



LIGHTHOUSEGROUP

LIGHTHOUSEGROUP plc  
ANNUAL GENERAL MEETING  
2010



# LIGHTHOUSEGROUP

30 April 2010

Dear Shareholders,

## **Lighthouse Group plc: Annual General Meeting**

The 2010 Annual General Meeting ("**AGM**") of Lighthouse Group plc ("**Company**") will be held at 26 Throgmorton Street, London EC2N 2AN on 25 May 2010 at 12 midday.

### **Business of the AGM**

The purpose of this document is to give you details of the business that will be proposed at the AGM. The notice of AGM is set out at the end of this document and a form of proxy for use in connection with the AGM is enclosed.

Also enclosed with this letter is a copy of the Report and Accounts of the Company for the year ended 31<sup>st</sup> December 2009 and a letter requesting the individual consent of shareholders to enable the Company to communicate with them in the future by electronic means.

This year, shareholders will be asked to approve 10 Resolutions. Resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and Resolutions 8 to 10 (inclusive) will be proposed as special resolutions.

The Companies Act 2006, which makes various changes to company law, has now been fully implemented. Accordingly, as reported last year, the Company intends to adopt new Articles of Association to reflect fully the provisions of the Companies Act 2006 and to reflect best practice.

An explanation of the purpose of each of the Resolutions is set out below. As regards Resolution 10 by which it is proposed that new Articles of Association be adopted, in addition to the brief explanation of that Resolution below, there is set out in the Appendix to this letter a more detailed explanation of the changes to the existing Articles which will be made by virtue of the adoption of new Articles.

### **Explanation of Resolutions**

#### **Resolution 1: Annual Report and Accounts**

Each year the Directors of the Company are required to lay before the members in general meeting the annual accounts of the Company together with the Directors' report and Auditors' report on those accounts. Resolution 1 therefore deals with the receipt of such accounts and reports.

#### **Resolutions 2, 3, and 4: Reappointment of Directors**

Resolutions 2 and 3 propose the reappointment of Mr D Hickey and Mr R Last as Directors. This is in accordance with the Company's Articles of Association which require that one third of the Directors (or the number nearest to but not exceeding one-third), excluding for these purposes Directors appointed by the Board since the last Annual General Meeting, retire by rotation at each Annual General Meeting. The Directors who retire by rotation are those who have been Directors for the longest period of time since they were last appointed or reappointed by shareholders.

Resolution 4 proposes the reappointment of Mr M Ross as a Director. This is also in accordance with the Company's Articles of Association which require that any new Directors appointed by the Board must retire and seek reappointment at the next Annual General Meeting following their appointment. This gives shareholders the opportunity to confirm those appointments.

### **Resolution 5: Reappointment of Auditors and fixing their remuneration**

The Company is required to reappoint Auditors at each general meeting at which accounts are laid to hold office until the next such meeting. Therefore, Resolution 5 proposes the reappointment of KPMG Audit Plc as Auditors and, in accordance with normal practice, authorises the Directors to determine the Auditors' remuneration.

### **Resolution 6: Authority to allot shares**

The directors of a public company may only allot shares if they have been authorised to do so by shareholders in general meeting. Resolution 6 renews a similar authority given at last year's Annual General Meeting and, if passed, will authorise the Directors to allot shares in the capital of the Company up to an aggregate nominal amount of £439,542.33 (which represents approximately one third of the issued share capital of the Company at the date of this notice, together with the nominal value of shares over which options are exercisable in the period to which the authority relates). This limit is in line with the guidelines issued by the Investor Protection Committees. If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or on 25 August 2011 (whichever is earlier).

It is the Directors' intention to renew this authority each year to ensure that the Company has the flexibility to issue shares when required, although the Directors have no current plans to issue shares other than pursuant to the exercise of options. This resolution is being proposed as an ordinary resolution in accordance with the requirements of the Companies Act 2006.

### **Resolution 7: Authority to communicate with shareholders by electronic means**

Resolution 7 proposes that the Company be authorised, subject to it obtaining certain actual or deemed consents from its shareholders, to communicate with those shareholders by electronic means. The letter which accompanies this document is the method by which the Company is requesting those consents and so your attention is drawn to that letter.

