

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant, bank manager or other financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom, or from another appropriate independent financial adviser if you are resident in any territory outside the United Kingdom.

If you have sold or transferred all your ordinary shares in Pace plc, please send this document, together with the related form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred, or sell or transfer as above, part only of your holding of shares in Pace plc, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

PACE plc

(Registered in England and Wales under registered number: 1672847)

NOTICE IS HEREBY GIVEN that the annual general meeting of Pace plc (the "Company") will be held at Salts Mill, Victoria Road, Saltaire, West Yorkshire, BD18 3LF at 2.00 p.m. on Monday 19 April 2010 for the following purposes:

ORDINARY BUSINESS

- RESOLUTION 1** To receive and, if thought fit, to adopt the report of the directors of the Company and the accounts of the Company for the year ended 31 December 2009 and the auditors' report thereon.
- RESOLUTION 2** To approve the remuneration report of the directors for the year ended 31 December 2009.
- RESOLUTION 3** To declare a final dividend of 1.0 pence per ordinary share in respect of the year ended 31 December 2009.
- RESOLUTION 4** To re-elect Neil Gaydon as a director of the Company.
- RESOLUTION 5** To re-elect Pat Chapman-Pincher as a director of the Company.
- RESOLUTION 6** To re-appoint KPMG Audit Plc as auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to determine the auditors' remuneration.

SPECIAL BUSINESS

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

- RESOLUTION 7** (a) THAT the directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £5,061,773 provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 19 July 2011, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired, and additionally,

NOTICE OF AGM RESOLUTIONS

continued

- (b) THAT the directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in Section 560 of the Act) in connection with an offer by way of a rights issue in favour of holders of ordinary shares where the new equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, up to an aggregate nominal amount of £5,061,773 provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 19 July 2011, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired,
- (c) THAT all previous unutilised authorities given to the directors pursuant to Section 80 of the Companies Act 1985 (the "1985 Act") and Section 551 of the Act shall be revoked (save to the extent that the same are exercisable pursuant to Section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or Rights to be granted on or after that date).

RESOLUTION 8 THAT, subject to the passing of resolution 7, the directors be and are hereby generally empowered, pursuant to Section 570 of the Act, to allot equity securities (as defined in Section 560 of the Act) for cash, pursuant to the authority conferred by resolution 7 as if Section 561 of the Act did not apply to such allotment, provided that this power shall be limited to:

- (a) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the capital of the Company and, if in accordance with their rights the directors so determine, holders of other equity securities of any class made in proportion (as nearly as may be) to their existing holdings of ordinary shares or (as the case may be) other equity securities of the class concerned (so that any offer to holders of other equity securities of any class shall be on the basis of their rights to receive such offer and, failing which, shall be on the basis that their holdings had been converted into or that they had subscribed for ordinary shares on the basis then applicable) but subject to the directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient:
 - (i) to deal with equity securities representing fractional entitlements; and
 - (ii) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange, in any territory; and
- (b) the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities for cash up to an aggregate nominal value of £759,266, and this power, unless renewed, shall expire on the earlier of the conclusion of the next following annual general meeting of the Company and 19 July 2011, provided that the Company may at any time prior to the expiry of the power conferred by this resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. All previous unutilised authorities under Section 95 of the 1985 Act and Sections 570 and 573 of the Act shall cease to have effect.

RESOLUTION 9 THAT the Company be generally and unconditionally authorised for the purpose of Section 701 of the Act to make one or more market purchases (as defined in Section 693(4) of the Act) of ordinary shares of 5 pence each in the capital of the Company provided that:

- (a) the maximum aggregate number of ordinary shares that may be purchased is 45,545,000;
- (b) the minimum price (excluding expenses) which may be paid for each ordinary share is 5 pence (being the nominal value thereof);
- (c) the maximum price (excluding expenses) which may be paid for any ordinary share is the higher of:
 - (i) an amount equal to 105% of the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
 - (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid as derived from the London Stock Exchange Trading System (SETS); and
- (d) this authority, unless renewed, shall expire at the earlier of the conclusion of the next annual general meeting of the Company and 19 July 2011 (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry). All previous unutilised authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and where such purchase has not yet been executed.

