

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your ordinary shares in the Company, please forward this document to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of William Sinclair Holdings PLC (the “Company”) will be held at the Bentley Hotel, Newark Road, South Hykeham, Lincoln, LN6 9NH at 11.00 a.m. on 22 February 2011 for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the directors’ report and the audited accounts for the year ended 30 September 2010 and the auditors’ report on the accounts.
2. To approve the directors’ remuneration report for the year ended 30 September 2010.
3. To declare a final dividend of 3.5 pence per ordinary share of the Company for the year ended 30 September 2010, which shall be payable to shareholders who are on the register of members as at the close of business on 18 February 2011.
4. To reappoint Ken Piggott as a director.
5. To reappoint Bill Simpson as a director.
6. To reappoint Pricewaterhouse Coopers LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
7. To authorise the directors to determine Pricewaterhouse Coopers LLP’s remuneration as auditors of the Company.
8. To generally and unconditionally authorise the directors to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £2,759,000 comprising:
 - (a) an aggregate nominal amount of £1,379,500 (whether in connection with the same offer or issue as under (b) below or otherwise); and

- (b) an aggregate nominal amount of £1,379,500 in the form of equity securities (as defined in section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) on 22 May 2012 or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2012, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

- 9. That the directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 8 and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act 2006, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:
 - (a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - (b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £206,900.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by resolution 8 expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

10. That the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares of 25 pence each provided that in doing so it:
- (c) purchases no more than 2,480,000 ordinary shares in aggregate;
 - (d) pays not less than 25 pence (excluding expenses) per ordinary share; and
 - (e) pays a price per share that is not more (excluding expenses) per ordinary share than the higher of (i) 5 % above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which it purchases that share and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation.

This authority shall expire at the conclusion of the Company's next annual general meeting or within 15 months from the date of passing of this resolution (whichever is the earlier), but the Company may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

11. That the Articles of Association of the Company contained in the document produced to the Meeting and signed by the Chairman for the purposes of identification as the new Articles of Association be approved and adopted in substitution for, and to the exclusion of, the existing Articles of Association.

The directors believe that the proposals in resolutions 1 to 11 are in the best interests of shareholders as a whole. The directors will be voting in favour of them and unanimously recommend that you do so as well.

On behalf of the Board

PD Williams
Company Secretary
4 January 2011

Registered office:

Firth Road
Lincoln
LN6 7AH

Registered in England and Wales No. 01392876

Notes

1. A shareholder is entitled to appoint another person as that shareholder's proxy to exercise all or any of that shareholder's rights to attend and to speak and vote at the AGM. 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 does not need to be a shareholder of the Company. A proxy is legally required to vote in accordance with any voting instructions given by his appointing shareholder.
2. A form of proxy for use in connection with the AGM is enclosed with the document of which this notice forms part. If you do not have a form of proxy and believe that you should, please contact the Company's registrars, Capita Registrars on 0871 664 0300 (calls cost 10p a minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri) or at Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Completion and return of a form of proxy will not prevent a shareholder from attending and voting at the AGM. Addresses (including electronic addresses) in this document are included strictly for the purposes specified and not for any other purpose.
3. To appoint a proxy or proxies shareholders must complete: (a) a form of proxy, sign it and return it, together with the power of attorney or any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Capita Registrars; or (b) a CREST Proxy Instruction (see note 4 below) in each case so that it is received no later than 11.00 a.m. on 20 February 2011. All multiple proxies should be returned together in the same envelope.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via <http://www.euroclear.com/CREST>). CREST Personal Members or other CREST sponsored members and those CREST members who have appointed any voting 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.

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 instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Company's agent (ID RA10) by the latest time for receipt of proxy appointments set out in paragraph 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company'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 messages. 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 any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

5. Only those shareholders included in the register of members of the Company at 6.00 p.m. on 20 February 2011 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two working days before the time for holding any adjourned meeting, will be entitled to attend and to vote at

the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the AGM.

6. Copies of the directors' service contracts and letters of appointment are available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the end of the AGM and will also be available for inspection at the place of the AGM for at least 15 minutes before and during the AGM.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The following notes provide an explanation as to why the resolutions set out in the notice are to be put to shareholders.

Resolutions 1 to 8 are ordinary resolutions. These resolutions will be passed if more than 50% of the votes cast for or against are in favour.