If Resolution 7 is passed, provided a shareholder has agreed, by providing an electronic address at which communications may be sent to him/her in response to the Company's request, that documents or information may be sent or supplied to him/her in electronic form, it will allow the Company to send or supply documents or information to him/her at that electronic address in electronic form.

If Resolution 7 is passed, it will also allow the Company to take advantage of the deemed consent provisions in the Companies Act 2006 which allow the Company to treat a shareholder, of whom it has requested his/her individual consent to the supply of notices, documents and other information by means of a website and who has not responded to that request within 28 days, as having consented to the supply of documents and other information by making them available on a website. The Company must still notify that shareholder, by other permitted means, when a relevant document or information is placed on the website.

It should be noted however that, even if Resolution 7 is passed, shareholders may, if they do not give an electronic address in response to the Company's request (or, in the case of communications by means of a website, they do respond in the negative to a request by the Company to communicate with them by means of a website within 28 days of that request) continue to receive communications from the Company in hard copy form. Moreover, a shareholder may, in relation to a particular communication, request a hard copy of that communication or, at any time by serving written notice on the Company, revoke his consent to receiving communications from the Company by means of a website or in any other electronic form.

**Resolution 8: Power to disapply pre-emption rights**

The directors of a public company may not allot shares for cash unless they have first offered them to the existing shareholders in proportion to their existing shareholdings (i.e. on a fully pre-emptive basis). Resolution 8 renews a similar authority given at last year's Annual General Meeting and, if passed, will empower the Directors to allot shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £63,850.15 (which represents approximately five per cent. of the Company's issued share capital at the date of this notice, together with the nominal value of shares over which options are exercisable in the period to which the authority relates). This limit is in line with the guidelines issued by the Pre-emption Group. If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or on 25 August 2011 (whichever is earlier).

It is the Directors' intention to renew this authority each year to ensure that the Company has the flexibility to issue shares for cash on a non pre-emptive basis when required or on a pre-emptive basis in such a way which allows them to deal appropriately with overseas shareholders and fractional entitlements, although the Directors have no current plans to issue shares in this manner other than pursuant to the exercise of options. This resolution is being proposed as a special resolution in accordance with the requirements of the Companies Act 2006.

**Resolution 9: Purchase by the Company of its own shares**

A company may only make a market purchase of its own shares if the purchase has first been authorised by its shareholders in general meeting. Resolution 9, if passed, will allow the Company to buy back up to 12,770,029 ordinary shares in the market (representing approximately ten per cent. of the Company's issued share capital as at the date of this notice). The minimum and maximum prices for such a purchase are set out in the Resolution. If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or on 25 November 2011 (whichever is earlier).

It is the Directors' intention to renew this authority each year, again to give the Company flexibility, but the Directors have no current intention of exercising this authority and would only do so if they were satisfied that the purchase would be in the best interests of shareholders generally. This resolution is being proposed as a special resolution as, whereas the Companies Act 2006 requires an ordinary resolution, institutional investor guidelines and market practice recommend a special resolution.

**Resolution 10: Adoption of new Articles of Association**

Resolution 10 proposes that the Company's constitution be amended by the removal of a number of provisions of the Company's Memorandum of Association and by the adoption of new Articles of Association.

Such changes are being proposed as the implementation of the Companies Act 2006 is now complete and it is both necessary and desirable to reflect the provisions of that Act and other new legislation enacted and developments made in best practice since the date on which the existing Articles of Association were adopted. As mentioned above, a more detailed explanation of the changes to the existing Articles of Association which will be made by virtue of the adoption of new Articles of Association is set out in the Appendix.

I look forward to welcoming you at the 2010 Annual General Meeting.

Whether or not you are able to attend the AGM in person, please read the notice of AGM set out at the end of this document and the enclosed form of proxy, including the notes thereto, carefully and complete and return that form of proxy to ensure you are able to record your votes in respect of the Resolutions to be proposed at the AGM.

Yours faithfully,



David Hickey  
Chairman

## **APPENDIX - EXPLANATORY NOTES ON RESOLUTION 10**

As explained in the enclosed letter from the Chairman, the Company is seeking its shareholders' approval to the removal of a number of the provisions of its memorandum of association and the adoption of new articles of association, which reflect the changes in company law made as a result of the final provisions of the Companies Act 1985 ("**CA 1985**") being repealed and the remaining provisions of the Companies Act 2006 ("**CA 2006**") coming into force on 1 October 2009.