RESOLUTION 10 THAT:

- (a) 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 Act, are to be 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 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.

RESOLUTION 11 THAT a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated: 16 March 2010

By order of the Board

Anthony J Dixon

Company Secretary

Registered Office:

Salts Mill, Victoria Road, Saltaire, West Yorkshire, BD18 3LF

Notes

(1) Your right to appoint a proxy

A member (shareholder) of the Company who is entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and to vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this Notice, and guidance on how to complete the form is set out in Note 4 below. A shareholder can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

(2) Your entitlement to vote

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders entered on the register of members of the Company as at 2.00 p.m. on 17 April 2010 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time. If the Meeting is adjourned, the time by which a person must be entered on the register of members is 6.00 p.m. on the day preceding the date fixed for the adjourned Meeting. Changes to entries on the Company's register of members after the relevant time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

(3) Documents available for inspection

Copies of the service contracts and letters of appointment of the directors of the Company, the register of members, the details of proxies, the current Articles of Association, the register of the interests of directors (and their families) in the shares of the Company and the new Articles of Association proposed to be adopted pursuant to resolution 10 are available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and Bank Holidays excepted) and will also be available for inspection at the annual general meeting from 1.00 p.m. on 19 April 2010 until the conclusion of the Meeting.

The current Articles of Association of the Company and the new Articles of Association proposed to be adopted pursuant to resolution 10 will also be available for inspection during normal business hours (Saturdays, Sundays and Bank Holidays excepted) at the offices of Pinsent Masons LLP, CityPoint, One Ropemaker Street, London EC2Y 9AH until the conclusion of the Meeting.

(4) How to fill in the form of proxy

In order to appoint a proxy you should sign and return the enclosed Form of Proxy to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive not later than 2.00 p.m. on Saturday 17 April 2010 or, if the Meeting is adjourned, not later than 48 hours before the time the adjourned meeting is due to start. You may also deliver the Form of Proxy by hand to the same address during usual business hours. If you do not specifically nominate another person to attend the Meeting and to vote on your behalf, the Chairman of the Meeting will be appointed as your proxy and will vote or abstain on a poll, on your behalf in accordance with your instructions.

If you wish to appoint as your proxy someone other than the Chairman, cross out the words "the Chairman of the Meeting or " on the Form of Proxy and write the full name of your proxy in the space provided - you can appoint more than one proxy if you wish. Please remember to ensure that the person concerned is able to attend the Meeting.

If you wish to instruct your proxy how to vote or abstain on each resolution in the event of a poll, please put an "X" in the appropriate box alongside each of the resolutions (which are shown in abbreviated form and numbered in the same order as shown in the Notice of Meeting) on the Form of Proxy. Please note that if you do not give any instructions on a particular resolution, your proxy may vote or abstain on the resolution as he or she thinks fit. Unless you instruct otherwise, your proxy may vote or abstain as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the Meeting. Completing and returning the Form of Proxy will not prevent you from attending the Meeting and voting in person.

(5) Voting rights

As at 8 March 2010 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 303,706,433 ordinary shares carrying one vote each. Every member has one vote on a show of hands and, on a poll, one vote for each share held.

(6) Nominated Persons

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 annual general meeting. 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.

The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

(7) CREST Members

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 appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.

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 & 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 2 pm on 17 April 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.

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 mean 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.

NOTES

continued

(8) Corporate Representatives

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) 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.

(9) Other

It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts that are to be laid before the AGM or any circumstance connected with an auditor of the Company ceasing to hold office since the annual general meeting held in 2009. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on its website.

