concerned have been expended by or on behalf of the Company and its subsidiaries in the acquisition or making of an investment (whether by subscription or purchase);</i>
"Investment Manager"	<i>means the investment manager referred to in the Admission Document or such other investment manager who may be appointed from time to time;</i>
"Issue Date"	<i>means the day on which the Company receives the Net Proceeds of the issue of the C Shares;</i>
"Net Proceeds"	<i>means the net cash proceeds of the issue of the C Shares (after deduction of all commissions and expenses relating thereto and payable by the Company);</i>
"New Ordinary Shares"	<i>means new Ordinary Shares arising on Conversion which, on issue, shall rank pari passu with the then existing Ordinary Shares of the Company for the time being in issue;</i>
"Ordinary Share Surplus"	<i>means the net assets of the Company less the C Share Surplus.</i>

(b) The Conversion process

(i) *The directors shall or shall procure that within twenty Business Days of the Calculation Date:*

(A) *the Administrator shall, with the assistance of the Investment Manager, calculate the Conversion Ratio as at the Calculation Date and the numbers of New Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion; and*

(B) *the Auditors shall certify that such calculations:*

- 1. have been performed in accordance with the articles; and*
- 2. are arithmetically accurate whereupon, subject to the proviso immediately after the definition of 'H' contained in the definition of Conversion Ratio, such calculations shall become final and binding upon the Company and all shareholders.*

- (ii) *The directors shall procure that as soon as practicable following the certification referred to in the article 3.2A(b)(i)(B)2. and in any event within fourteen Business Days of the Calculation Date notice is given to all shareholders in accordance with articles 136 to 143 stating the Conversion Date, the Conversion Ratio and the numbers of New Ordinary Shares and Deferred Shares to be issued upon Conversion.*
- (iii) *On Conversion each C Share shall automatically sub-divide into 100 C Shares of €0.01 each and such C Shares of €0.01 each shall automatically convert into such number of New Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:*
- (A) *the aggregate number of C Shares of €0.01 each which are converted into New Ordinary Shares equals the number of C Shares in issue at the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and*
- (B) *each C Share of €0.01 each which does not so convert into a New Ordinary Share shall convert into one Deferred Share.*
- (iv) *The New Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders pro rata according to their respective former holdings of C Shares (provided always that the directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, the right to sell any such fractional entitlements and retain the proceeds for the benefit of the Company) and for such purposes any director is authorised as agent on behalf of each C Shareholder or former C Shareholder, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each C Shareholder or former C Shareholder who shall be bound by them.*
- (v) *Forthwith upon Conversion any share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the New Ordinary Shares which have arisen upon Conversion. Share certificates in respect of the Deferred Shares will not be issued.*
- (vi) *Forthwith upon Conversion the rights attaching to the C Shares as set out in this article 3.2A shall lapse and those attached to the Deferred Shares shall lapse upon the repurchase of the Deferred Shares whereupon each Deferred Share comprised in the authorised but unissued capital of the Company shall be redesignated as an ordinary share without further resolution or consent.*
- (vii) *The directors shall be authorised to make such adjustments to the terms, basis, valuation principles and methodology and timing of Conversion as they shall in their discretion consider fair and reasonable having regard to the interests of all shareholders.*

(c) **Dividends**

- (i) *The C Shareholders shall be entitled to receive and participate in, in that capacity, any dividends or other distributions out of the profits of the Company arising from the assets of the Company attributable to the C Shares and resolved to be distributed in respect of any accounting period or any other income or rights to participate therein in accordance with these articles. The holders of the Ordinary Shares shall be entitled to receive and participate in, in that capacity,*

any dividends or other distributions out of the profits of the Company arising from the assets of the Company attributable to the Ordinary Shares and resolved to be distributed in respect of any accounting period or any other income or rights to participate therein in accordance with these articles.

- (ii) *The New Ordinary Shares shall rank pari passu with the existing Ordinary Shares for all dividends and other distributions made or declared by reference to a record date falling after the Conversion Date save that (for the avoidance of doubt and irrespective of whether the same is declared before or after the Conversion Date) they shall not rank for dividends which may be declared for the period prior to Conversion.*
- (iii) *The Deferred Shares (to the extent that they are in issue and extant) shall entitle the holders thereof to a non-cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof ("the Deferred Dividend") on the date six months after the Conversion Date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on the date six months after the Conversion Date.*

(d) **Rights as to Capital**

- (i) *The capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) prior, in each case, to Conversion be applied as follows:*
 - (A) *the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares pro rata according to their holdings of Ordinary Shares; and*
 - (B) *the C Share Surplus shall be divided amongst the holders of the C Shares pro rata according to their holdings of C Shares.*
- (ii) *The capital and assets of the Company available to shareholders shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) after Conversion be applied as follows:*
 - (A) *first, if there are for the time being Deferred Shares in issue, in paying to the Deferred Shareholders €0.01 in respect of each 100,000 Deferred Shares (or part thereof) of which they are respectively the holders; and*
 - (B) *second, the surplus shall be divided amongst the holders of Ordinary Shares pro rata according to their holdings of Ordinary Shares.*