The new articles of association proposed to be adopted by the Company also incorporate provisions which reflect other legislation enacted since the date on which its existing articles of association were last updated, including The Companies (Shareholders' Rights) Regulations 2009, which came into force on 3 August 2009 (the "**Shareholders' Rights Regulations**") and The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009 (the "**Uncertificated Securities Order**"), which came into force on 1 October 2009. The new articles of association proposed to be adopted by the Company also reflect appropriate recent corporate governance recommendations and developments in best practice.

The principal changes which are proposed to be made to the Company's current articles of association (the "**Current Articles**") by virtue of the adoption of the new articles of association (the "**New Articles**") are explained below. In addition, a copy of the New Articles is available for inspection at the registered office of the Company, during normal working hours on business days, and on the Company's website, in each case from the date of the notice of meeting until the date of the meeting.

### **1. Company's Objects**

CA 2006 provides that a company's memorandum will now record only the names of the subscribers and the number of shares each subscriber has agreed to take in the company. CA 2006 also provides that, for companies incorporated prior to 1 October 2009 which have long-form memoranda, all provisions of such memoranda other than those of the nature described above, including the objects clause which traditionally set out the scope of the activities a company is authorised to undertake, are deemed to be contained in its articles of association. CA 2006 further permits companies to remove these deemed provisions from their articles by special resolution of the shareholders and specifies that, unless a company's articles provide otherwise, a company's objects are now unrestricted.

For these reasons, the Company is proposing to remove its objects clause, together with all other provisions of its memorandum which, by virtue of CA 2006, are now deemed to form part of its articles. Resolution 10 confirms the removal of these provisions. However, as the effect of Resolution 10 will also be to remove the statement currently contained in the Company's memorandum that the liability of its members is limited to the amount (if any) unpaid on their shares, the New Articles will contain an express statement that the members' liability is still limited in this way.

### **2. Authorised Share Capital and Issues of Shares**

CA 2006 removes the requirement for a company to have an authorised share capital. The New Articles reflect this. It should be noted that the directors of the Company will still be limited as to the number and nominal value of shares in the Company they can allot at any time as CA 2006 continues to require the directors to either have authority in a company's articles or to have authority by a resolution of the shareholders to allot shares, save in respect of shares allotted pursuant to employee share schemes.

The New Articles also contain similar provisions to the Current Articles giving the directors the authority and power to allot shares in the Company and to disapply statutory pre-emption rights on such allotment in accordance with appropriate resolutions passed at annual and other general meetings of the Company, save that they refer to the relevant provisions of CA 2006 under which such authorities and powers are granted.

### **3. Alterations to Share Capital and Financial Assistance**

Under CA 1985, a company required both specific enabling provisions in its articles of association and authority by a resolution of its shareholders to increase its share capital, consolidate or sub-divide its shares, cancel any unissued shares, reduce its share capital or other undistributable reserves and to purchase its own shares. Under CA 2006, a company will only require authority by a resolution of its shareholders to carry out these alterations to its share capital and it is no longer necessary for the articles of association to contain enabling provisions. Accordingly, the New Articles no longer contain any such enabling provisions. Nor do they contain any provision prohibiting the Company from giving financial assistance, as such prohibition is set out in CA 2006.

### **4. Redeemable Shares**

Under CA 1985, if a company wished to issue redeemable shares, it had to include in its articles of association the terms and manner of redemption of those shares. Under CA 2006, the directors are able to determine the terms and manner of redemption of shares, if authorised by the articles of association to do so. Accordingly, the New Articles contain such an authorisation. It should be noted that the directors have no current plans to issue redeemable shares and any such issue of redeemable shares would require authority by a resolution of the shareholders in the usual way.

### **5. Transfers of Shares**

The Current Articles permit the directors to refuse to register transfers of shares in certain circumstances. CA 2006 provides that, if the directors refuse to register the transfer of any share, they must give their reasons for such refusal to the proposed transferee of that share. The New Articles provide for the directors to give reasons for refusal, and to give such other information regarding those reasons as the transferee reasonably requests.

The Current Articles also permit the directors to suspend the registration of transfers of shares for up to 30 days. CA 2006 provides that share transfers must now be registered as soon as practicable. Accordingly, the New Articles remove the power for the directors to suspend the registration of share transfers.