Resolution 1 - Laying of Accounts

The directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the directors and auditors, and the audited accounts of the Company, for the year ended 30 September 2010. The report of the directors and the audited accounts have been approved by the directors, and the report of the auditors has been approved by the auditors, and a copy of each of these documents may be found in the annual report and accounts, starting at page 2.

Resolution 2 – Remuneration Report

Although it is not required to do so by law, in order to demonstrate its commitment to following best practice in corporate governance and executive remuneration, the Company prepares an annual report on the remuneration of its directors (the Directors' Remuneration Report), which is included in the annual report and accounts, starting at page 19. Shareholders are asked to approve this Report. If the report is not approved, the directors will still be paid, but the Remuneration Committee will reconsider its policy.

Resolution 3 – Declaration of a Final Dividend

The directors are recommending a final dividend of 3.5 pence per ordinary share, payable on 17 March 2011 to holders on the register as at 6.00 p.m. on 18 February 2011. The final dividend will not be paid without shareholder approval and its amount may not exceed the amount recommended by the directors.

Resolutions 4 and 5 – Reappointment of Ken Piggott and Bill Simpson

The Company's articles of association require that one third of the directors must retire, although they may offer themselves for reappointment. Ken Piggott and Bill Simpson are retiring and seeking reappointment. Biographical information for Ken Piggott and Bill Simpson is shown on page 3 of the annual report and accounts.

Resolution 6 – Auditors' appointment

The Companies Act 2006 requires that auditors be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. This resolution seeks shareholder approval for the reappointment of Pricewaterhouse Coopers LLP. The Audit Committee keeps under review the independence and objectivity of the external auditors, further information on which can be found in the annual report and accounts on page 15. After considering relevant information the Audit Committee recommended to the board of directors that Pricewaterhouse Coopers LLP be reappointed.

Resolution 7 – Auditors' remuneration

This resolution gives the directors the authority to determine the remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

Resolution 8 - Authority to the directors to allot shares

The Companies Act 2006 provides that the directors may only allot shares or grant rights to subscribe for or to convert any security into shares if authorised by shareholders to do so. Resolution 8 will, if passed, authorise the directors to allot shares up to a maximum nominal amount of £2,759,000, which represents an amount which is approximately equal to two-thirds of the issued ordinary share capital of the Company as at 4 January 2011, the latest practicable date prior to the publication of the notice. As at that date, the Company did not hold any treasury shares.

As provided in paragraph (a) of the resolution, up to half of this authority (equal to one-third of the issued share capital of the Company) will enable directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the resolution provides that the remainder of the authority (equal to a further one-third) may only be used in connection with a rights issue in favour of ordinary shareholders. As paragraph (a) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue. Where usage of this authority exceeds the one-third of the issued share capital, the directors intend to follow emerging best practice as regards its use (including as to the requirement for directors to stand for re-election).

The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company and 22 May 2012.

Passing this resolution will ensure that the directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

Resolutions 9, 10 and 11 are special resolutions. These resolutions will be passed if not less than 75% of the votes cast for and against are in favour.

Resolution 9 – Disapplication of statutory pre-emption rights

The Companies Act 2006 requires that, if the Company issues new shares, or grants rights to subscribe for or to convert any security into shares, for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the directors be authorised to issue shares for cash and/or sell shares from treasury (if any are so held) up to an aggregate nominal amount of £206,900 (up to 827,600 new ordinary shares of 25 pence each) (representing approximately 5% of the Company's issued share capital as at 4 January 2011, the latest practicable date prior to the publication of the notice) without offering them to shareholders first, and to modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. If passed, this authority will expire at the same time as the authority to allot shares given pursuant to Resolution 8.

Resolution 10 – Purchase of own shares by the Company

If passed this resolution will grant the Company authority for a period of up to 15 months after the date of passing of the resolution to buy its own shares in the market. The resolution limits the number of shares that may be purchased to 14.98% of the Company's issued share capital as at 4 January 2011, the latest practicable date prior to the publication of the notice. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 25 pence per ordinary share and a maximum amount (excluding expenses) of the higher of: (i) 5% over the average of the previous five days' middle market prices; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. This authority will only be exercised if market conditions make it advantageous to do so.

The directors' present intention is that shares purchased pursuant to this authority (to the extent statutory requirements are met and provided any treasury shares held do not exceed 10% of the Company's issued share capital) will be held in treasury for future cancellation, sale for cash, or transfer to an employee share scheme, although they may be cancelled immediately on repurchase in the light of circumstances at the time. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, while held in treasury, shares are treated as if they have been cancelled (for example, they carry no voting rights and do not rank for dividends). The directors will only make purchases under this authority if they believe that to do so would result in an increase in earnings per share for the remaining shareholders and was in the best interests of shareholders generally.

