

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of NeutraHealth plc (the “Company”) will be held at 12.00 noon on 28 April 2009 at Brunel Healthcare Manufacturing Limited, William Nadin Way, Swadlincote for the following purposes:

**Ordinary business**

1. To receive and adopt the Company’s Report and Accounts for the year ended 31 December 2008, the Directors’ Report and the Auditors’ Report on those accounts.
2. To re-appoint Baker Tilly UK Audit LLP to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid before the shareholders and to authorise the directors to fix the auditors’ remuneration.
3. To re-appoint R J Myers as a director who was appointed since the last annual general meeting and who is retiring in accordance with the Company’s Articles of Association.
4. To re-appoint R D Hilton as a director who is retiring by rotation in accordance with the Company’s Articles of Association.
5. To re-appoint A B M Good as a director who is retiring by rotation in accordance with the Company’s Articles of Association.
6. To re-appoint Sir G K Noon as a director who is retiring by rotation in accordance with the Company’s Articles of Association.

**Special business**

To consider and, if thought fit, to pass the following resolutions of which resolutions 7 and 8 will be proposed as ordinary resolutions and resolutions 9 to 11 will be proposed as special resolutions.

7. That subject to and conditional upon the admission of the New Ordinary Shares (as defined below) to AIM, a market operated by London Stock Exchange plc, becoming effective:
    - (a) each of the Ordinary Shares of 10 pence each in the capital of the Company which at the close of business on 28 April 2009 (or such other date as the directors and the Company may determine) are shown in the books of the Company as authorised and issued, shall be divided into one new ordinary share of 1 pence each (a “**New Ordinary Share**”) and one deferred share of 9 pence each (“**Deferred Share**”);
    - (b) each of the ordinary shares of 10 pence each in the capital of the Company which at the close of business on 28 April 2009 (or such other date as the directors and the Company may determine) are shown in the books of the Company as authorised and unissued, shall be divided into ten New Ordinary Shares of 1 pence each; and
    - (c) On a distribution of assets on liquidation or otherwise, the surplus assets of the Company shall be applied:
      - (i) first, in repaying to the holders of the New Ordinary Shares the nominal amounts paid up on such shares;
      - (ii) second, in repaying to the holders of the Deferred Shares the nominal amount paid up on such shares;
      - (iii) third, in repaying to the holders of New Ordinary Shares and Deferred Shares any premium paid up on such shares; and
      - (iv) fourth, the balance of such assets shall belong to and be distributed among the holders of New Ordinary Shares in proportion to the amounts paid up on such shares respectively held by them.

In addition the holders of a Deferred Share:

    - (i) will not be entitled to receive any dividend or other distribution or to receive notice of, attend, speak at or vote at general meetings of the Company;
    - (ii) will be deemed to have authorised the Company to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer of such shares to the Company, or such person as the Company may nominate, without any payment therefore and without the sanction of the holders of the Deferred Shares.
  - (d) The creation and issue of further shares which rank equally or in priority to the Deferred Shares or the passing of a resolution of the Company to cancel the Deferred Shares or to effect a reduction in capital shall not constitute a modification or abrogation of the rights attaching to the Deferred Shares. Only whole numbers of Deferred Shares will be issued and no certificates will be issued in respect of the Deferred Shares.
8. In substitution for all existing authorities, the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities in accordance with section 80 of the Companies Act 1985 (“the Act”) up to a maximum aggregate nominal amount of £175,985.14 (representing 10 per cent of the Company’s issued ordinary share capital), provided this authority will expire 15 months after the date this resolution is passed or the next annual general meeting of the Company, whichever occurs first.