### **6. Shareholder Meetings and Resolutions**

CA 2006 permits companies to convene general meetings, other than annual general meetings, on 14 days' notice, including for the purpose of proposing special resolutions. The New Articles reflect this ability for the Company to convene general meetings on 14 clear days' notice.

CA 2006 also removes the concepts of extraordinary general meetings and extraordinary resolutions, and the New Articles reflect this by referring simply to general meetings and special resolutions, in place of extraordinary general meetings and extraordinary resolutions.

The New Articles remove the distinction between ordinary and special business at general meetings, as neither CA 2006 requires, nor corporate governance or institutional investor guidelines recommend, such a distinction. They also remove the reference to the Company being able to pass resolutions in writing where executed by all the members, as CA 2006 no longer allows public companies to pass written resolutions.

In addition, the New Articles now specify that, if a general meeting is adjourned for want of a quorum, the board has absolute discretion to determine when such adjourned meeting shall be re-convened, but the Company must always give not less than seven clear days' notice of the adjourned meeting.

### **7. Proxies and Corporate Representatives**

CA 2006 enables members of a company which are corporations to appoint one or more representatives to exercise their rights at general meetings of that company. The Current Articles only enable members which are corporations to appoint a single representative. To reflect the enhanced rights of corporate members conferred by CA 2006, the New Articles provide that members which are corporations can appoint one or more representatives.

CA 2006 enables proxies appointed by members to exercise the voting rights of such members at general meetings, on a show of hands as well as on a poll, provided the articles of association of a company do not provide otherwise. The Shareholders' Rights Regulations amended CA 2006 so that it also now provides that proxies appointed by one or more members each have one vote on a show of hands, unless any such proxy is appointed by more than one member and has been instructed by such different members to vote in different ways, in which case that proxy has one vote for and one vote against the resolution on a show of hands. The Current Articles only enable proxies to vote on a poll. To reflect the new powers of proxies conferred by CA 2006, the New Articles provide that proxies can also vote on a show of hands and can exercise the number of votes on a show of hands as permitted by CA 2006. The New Articles also provide that proxies can now speak at general meetings and they expressly state that the Company may make facilities for electronic proxy voting available to its members, which is consistent with the practice adopted by the Company.

CA 2006 also now permits non-working days to be taken out of account for the purposes of determining the minimum 48 hour cut-off time prior to general meetings for proxy appointments in relation such meetings to be received. The Current Articles only enable proxy appointments to be lodged by not less than 48 hours prior to the meeting. To reflect the new flexibility introduced by CA 2006, the New Articles provide that the board can determine whether non-working days should be taken into account when calculating this 48 hour period.

This is also consistent with a new provision of the New Articles, which states that the board may only specify a time which is not more than 48 hours before a meeting by reference to which members must be entered in the register of members in order to vote at that meeting, and the board may determine whether any part of a day which is not a working day is taken into account in calculating that 48 hour period. It is also consistent with the Uncertificated Securities Order, which provides that the record date for determining the entitlement of members to vote at a general meeting must not be more than 48 hours before the meeting, not taking account of any part of a day which is not a working day.

In addition, the New Articles now specify that, where a poll is demanded, and the poll is taken more than 48 hours after it is demanded, proxy appointments can be delivered by not less than 24 hours prior to the time for taking the poll and, where the poll is taken less than 48 hours after it is demanded, proxy appointments in hard copy form can be handed to the chairman or any director of the meeting at which such poll was demanded.

## **8. Other Shareholder Matters**

Under CA 2006, as amended by the Shareholders' Rights Regulations, there is now a requirement for a proxy or corporate representative of a member to vote in accordance with the instructions given by that member. The New Articles clarify that the Company is not obliged to verify whether a proxy or corporate representative has voted in accordance with instructions and that the vote will not be invalidated by any failure by a proxy or corporate representative to vote in accordance with instructions.

The New Articles also remove the limitation that members who have not supplied an address for service in the United Kingdom will not be entitled to receive notices or other communications from the Company, although a less onerous limitation that an address for service within an EEA State must still be provided. These changes are considered appropriate in view of the different ways in which the Company may be able to communicate with its shareholders, while still acknowledging the difficulties caused by external EEA securities law restrictions.