(e) **Redemption**

- (i) *The C Shares are to be issued on terms that the Deferred Shares but not the New Ordinary Shares arising on Conversion shall be redeemable by the Company in accordance with these articles.*
- (ii) *Immediately upon Conversion, the Company shall be entitled to redeem all of the Deferred Shares for an aggregate consideration of €1.00 for every 100,000 Deferred Shares (or part of 100,000 such shares) held by each registered holder thereof and the provisions of this article shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be redeemed immediately upon Conversion for an aggregate consideration*

calculated on such basis.

- (iii) *The Company shall not be obliged to issue share certificates to the Deferred Shareholders in respect of the Deferred Shares and shall not be obliged to account to any Deferred Shareholder for the redemption monies in respect of such shares unless the relevant holder applies to the Company in writing requesting payment of the said redemption monies within one month of redemption.*
- (iv) *On redemption deferred share capital comprised in the authorised but unissued share capital shall be redesignated as ordinary share capital without further resolution or consent.*

(f) **Special Rights**

Without prejudice to the generality of these articles, until Conversion it shall be a special right attaching both to existing Ordinary Shares as a class and to the C Shares as a class that save with the sanction or consent of such holders given in accordance with these articles:

- (i) *no alteration shall be made to the memorandum of association of the Company or to the articles;*
- (ii) *no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company; and*
- (iii) *no resolution of the Company shall be passed to wind up the Company.*

(g) **Undertakings**

Until Conversion and without prejudice to its obligations under the Acts, the Company shall:

- (i) *procure that the Company's records shall be operated and maintained so that the assets and liabilities attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate investment ledger accounts shall be created and maintained for the assets attributable to the C Shareholders; and*
- (ii) *allocate a fair proportion of every expense or liability of the Company relating to capital to the extent that such expense or liability is incurred or accrued between the Issue Date and the Calculation Date (both dates inclusive) to the C Shares; and*
- (iii) *manage its assets so that such undertakings can be complied with by the Company.*

(h) **General Meetings**

The C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of C Shareholders will be the same as that applying to the holders of Ordinary Shares as set out in these articles as if the C Shares and existing Ordinary Shares were a single class. The Deferred Shares shall not carry any right to receive notice of or attend or vote at any general meetings of the Company. The voting rights of existing Ordinary Shares shall not be affected by these provisions.”

2) **THAT** the articles of association of the Company be amended by deleting the present sub-paragraph (e) of article 30.2 in its entirety and re-designating the present article 30.2(f) as article 30.2(e), and by deleting the present article 30.4, the present article 30.5 and the present article 30.6 in their entirety and by adopting a new article 30.4 as follows:

'For the purposes of this article 30 "interested" shall be construed as it is for the purposes of Part 22 of the Companies Act 2006 of England and Wales (as amended from time to time).'

3) **THAT** the articles of association of the Company be amended by deleting the present sub-paragraphs (a) and (b) of article 30.3 in their entirety and by adopting in their place new sub-paragraphs (a) and (b) of article 30.3 as follows:

"(a) Each member of the Company shall comply with the notification obligations to the Company contained in Chapter 5 of the Disclosure and Transparency Rules of the UK Financial Services Authority as if the Company was a UK issuer for the purposes of such rules."

"(b) If it shall come to the notice of the directors that any member has not, within the requisite period, made or, as the case may be, procured the making of any notification required by paragraph (a) above, the directors may in their absolute discretion serve a notice on such person stating that the registered holder of the shares in which that person is interested shall not be entitled to vote or otherwise exercise the rights referred to in this article 30 in respect of any shares, or a number of shares specified in the notice held by that registered holder, during a period (not to exceed 180 days) following the service of such notice."

4) **THAT** the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in Section 13 of the Companies Act 1992) of ordinary shares of €0.01 each in the issued capital of the Company ("Ordinary shares") subject to the following conditions:

- (a) the maximum number of ordinary shares of €0.01 each which may be purchased is 14.99% per cent of the issued Ordinary share capital;
- (b) the maximum price at which an Ordinary share may be purchased is an amount equal to 105% of the average of the middle market quotations for such shares as derived from The Daily Official List of The London Stock Exchange for the five business days immediately preceding the date of purchase and the minimum price is €0.01 per Ordinary share, in both cases exclusive of expenses; and
- (c) the authority conferred by this Resolution shall expire on the earlier of the date falling 15 months after the passing of this resolution or the conclusion of the next Annual General Meeting of the Company to be held in 2009 provided that any contract for the purchase of ordinary shares permitted by this Resolution which has been concluded before the expiry of this authority may be executed wholly or partly after the authority expires."



P.P. Scales
Chairman