Explanatory notes to the resolutions

RESOLUTION 1

The Directors will present their report and the audited accounts for the year ended 31 December 2009 together with the auditors' report thereon.

RESOLUTION 2

Shareholders are given the opportunity by law to vote on whether or not they approve the directors' remuneration report. In accordance with legislation, approval of the directors' remuneration report is proposed as an ordinary resolution.

RESOLUTION 3

Final dividends are approved by the shareholders of the Company but cannot be more than the amount recommended by the directors. The directors are recommending a final dividend for the year ended 31 December 2009 of 1.00 pence per ordinary share due and payable on 2 July 2010 to the Shareholders on the register at close of business on 4 June 2010. This resolution seeks Shareholders' approval of the proposed dividend.

RESOLUTIONS 4-5

The Articles of Association of the Company require a proportion of the directors to retire at each annual general meeting of the Company. In addition, the Combined Code on Corporate Governance recommends that directors should submit themselves for re-election at least once every three years. This year two of the current directors, Neil Gaydon and Pat Chapman-Pincher, will retire and each offer themselves for re-election. Biographical details relating to each director can be found on pages 12 and 13 of the Company's annual report and accounts for the year ended 31 December 2009 (the "Annual Report").

RESOLUTION 6

The Company is required to appoint auditors at each general meeting at which accounts are laid before shareholders, to hold office until the next such meeting. The resolution proposes that KPMG Audit Plc be re-appointed as auditors for the current year and that the directors be authorised to set their fees.

RESOLUTION 7

Section 549 of the Companies Act 2006 provides, in relation to all companies, that the directors may not allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company unless authorised to do so by the Company in general meeting or by its Articles of Association. Accordingly, this resolution seeks renewal, for a further period expiring at the earlier of the close of the next annual general meeting of the Company and 19 July 2011, of the authority previously granted to the directors at the last annual general meeting of the Company. This authority will relate to a total of 101,235,460 ordinary shares of 5 pence each, representing approximately one third of the Company's issued share capital as at the date of this Notice.

In line with institutional investor guidelines, the directors have also sought additional authority to allot further ordinary shares of up to an amount representing one third of the issued ordinary share capital of the Company in connection only with a fully pre-emptive rights issue, which is an issue of shares in which all ordinary shareholders are offered an opportunity to participate in proportion to their existing holdings of ordinary shares.

The directors have no present intention of allotting, or agreeing to allot, any shares otherwise than in connection with employee share schemes, to the extent permitted by such schemes.

EXPLANATORY NOTES

continued

RESOLUTION 8

If the directors wish to allot any of the unissued shares of the Company for cash in accordance with the authority granted at this year's annual general meeting, the Companies Act 2006 requires that the new shares must generally be offered first to shareholders in proportion to their existing shareholdings.

In certain circumstances, it may be in the interests of the Company for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders. In line with normal practice, this resolution, which will be proposed as a special resolution, seeks approval to renew the current authority to exclude the statutory pre-emption rights for issues of shares having a maximum aggregate nominal value of up to £759,266, representing 5% of the Company's issued share capital as at the date of this Notice.

In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, the resolution also permits the directors to make appropriate exclusions or arrangements to deal with such difficulties.

This authority would be effective until the earlier of the conclusion of the next annual general meeting of the Company or 19 July 2011. The directors believe that obtaining this authority is in the best interests of Shareholders as a whole and recommend that Shareholders vote in favour of this resolution.

RESOLUTION 9

With the authority of the shareholders of the Company in general meeting, the Company is empowered by its Articles of Association to purchase its own shares subject to the provisions of the Companies Act 2006. The directors believe that, in common with many other listed companies, it is prudent to seek general authority from the Shareholders now in order that they may act if circumstances arise in which they consider such purchases to be desirable. Resolution 9, which will be proposed as a special resolution, authorises the purchase by the Company of up to 45,545,000 ordinary shares (representing 14.99% of the issued share capital as at 8 March 2010) and sets the minimum and maximum prices at which they may be bought.