9. Subject to the passing of resolution 8, the Directors be and they are hereby empowered generally and unconditionally in accordance with section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority conferred by resolution 8 above as if section 89(1) of the Act did not apply to the allotment provided that such power shall be limited to a maximum aggregate nominal amount of £175,985.14.
10. The Company be and is generally and unconditionally authorised for the purposes of section 166 of the Act to make one or more market purchases (within the meaning of section 163(3) of the Act) of New Ordinary Shares of 1 pence each in the capital of the Company provided that:
- (a) The maximum aggregate number of ordinary shares authorised to be purchased is 8,799,257 (representing 5 per cent of the Company's issued ordinary share capital).
  - (b) The minimum price (exclusive of expenses) which may be paid for such shares is 1 pence per share.
  - (c) The maximum price (exclusive of expenses) which may be paid for an ordinary share shall not be more than 5 per cent above the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased.
  - (d) Unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next annual general meeting.
  - (e) The Company may make a contract or contracts to purchase its own shares under the authority hereby conferred 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 its own shares pursuant to any such contract.
11. That, with effect from the conclusion of the meeting, the Articles of Association produced to the meeting and for the purposes of identification signed by the chairman of the meeting, be adopted in substitution for and to the exclusion of the existing Articles of Association of the Company.

By order of the Board

**Robin Hilton FCA**  
*Company Secretary*  
20 March 2009

*Registered Office:*  
180 Lifford Lane  
Kings Norton  
Birmingham B30 3NU

#### Notes

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or notarially certified copy of such authority) must be deposited at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time and date for holding the meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
3. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 26 April 2009. 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 issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's registrars no later than 26 April 2009.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the relevant register of members of the Company at close of business on 26 April 2009 shall be entitled to attend and vote at the Annual General Meeting or, if the Meeting is adjourned, close of business on such date being not more than two days prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after close of business on 26 April 2009 shall be disregarded in determining the right of any person to attend or vote at the Meeting.
5. A copy of the proposed new Articles of Association of the Company, is available for inspection during normal business hours at 180 Lifford Lane, Kings Norton, Birmingham, B30 3NU (public holidays excluded) from the date of this notice until the conclusion of the annual general meeting and will also be available for inspection at the place of the annual general meeting from 9:00 am until its conclusion.
6. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - [www.icsa.org.uk](http://www.icsa.org.uk) - for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
7. Explanatory notes in relation to the resolutions to be proposed at the meeting are set out below.

**Resolution 1: Reports and Accounts**

The directors are required to present to the meeting the audited accounts and the reports of the directors and the auditors for the financial year ended 31 December 2008.

**Resolution 2: Re-appointment of Auditors**

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the appointment and, in accordance with standard practice, gives authority to the directors to determine the remuneration to be paid to the auditors.

**Resolutions 3 to 6: Re-appointment of Directors**

Under the Company's Articles of Association any new director appointed by the Board since the last annual general meeting must retire and seek reappointment. R J Myers was appointed a director on 17 June 2008 and therefore is now seeking re-appointment.

Under the Company's Articles of Association directors are obliged to retire by rotation every three years. R D Hilton, A B M Good and Sir G K Noon are retiring by rotation and offering themselves for re-election.

**Resolution 7: Restructuring**

The directors recommend that the share capital of the Company should be restructured in the manner described below as the Company is currently restricted from issuing Ordinary Shares or granting options over Ordinary Shares due to the current market share value.

The authorised ordinary share capital of the Company is £30,000,000 divided into 300,000,000 Ordinary Shares of 10 pence each of which 175,985,137 Ordinary Shares are currently in issue.

Following the Restructuring the Company's authorised share capital would still be £30,000,000 but then comprising 1,416,133,767 New Ordinary Shares of 1 pence each and 175,985,137 Deferred Shares of 9 pence each. Assuming no further Ordinary Shares are issued between the date of this document and the date on which the Restructuring, the issued ordinary share capital would comprise 175,985,137 New Ordinary Shares and 175,985,137 Deferred Shares. The rights attaching to the New Ordinary Shares, including voting and dividend rights will be the same as the rights attaching to the Ordinary Shares.