## **9. Directors' Appointment, Retirement and Removal**

The Current Articles provide that directors are to retire by rotation, such that at least one third of the board retires and is eligible for re-election at each annual general meeting. The New Articles reflect the recommendations made in the Combined Code that each director who has been in office for three years since his appointment or last re-appointment retire, and be eligible for re-election, at annual general meetings and every non-executive director who has been in office for nine years or more since his appointment or last re-appointment retire, and be eligible for re-election, at annual general meetings.

The Current Articles contain provision that no person is ineligible to be a director by reason of his having attained the age of 70 but that additional information be given regarding the re-appointment of any such director. The New Articles no longer contain any such provisions as CA 2006 does not impose any maximum age limit on directors and treating directors differently by reason of their age in terms of giving additional information could be considered contrary to age discrimination legislation.

The Current Articles also specify certain circumstances in which directors must vacate their office, including by reference to mental illness. The New Articles update these provisions to reflect the approach taken to the incapacity of directors caused by both mental and physical illness in the model articles for public companies produced by the Department for Business, Innovation and Skills.

## **10. Other Director Matters**

The New Articles retain the same method of determining the aggregate cap on directors' fees as the Current Articles. However, as such method is an amount increasing year on year in line with General Retail Prices Index, the cap now stands at £130,000 for the current year, and will continue to increase by reference to the General Retail Prices Index in future years.

The New Articles also remove the limitation that directors who are or intend to be absent from the United Kingdom who have not supplied an address for service of notices of board meetings in the United Kingdom are not entitled to receive notice of board meetings during that time. Such provision is no longer considered appropriate in view of the Company's ability to communicate with its directors by electronic means.

The provisions of the New Articles which relate to the powers of the Company to indemnify directors and other officers (other than auditors) out of its own funds in respect of certain liabilities incurred by them in connection with their duties towards the Company and to maintain insurance for the benefit of such officers have been updated to reflect the full powers available to companies in this regard under CA 2006. In particular, the indemnity provisions have extended to enable the Company to provide funds to officers to avoid them incurring expenditure in certain circumstances. The New Articles also clarify that these powers are exercisable at the discretion of the board of directors and, as such, it is considered appropriate to ensure that the board has the maximum flexibility to do as the law permits.

## **11. Notices and Electronic Communications**

The Current Articles contain provisions which, subject to the requirements of CA 2006, including the requirements to seek individual consents from shareholders in certain circumstances and for a company to give specific consent in other circumstances, enable the Company to send and receive documents and other information in both hard copy and electronic copy.

In particular, specific provisions have been included throughout the New Articles which permit the Company, where it has obtained the necessary consents, to send notices and other communications to its shareholders by means of a website or by other electronic means and enables shareholders, where the Company has given the necessary permission, to lodge certain documents, including in particular proxy appointments, with the Company by electronic means.

Other minor amendments have also been made to the notices provisions which give the Company greater flexibility. For example, the Company need no longer continue to attempt to communicate with shareholders at their service addresses provided after it has made consecutive failed attempts to contact them at such addresses and the Company need no longer exhibit notices at its registered office.

## **12. Use of Company Seals**

Under CA 1985, a company required authority in its articles of association to have an official seal for use abroad. Under CA 2006, such authority is no longer required and, accordingly, the relevant authorisation has been removed in the New Articles.

The ways in which the Company may execute documents to which the Seal is affixed are also now clarified in the New Articles, as CA 2006 permits any document (other than share and other securities certificates) to which a company's seal is affixed to be signed by a single director in the presence of a witness, rather than just a director and the secretary or two directors.

### **13. Change of Company Name**

Under CA 1985, a company could only change its name by special resolution of the shareholders. Under CA 2006, a company is 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. It should be noted that the directors have no present intention to change the Company's name, and any future decision of the directors to change the Company's name would be taken carefully having due regard to the expectations of the Company's members and any goodwill attaching to that name.

### **14. Other Miscellaneous Matters**

A number of other more minor amendments have been made to the New Articles as compared with the Current Articles, either to bring them into line with current law and best practice, to remove provisions which simply repeat the law or to ensure they are consistent and use clear language throughout.

For example, all references to CA 1985 have now been replaced with references to the appropriate re-enacted provisions of CA 2006, and all other references to outdated legislation have been updated.

