

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other authorised professional adviser.

If you have sold or otherwise transferred all of your The Vitec Group plc ordinary shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

The Vitec Group plc

(incorporated and registered in England and Wales under number 227691)

Notice of Annual General Meeting

Notice of the Annual General Meeting of The Vitec Group plc to be held at the offices of Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB on Monday, 17 May 2010 at 2.30 p.m. is set out in this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by 2.30 p.m. on Saturday, 15 May 2010.



Chairman's Letter

12 April 2010

Chairman's Letter

To the Ordinary Shareholders of The Vitec Group plc

Notice of Annual General Meeting

Dear Shareholder,

I am pleased to be writing to you with details of the Annual General Meeting ("AGM") of the Company.

The AGM will be held on Monday, 17 May 2010 at the offices of Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB at 2.30 p.m. and the formal notice of the AGM (the "Notice") can be found on page 3 of this document. Explanatory notes on all the business to be considered at this year's AGM can be found on pages 4 to 5.

Whether you propose to come to the AGM or not, please complete the enclosed proxy form and return it to our registrars as soon as possible. They must receive it by no later than 2.30 p.m. on Saturday, 15 May 2010. The return of the proxy form will not prevent you from attending the AGM and voting in person should you so wish.

Final dividend

Shareholders are being asked to approve a final dividend of 10.9 pence per ordinary share for the year ended 31 December 2009. If approved the recommended final dividend will be paid on Thursday, 20 May 2010 to all ordinary shareholders who were on the register of members on Friday, 23 April 2010.

Overseas shareholders may wish to consider electing to receive their dividends in a local currency instead of in Sterling. Details on this can be obtained from our registrars, Capita Registrars either by calling telephone 0871 664 0300, writing to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or alternatively going to their website www.capitaregistrars.com and following the links. Any election to receive dividends in local currency in respect of the final dividend for the year ended 31 December 2009 must be received by Capita Registrars no later than the record date for the final dividend of 23 April 2010.

The Company also offers a Dividend Reinvestment Plan that allows shareholders to re-invest dividends to purchase additional shares in the Company. Details on the Plan can be obtained from Capita Registrars.

Directors

After taking account of the debate on this aspect of corporate governance, the Board has decided that all directors of the Company should stand for re-appointment annually instead of the traditional practice of every third year. Accordingly we ask shareholders to approve the re-appointment of each existing member of the Board. Biographical details for each director are set out on page 24 of the Annual Report.

New Articles of Association

We are asking shareholders to approve a number of amendments to our articles of association primarily to reflect the implementation of the Shareholder Rights Directive in the UK (which came into force in August 2009) and the remaining provisions of the Companies Act 2006 (which came into force in October 2009). An explanation of the main changes between the proposed and the existing articles of association is set out in Part 3 on page 7 of this document.

Notice of General Meetings

One of the requirements of the Shareholder Rights Directive is that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period. We are currently able to call general meetings (other than annual general meetings) on 14 days' notice having sought such authority from shareholders at the 2009 AGM. This authority expires at the 2010 AGM and we are proposing a resolution at the 2010 AGM renewing this authority so that we can continue to be able to do so.

Recommendation

The Directors consider that all of the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your directors will be voting in favour of them in respect of their respective share interests in the Company and unanimously recommend that you do so as well.

Yours sincerely,

Michael Harper
Chairman

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of The Vitec Group plc (the "Company") will be held at the offices of Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB on Monday, 17 May 2010 at 2.30 p.m. Resolutions 1 to 12 are deemed to be ordinary business of the meeting as the Company considers these to be matters that would usually be dealt with at an AGM. Resolutions 13 to 17 are deemed to be special business of the meeting.

You will be asked to consider and pass the resolutions below. Resolutions 1 to 13 will be proposed as ordinary resolutions. Resolutions 14 to 17 will be proposed as special resolutions.

Ordinary Resolutions

1. That the audited accounts, and the auditors' report thereon, and the directors' report for the year ended 31 December 2009 be adopted.
2. That the Remuneration Committee's report for the year ended 31 December 2009 be approved.
3. That a final dividend of 10.9 pence per ordinary share for the year ended 31 December 2009 be declared and paid on 20 May 2010 to all ordinary shareholders who were on the register of members on 23 April 2010.
4. That Michael Harper be re-appointed as a director of the Company.
5. That Stephen Bird be re-appointed as a director of the Company.
6. That Richard Cotton be re-appointed as a director of the Company.
7. That Will Wyatt be re-appointed as a director of the Company.
8. That Simon Beresford-Wylie be re-appointed as a director of the Company.
9. That Nigel Moore be re-appointed as a director of the Company.
10. That Maria Richter be re-appointed as a director of the Company.
11. That KPMG Audit Plc be re-appointed as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
12. That the directors be authorised to determine the remuneration of the auditors.
13. That the directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to a nominal amount of £2,854,523 so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to expire at the conclusion of next year's Annual General Meeting (or, if earlier, on the close of business on 17 August 2011) save that the Company may, before such expiry, make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