The rights attaching to the Deferred Shares, which are set out below and for which no application for admission to trading on AIM will be made, will be minimal, thereby rendering them effectively valueless. No certificates will be issued in respect of the Deferred Shares. The rights attaching to the Deferred Shares can be summarised as follows: they will not entitle holders to receive any dividend or other distribution or to receive notice of, attend, speak at or vote at general meetings of the Company; on a return of assets on a winding up, they will only entitle the holder to the amounts paid up on such shares after the repayment of the amounts paid on each New Ordinary Share; they will be deemed to have authorised the Company to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer of such shares to the Company, or such person as the Company may nominate, without any payment therefore and without the sanction of the holders of the Deferred Shares; and the creation and issue of further shares which rank equally or in priority to the Deferred Shares or the passing of a resolution of the Company to cancel the Deferred Shares or to effect a reduction in capital shall not constitute a modification or abrogation of their rights. Only whole numbers of Deferred Shares will be issued.

Assuming that the Restructuring is approved at the AGM it is expected that after close of business on 28 April 2009 (the "**Record Date**") each existing issued Ordinary Share will be sub-divided into One New Ordinary Share and One Deferred Share.

Trading in the New Ordinary Shares is expected to commence on 29 April 2009. Following the Restructuring, existing share certificates will remain valid.

**Resolution 8: Authority to Allot Shares**

Under section 80 of the Companies Act 1985, the directors of a company may only allot unissued shares and other "relevant securities" if authorised to do so. This resolution, if passed, will continue the directors' flexibility to act in the best interests of shareholders, when opportunities arise by issuing new shares, and renews the section 80 authority given on 16 April 2008.

This authority will allow the directors to allot new shares up to a nominal value of £175,985.14 which is equivalent to 10 per cent of the total issued ordinary share capital as at the date of this notice. The directors have no current intention of exercising this authority.

This authority will expire 15 months after the date this resolution is passed or at the conclusion of the next annual general meeting.

**Resolution 9: Dis-application of Pre-emption Rights**

If equity securities are to be allotted for cash, section 89(1) of the Companies Act 1985 requires that those equity securities are offered first to existing shareholders in proportion to the number held by them at the time of the offer and otherwise in compliance with the technical requirements of that Act. However, it may be in the interests of the Company for the directors to allot shares other than to shareholders in proportion to their existing holdings or otherwise than strictly in compliance with those requirements.

This resolution would allow the directors, pursuant to section 95 of the Companies Act 1985, to allot shares for cash without first offering them to shareholders in accordance with that Act. This power is limited to the allotments of equity securities for cash up to a

maximum nominal amount of £175,985.14, which is equivalent to 10 per cent of the total issued ordinary share capital of the Company as at the date of this notice and allotments of equity securities in connection with a rights issue or other offer to shareholders, subject to the directors ability to make arrangements to deal with certain legal or practical problems arising in connection with such offer. This power will expire at the conclusion of the next annual general meeting.

**Resolution 10: Purchase of Own Shares**

The directors believe that it is in the interests of the Company and its members to continue to have the flexibility to purchase its own shares and this resolution seeks authority from members to do so. The directors intend only to exercise this authority where, after considering market conditions prevailing at the time, they believe that the effect of such exercise would be to increase the earnings per share and be in the best interests of shareholders generally.

This resolution renews the authority given at the annual general meeting held on 16 April 2008 and would be limited to 8,799,257 ordinary shares, representing approximately 5 per cent of the issued share capital as at the date of this notice. The directors intend to seek renewal of this power at each annual general meeting.

**Resolution 11: Adoption of new Articles of Association**

It is proposed to adopt new Articles of Association (the “**New Articles**”) with immediate effect to update the Company’s current Articles of Association (the “**Current Articles**”) primarily to take account of changes in English company law brought about by the introduction of the Companies Act 2006 (the “**2006 Act**”).