Provisions relating to the Company keeping accounting records, causing records and minutes of directors appointments and proceedings to be kept and maintaining a register of charges have all been removed as they simply repeat the requirements of CA 2006.

Provisions which refer to the business of the Company being carried out in accordance with the memorandum of association have been removed, as the objects of the Company previously contained in its memorandum have been removed, as explained above.

In addition, new provisions have been included in the New Articles for how shares are dealt with when held by custodians and to refer to treasury shares, where appropriate.

# Lighthouse Group plc

## Notice of the Annual General Meeting

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Notice is hereby given that the Annual General Meeting of Lighthouse Group plc will be held at 26 Throgmorton Street, London EC2N 2AN on 25 May 2010 at 12 midday when the following business will be transacted:-

To consider and, if thought fit, to pass the following Resolutions, of which Resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and Resolutions 8 to 10 (inclusive) will be proposed as special resolutions:-

### Ordinary Business

1. To receive the Report of the Directors and the Accounts of the Company for the period ended 31<sup>st</sup> December 2009 together with the Auditors' Report thereon.
2. To re-appoint Mr D Hickey, who is retiring from the Board in accordance with the Articles of Association, as a Director of the Company.
3. To reappoint Mr R Last, who is retiring from the Board in accordance with the Articles of Association, as a Director of the Company.
4. To reappoint Mr M Ross, who has been appointed to the Board since the last Annual General Meeting, as a Director of the Company.
5. To re-appoint KPMG Audit Plc as Auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which Accounts are laid and to authorise the Directors to fix their remuneration.

### Special Business

#### ORDINARY RESOLUTIONS:

6. THAT the Directors of the Company for the time being be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("the Act"), in substitution for all existing authorities granted under that section or its equivalent under the Companies Act 1985 (to the extent unused), to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate nominal amount of £439,542.33, provided that the authority hereby conferred shall (unless previously revoked, varied or renewed by the Company) expire at the conclusion of the Annual General Meeting of the Company to be held in 2011 or on 25 August 2011 (whichever is the earlier), save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority hereby conferred had not expired.
7. THAT the Company be and is hereby authorised, subject to and in accordance with the provisions of the Companies Act 2006, to send and supply all types of notices, documents and information to the members of the Company by means of electronic equipment for the processing, storage and transmission of data, using wires, radio optical technologies, or any other electronic means, including without limitation by making such notices, documents or information available on a website.

## SPECIAL RESOLUTIONS:

8. THAT, subject to the passing of Resolution 6 above, the Directors of the Company for the time being be and they are hereby generally and unconditionally empowered pursuant to section 570 of the Companies Act 2006 ("the Act"), in substitution for all existing authorities granted under that section or its equivalent under the Companies Act 1985 (to the extent unused), to exercise all the powers of the Company to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred by Resolution 6 above as if section 561 of the Act did not apply to such allotment, provided that the power hereby conferred shall be limited to:

- (i) the allotment of equity securities in connection with an offer of such securities (whether by open offer, rights issue or otherwise) to the holders of equity securities in proportion (as nearly as may be) to the respective amounts of equity securities held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange;
- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £63,850.15,

and (unless previously revoked, varied or renewed by the Company) shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2011 or on 25 August 2011 (whichever is the earlier), save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired.

9. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ("the Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares of £0.01 each in the capital of the Company ("Shares") provided that:

- (a) the maximum number of Shares which is hereby authorised to be purchased is 12,770,029;
- (b) the minimum price (exclusive of expenses) which may be paid for a Share is £0.01;
- (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from the AIM section of the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Share is contracted to be purchased,

and (unless previously revoked, varied or renewed by the Company) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or on 25 November 2011 (whichever is the earlier), save that the Company may before such expiry enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and the Company may make a purchase of Shares pursuant to any such contract as if the authority hereby conferred had not expired.

10. THAT:

- (a) the Articles of Association of the Company be amended by deleting all the provision of the Company's Memorandum of Association which, by virtue of section 28 Companies Act 2006, are treated as provisions of the Company's Articles of Association; and

- (b) the Articles of Association produced to the meeting (and initialled by the Chairman of the meeting for the purposes of identification) be and are hereby 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:

**M S Ross**

30 April 2010

Director and Company Secretary

REGISTERED OFFICE:

26 Throgmorton Street

London EC2N 2AN

REGISTERED NUMBER: 04042743