This resolution shall not authorise the directors to exercise powers of the Company to allot any equity securities in connection with an offer by way of a rights issue.
14. That, subject to the approval of resolution 13, the directors be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or where the allotment is treated as an allotment of equity securities under section 560(3) of the Companies Act 2006, free of the restriction in section 561(1) of the Companies Act 2006; such power to be limited in the case of the authority granted under resolution 13 and/or in the case of any transfer of treasury shares which is treated as an allotment of equity securities under section 560(3) of the Companies Act 2006, to the allotment of equity securities up to a nominal amount of £428,178 such power to expire at the conclusion of next year's Annual General Meeting or, if earlier, on the close of business on 17 August 2011 save that the Company may, before such expiry, make offers, and enter into agreements, which would, or might, require equity securities to be allotted or treasury shares to be sold after such expiry and the directors may allot equity securities and sell treasury shares in pursuance of such offer or agreement as if the power conferred hereby had not expired.
15. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Act) of its ordinary shares of 20 pence each ('Ordinary Shares'), such power to be limited:
 - (i) to a maximum number of 2,140,892 Ordinary Shares;
 - (ii) by the condition that the minimum price which may be paid for an Ordinary Share is 20 pence and the maximum price which may be paid for an Ordinary Share is the highest of:
 - (A) an amount equal to 5 per cent. above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
 - (B) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,in each case, exclusive of expenses, such power to expire at the conclusion of next year's Annual General Meeting or, if earlier, on the close of business on 17 August 2011 save that, in each case, the Company may enter into a contract or contracts to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the expiry of such power and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.
16. That with effect from the date of this meeting:
 - (i) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
 - (ii) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.
17. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Jon Bolton

Group Company Secretary
12 April 2010

Registered Office: One Wheatfield Way
Kingston upon Thames
KT1 2TU
Registered in England and Wales No.227691

Special Resolutions

14. That, subject to the approval of resolution 13, the directors be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or where the allotment is treated as an allotment of equity securities under section 560(3) of the Companies Act 2006, free of the restriction in section 561(1) of the Companies Act 2006; such power to be limited in the

Explanatory notes to the business of the Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 13 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 14 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Report and Accounts

The directors must present their report and audited Group accounts for the year ended 31 December 2009 to the meeting. This gives shareholders the opportunity to ask questions on the content before voting on the resolution. The annual report may also be accessed on the Company's website at www.vitecgroup.com. Copies of these documents will be available at the meeting.

Resolution 2: Directors' Remuneration report

Companies with a listing on the London Stock Exchange must present their Directors' Remuneration Report to the shareholders for an advisory vote. The Remuneration Report is set out in full in the annual report.

Resolution 3: Final Dividend

The Directors have recommended a final dividend for the year ended 31 December 2009 of 10.9 pence per ordinary share. Subject to approval at the AGM, the final dividend will be paid on 20 May 2010 to eligible shareholders on the register of members of the Company at close of business on 23 April 2010.

Resolutions 4 to 10: Reappointment of Michael Harper, Stephen Bird, Richard Cotton, Will Wyatt, Simon Beresford-Wylie, Nigel Moore and Maria Richter as Directors

The existing Articles of Association of the Company require that each director must offer himself or herself for re-appointment every three years. After taking account of the debate on this aspect of corporate governance the directors consider that each director should stand for re-appointment annually. Accordingly a resolution for each director to seek re-appointment is included in the notice. The Company's proposed new articles of association under resolution 16 contain such a provision going forward.

In accordance with the Combined Code, it is confirmed that a formal performance evaluation has been carried out and that each of these directors continues to be an effective member of the Board and to demonstrate commitment to the role.

Resolutions 11 and 12: Reappointment of KPMG Audit Plc as auditors and authorisation for the Directors to set the auditors' remuneration

The Company is obliged by law to re-appoint its auditors annually. The audit committee considered the re-appointment of KPMG Audit Plc at its meeting on 24 February 2010 and recommended the reappointment to the Board of directors. Resolution 11 seeks to reappoint KPMG Audit Plc as auditors to hold office until the next general meeting at which accounts are laid before the Company.

Resolution 12 seeks to authorise the Board to set the remuneration payable to the auditors of the Company. Details of the remuneration paid to KPMG Audit Plc during the year ended 31 December 2009 may be found in the annual report.

Resolution 13: Allotment of share capital

This resolution would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £2,854,523 (representing 14,272,615 ordinary shares of 20 pence each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 29 March 2010, the latest practicable date prior to publication of this Notice.

The authorities sought under this resolution will expire at the earlier of 17 August 2011 or the conclusion of the AGM of the Company held in 2011.

The directors have no present intention to exercise the authority sought under this resolution other than to allot shares to satisfy the exercise of share options to employees of the Company under the Company's share schemes including Sharesave.

