

Freepower Limited in Administration ("the company")

Minutes of an Informal Meeting of Shareholders held on 7 June 2011 at 11am at 2 Venture Road,
Chilworth, Southampton SO16 7NP

Present:

Jimmy Lowe

Chantel Biddle

Paul Biddle

Donald Anderson

Charles Hall representing himself and Westhall Capital and 10 others

Tony Atkinson

Colin Payne

Gordon Matchett

S J and JD Clark

Brian Kingston

Jane Westbrook

Hugo Bray

In attendance, Peter Hall, Administrator, Katie Young.

1. The administrator opened proceedings by advising that this is an informal meeting which he had called as he had had a number of contacts from shareholders and felt that it would be easier to explain issues to all shareholders at once and also to obtain as much information as possible from shareholders.
2. Tony asked if the patents belonged to the company. The administrator advised that Mym Simcock's contract of employment entitled her to ownership of patents. The administrator also advised that a business plan postdating the contract stated that the patents belonged to the company. Paul and Tony thought that the clause in the contract of employment was not effective in this situation and would do some research.
3. Donald advised that he knew of the term in Mym's contract and also that it was in Richard's contract. He was asked if Mym would waive and the administrator suggested that this might be necessary if a voluntary arrangement were to be pursued.
4. The meeting was advised that Mym had been paying for renewal costs herself and that she had had to abandon some patents. Tony asked which patents had had to be abandoned but that information was not available. The administrator would look into this.
5. Charles asked why Mym did not return his calls and why he had not been approached for cash prior to the administration. Donald advised that he could be contacted in those situations. Donald advised that two finance houses had considered investing at their valuations of £10m but had declined to proceed.
6. Charles questioned if the shares could be worth £10m given the level of creditors.
7. Hugo advised that his son had done work experience at the factory which was large and little was happening. He also questioned why shareholders had not been contacted prior to the administration.

8. Donald was asked why Mym Simcock was not present. He advised that it was because there was a legal action against Mym personally and she had been advised not to attend.
9. Jane asked how much money had been invested, as the business plan suggested £11/12m. The administrator advised that the accounts showed £7.5m and he would look at the difference.
10. Hugo said that he would like to know what had happened to the money. The administrator said he would look at this when he had been supplied with the information by the company.
11. The administrator was asked for his opinion on the transfer back agreement. He stated that the assets owned prior to the 2001 agreement might have transferred back to TTL Dynamics Limited ("TTL") although it was possible that this could be challenged.
12. The meeting generally thought that most of the development work and most of the physical assets were after 2001 and therefore the ownership of the business and assets rested with the company and is under the control of the administrator.
13. Donald was asked why there had been the 2001 agreement. Donald advised that this was to protect the interests of Freepower. However, Charles pointed out that it appeared to be in the interests of TTL rather than the company and it appeared to be in the interests of TTL for the company to fail.
14. Colin Payne mentioned that in the Spring of 2011 (February or March), the name on the web site had changed from Freepower to TTL, then Freepower Europe ("Europe") and back to Freepower.
15. Donald was asked regarding the ownership of Europe. Initially he said that Europe was a subsidiary of the company but when this was disputed he said that he thought although the shareholding was not in the company, Europe was set up to protect the interests of the company (effectively the shares were held in trust).
16. Jimmy was asked about his role. He advised that he had been a non executive director and that his experience had been in human resources ("HR"). Despite this he said that he had not been involved in HR decisions.
17. The administrator's proposals were discussed. At the time they were made the position was less clear. Subsequently the possibility of a company voluntary arrangement ("CVA") had been discussed with the directors. This would be as an alternative to the administrator realising the assets.
18. The benefit of a CVA is that the business could be restructured and restarted with the rights and entitlements of the creditors and shareholders reinstated, subject to modifications to avoid previous problems. The meeting agreed that they would like the administrator to pursue the possibility of a CVA.
19. Both Hugo and Charles stressed how dissatisfied they were with the conduct of the directors. They stressed the vulnerability of the directors to legal action if the damage done to the situation of the shareholders was not redressed.
20. It was agreed that the administrator would circulate the email addresses of those present so that the group could share information. The administrator asked that the group copy him in on communications where relevant.

Peter Hall, Administrator. 7th June 2011.