The directors will use this authority only after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. The directors will only purchase and cancel such shares after taking into account the effect on earnings per share and in the best interests of Shareholders generally. The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review. Any purchases pursuant to this authority would only be made on the London Stock Exchange. The authority will be valid until the earlier of the conclusion of the next annual general meeting and 19 July 2011. The directors intend to seek the renewal of these powers at subsequent annual general meetings.

A listed company is not required to cancel shares it acquires and can hold its own shares subject to certain restrictions. A company has the choice of either cancelling or retaining for later use any shares purchased. Shares held by a company in this way are known as "treasury shares". The Company would consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends would be paid on shares whilst held in treasury and no voting rights would attach to any such treasury shares. Prior to any repurchase the Company will advise shareholders through a Regulatory Information Service if any shares repurchased are to be cancelled.

EXPLANATORY NOTES

continued

On 8 March 2010 there were options to subscribe for 25,132,888 ordinary shares in the capital of the Company, representing 8.28% of the Company's issued ordinary share capital. If the authority to purchase the Company's ordinary shares was exercised in full and those shares were subsequently cancelled, then these options would together represent 9.74% of the Company's issued and voting ordinary share capital as at the date of this Notice.

The directors believe that obtaining this authority is in the best interests of shareholders as a whole and recommend that shareholders vote in favour of this resolution.

RESOLUTION 10

It is proposed in resolution 10 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.

The principal changes introduced in the New Articles are summarised in Appendix 1. 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 Appendix 1. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 4 of this document.

RESOLUTION 11

The Shareholders' Rights Regulations increased the notice period for all general meetings of the Company to 21 days. Following the passing of a special resolution by shareholders of the Company at the annual general meeting held in 2009 and in accordance with the Companies Act 2006, the Company is able to call general meetings (other than annual general meetings) on 14 clear days' notice. In order to be able to continue to do so, shareholders must have expressly approved the calling of meetings on this shorter notice period and resolution 11 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company is also required to meet the requirements for electronic voting under the Shareholders' Rights Regulations in order to take advantage of the shorter notice period.

TO: THE SHAREHOLDERS OF **PACE PLC**



16 March 2010

Dear Shareholder

This letter gives details of the new Articles of Association which are proposed to be adopted at the Annual General Meeting pursuant to Resolution 10.

Proposed New Articles

We are asking shareholders to approve a number of amendments to our articles of association primarily to reflect the implementation of the Shareholders' Rights Directive in the UK in August 2009 and the remaining provisions of the Companies Act 2006 in October 2009. An explanation of the main changes between the proposed and the existing articles of association is set out in Appendix 1 to this document.

Recommendation

The directors consider that the proposals described in the Circular are in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of all proposed resolutions at the Annual General Meeting, as they intend to do in respect of their own beneficial holdings.

Yours sincerely

Mike McTighe

Chairman

Appendix 1

Summary of the New Articles

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 subscribers 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 removes the need for companies to have objects clauses. For this reason the Company is proposing to delete 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 10 (a) authorises 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. Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

4. 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 allot at any time because authority to allot (by way of shareholder resolution) continues to be required under the Companies Act 2006, save in respect of employee share schemes.

5. 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.

6. 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.

APPENDIX 1

continued

7. Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement and accordingly has been removed in the New Articles.

8. 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 reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

9. Voting by proxies on a show of hands

The Shareholders' Rights Regulations (which implement the Shareholders' Rights Directive) 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 Current Articles have been amended to reflect these changes.

10. Notice of general meetings

The Shareholders' Rights Regulations amend the Companies Act 2006 to require the Company to give 21 clear days' notice of general meetings unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

11. 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.

12. Chairman's casting vote

The New Articles remove the provision of the Current Articles giving the Chairman a casting vote in the event of an equality of votes at a general meeting of the Company as this is no longer permitted under the Companies Act 2006.

13. 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.