The principal changes introduced in the New Articles are set out below. Other changes, which are of a minor, technical or clarifying nature have not been noted. A copy of the New Articles are available for inspection at 180 Lifford Lane, Kings Norton, Birmingham, B30 3NU during usual business hours on any weekday (public holidays excepted) until and during the AGM held at noon on 28 April 2009. A copy of the New Articles will be available for review on the Company’s website [www.neutrahealthplc.com](http://www.neutrahealthplc.com).

**1. Articles which duplicate statutory provisions**

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main amended to bring them into line with the 2006 Act. Certain examples of such provisions include provisions as to convening and notice of general meetings and proxies and are detailed below.

**2. Form of resolution**

The Current Articles contain a provision that, subject to legislation, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision and certain other provisions are being amended as the concept of extraordinary resolutions has not been retained under the 2006 Act.

The Current Articles enable shareholders to act by written resolution. Under the 2006 Act, public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

**3. Convening and notice of general meetings**

It is proposed that the provisions in the Current Articles dealing with convening of general meetings and the length of notice required to convene general meetings be amended to conform to the new provisions in the 2006 Act. In particular, a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days’ notice whereas previously 21 days’ notice was required.

**4. Quorum requirements**

The 2006 Act provides that in general terms the quorum for a general meeting be calculated by reference to the numbers of ‘qualifying persons’ who are present at the meeting, which includes an individual who is a member of the Company, a person authorised under section 323 of the 2006 Act to act as the representative of a corporation, and a person appointed as proxy of a member. As before, it is proposed that the quorum for a general meeting will be two but in line with the 2006 Act, the New Articles make clear that there will be no double counting for qualifying persons who are representatives of the same corporation or proxies of the same member.

**5. Proxies**

A proxy has a statutory right under the 2006 Act to speak at any general meeting. Under the 2006 Act, proxies are also entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect these new rules, as appropriate.

**6. Directors’ interests and voting**

The legislation relating to Director indemnification changed in 2005, and it is possible for companies to provide indemnification of Directors’ defence costs by way of loan (which in certain circumstances may need to be repaid by the Director). As a result, market practice is developing with regard to the provision of indemnities to Directors.

The New Articles include a provision allowing a Director to vote and be counted in the quorum at a Board meeting in respect of any resolution concerning any indemnification (including loans) by the Company in relation to the performance of his or her duties on behalf of the Company or any subsidiaries. This clarifies the ability of the Board to adopt indemnities in favour of Directors in accordance with the revised legislation.

#### **7. Electronic and web communications**

Provisions of the 2006 Act which came into force in January 2007 enable companies to communicate with shareholders by electronic and/or website communications. The New Articles continue to allow communications to shareholders in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a shareholder by means of website communication, the relevant shareholder must be asked individually by the Company to agree that the Company may send or supply documents or information to him or her by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the shareholder (either by post, or by other permitted means) when a relevant document or information is placed on the website and a shareholder can always request a hard copy version of the document or information. The Company plans to take advantage of these new provisions as this should lead to administrative cost savings in the future.

#### **8. Directors' indemnities**

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify Directors. In particular, a company can now indemnify a Director of a company that is a trustee of an occupational pension scheme against liability incurred in connection with the company's activities as trustee of that scheme. This is reflected in the New Articles. The opportunity is also being taken to clarify that, subject to the 2006 Act, the Company may grant indemnities to Directors of associated companies.

#### **9. Directors' interest**

The 2006 Act sets out Directors' general duties. The provisions largely codify the existing law, but with some changes. Under the 2006 Act, a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. The 2006 Act allows Directors of public companies to authorise conflicts and potential conflicts where the Articles of Association contain a provision to this effect. The 2006 Act also allows the Articles of Association to contain other provisions for dealing with Director's conflicts of interest to avoid a breach of duty. The New Articles, give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. These include, first, only independent Directors (ie those who have no interest in the matter being considered) will be able to take the relevant decision, and second, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation or subsequently if they think this is appropriate.

It is proposed to include provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively and that the procedures have been followed.