In addition, directors will not be authorised to exercise powers of the Company to allot equity securities in connection with any offer by way of a rights issue.

As at 29 March 2010, the latest practicable date prior to publication of this Notice, 150,000 ordinary shares are held by the Company in treasury.

Resolution 14: Disapplication of pre-emption rights

This special resolution would give the directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. Equity securities are ordinary shares in the Company.

This authority would be, similar to previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £428,178 (representing 2,140,890 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 29 March 2010, the latest practicable date prior to publication of this Notice.

In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 17 August 2011 and the conclusion of the AGM of the Company held in 2011.

Resolution 15: Authority to purchase shares on the market

This special resolution seeks authority for the Company to purchase up to 5 per cent. of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous AGMs. The Company purchased no ordinary shares in the period from the last AGM to 29 March 2010 under the existing authority.

The Directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The Directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any ordinary shares the Company may purchase as treasury shares. The Company currently has 150,000 ordinary shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is 20 pence (its nominal value). The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 105% of the average market value for an ordinary share for the

five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 1,915,003 ordinary shares, representing 4.4 per cent. of the Company's ordinary issued share capital (excluding treasury shares) as at 29 March 2010. If the authority given by resolution 15 were to be fully used, these would represent 5 per cent. of the Company's ordinary issued share capital (excluding treasury shares) at that date.

The authority will expire at the earlier of 17 August 2011 and the conclusion of the AGM of the Company held in 2011.

Resolution 16: Adoption of new articles of association

This special resolution proposes to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of the coming into force of the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") and, the implementation of the last parts of the Companies Act 2006 that came into effect in October 2009.

The principal changes introduced in the New Articles are summarised in Part 3. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 or, the Shareholders' Rights Regulations, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in Part 3. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 6 of this document.

Resolution 17: Notice of general meetings

This special resolution is required to reflect changes made to the Companies Act 2006 by the Shareholders' Rights Regulations which increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (AGMs will continue to be held on at least 21 clear days' notice.)

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings, other than an AGM, on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, this resolution seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. A similar authority was sought and given by shareholders at the 2009 AGM in anticipation of the Shareholders' Rights Regulations coming into effect in August 2009.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Notes to AGM circular

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0300 (UK only) or +44 (0)20 8639 3399 (Overseas only). (Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. Calls cost 10p per minute plus network extras).
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 2.30 p.m. on 15 May 2010.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by close of business on Friday, 14 May 2010 (or, in the event of any adjournment, by close of business on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 29 March 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 42,817,848 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 March 2010 are 42,817,848.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 8.00 p.m. on Friday, 14 May 2010. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to:
 - (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM;
 - or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at <http://www.vitecgroup.com>
16. The following documents will be available for inspection at the Company's registered office situated at One Wheatfield Way, Kingston upon Thames KT1 2TU during normal business hours on each business day from the date of this notice up to the date of the AGM and at the offices of Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB from 30 minutes before the AGM until it ends:
 - Copies of the executive directors' service contracts;
 - Copies of letters of appointment of the non-executive directors (including Chairman); and
 - Existing and proposed new Articles of Association.

Explanatory notes of principal changes to the Company's articles of association

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of the subscribers (the first shareholders of the company on incorporation) and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 16 (i) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the new Articles also contain an express statement regarding the limited liability of shareholders.

2. Articles which duplicate statutory provisions

Provisions in the current Articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the new Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the new Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

4. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The new Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

5. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the new Articles.

6. Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the new Articles.

The new Articles provide an alternative option for execution of documents (other than share certificates). Under the new Articles, when the seal is affixed to a document it may be signed by one director in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

7. Re-appointment of Directors

It is proposed that under the new Articles all directors seek re-appointment on an annual basis from shareholders at the Annual General Meeting. The current articles require that directors seek re-appointment every three years.

8. Expenses and Indemnities of Directors

The new Articles permit expenditure to cover a former director's (or former director of any holding companies of the Company) expenditure for purposes permitted under the Companies Act 2006. In addition, the new Articles have been amended to allow the Company to indemnify former directors of the Company.

9. Vacation of office by directors

The current Articles specify the circumstances in which a director must vacate office. The new Articles update these provisions to treat physical illness in the same manner as mental illness.

10. Voting by proxies on a show of hands

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The new Articles remove provisions in the current Articles dealing with proxy voting on the basis that these are dealt with in the Companies Act 2006 and contain a provision clarifying how the provision of the Companies Act 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities.

11. Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Companies Act 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The new Articles remove provisions in the current Articles dealing with voting by corporate representatives on the basis that they are dealt with in the Companies Act 2006.

12. Chairman's casting vote

The new Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Companies Act 2006.

13. Adjournments for lack of quorum

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The current Articles have been changed to reflect this requirement.

14. General

Generally the opportunity has been taken to bring clearer language into the new Articles and in some areas to conform the language of the new Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