As at 4 January 2011, which is the latest practicable date prior to the publication of the notice, the total number of options to subscribe for ordinary shares of 25 pence each in the Company was 470,000, representing approximately 2.8% of the issued share capital of the Company at that date. If the proposed market purchase authority were to be used in full and all of the repurchased shares were cancelled (but the Company's issued share capital otherwise remained unaltered), the total number of options to subscribe for ordinary shares of 25 pence each in the Company at that date would represent approximately 3.3% of the Company's issued share capital.

Resolution 11 – Adoption of New Articles of Association

It is proposed in resolution 11 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 changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised on pages 9 to 14. The other changes are largely of a minor, technical or clarifying nature. The New Articles are available for inspection.

APPENDIX

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

A. General Amendments:

1. In addition to the amendments being made in respect of the Companies Act 2006, explained below in paragraphs 2 to 22, the other principal proposed changes to be effected on the adoption of the New Articles pursuant to Resolution 11 are:
 - (a) to facilitate the Company's use of electronic communications in communicating with shareholders. Where agreed between them, the Company may send notices of meetings and the annual report and accounts to a shareholder by electronic means, or publish the documents on its website and notify the shareholder electronically that they are available; and the shareholder can appoint proxies electronically (including by means of the CREST proxy service). In accordance with the recommendations of the Institute of Chartered Secretaries and Administrators, the Company wishes to make specific provision in its articles for electronic communications rather than rely on statutory provisions. In addition, the New Articles would permit other uses of electronic communications, including between the Directors.
 - (b) to reflect the fact that the Company is a participating issuer in the CREST system, and that some provisions in the current Articles take effect differently (or do not apply) according to whether the shares are in certificated or uncertificated form. The New Articles would also facilitate the payment of dividends through CREST.
 - (c) to reflect the Company's ability to hold its shares in treasury and the fact that, when it does so, those shares are ignored for certain purposes (for example, in calculating the proportion of members of a class of shareholders required to pass a resolution at a separate class meeting); and to provide that the Company will rank for participation in capitalisation issues in respect of shares held in treasury.
 - (d) to permit the Company to retain for its own benefit the net proceeds up to £5 of selling fractional entitlements arising on a consolidation, division or sub-division of shares.
 - (e) to permit the Company to change the date, time or place of a general meeting by newspaper advertisement, notwithstanding that notice of the meeting has been given, where it is impractical or undesirable to proceed in accordance with the notice.
 - (f) to give the chairman of a general meeting greater power to deal with disruptions.
 - (g) to permit the chairman to adjourn a general meeting without the meeting's consent if it appears to him that the shareholders wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, or the conduct of persons present prevents, or is likely to prevent, the orderly continuation of business, or an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
 - (h) to give the Board power to establish and regulate the proceedings and membership of local boards, divisions and similar establishments for conducting or managing the Company's affairs in any part of the world.
 - (i) to provide, in accordance with the relevant provision of the UK Corporate Governance Code, that all the Directors are subject to re-election at intervals of no more than three years.

- (j) to clarify the Directors' obligation to give the Board notice of any interest they may have in any contract with the Company.
- (k) to the extent permitted by the Act and the AIM Rules for Companies, to permit the Company to relax the provisions on directors' interests in contracts or to ratify any contract not properly authorised by reason of a contravention of those provisions.
- (l) to permit the company to invest or otherwise make use of unclaimed dividends, interest or other sums (pending forfeiture after 12 years).
- (m) to permit the Company, where as a result of a reorganisation of its share capital the exercise price under employee share options is less than the nominal value of the relevant shares, to make up the balance by way of capitalisation of reserves without shareholder resolution.
- (n) to provide that the Company need not continue to send notices, documents or other communications (including electronic communications) to an address where, through no fault of the Company, it has not been possible to make delivery on at least two consecutive occasions.
- (o) to change the provisions dealing with indemnification of Directors and other officers (but without substantively affecting the existing position in relation to the auditors). Broadly, the New Articles would allow the Company to indemnify any of its Directors (or any director of an associated company) against liabilities in a civil action by a person other than the Company (or an associated company), and against his defence costs as the action proceeded, but in the case of actions by the Company (or an associated company) an indemnity could only cover the defence costs, and only if judgment was not given against the Director. The indemnity could cover the costs of defending criminal proceedings or of making certain applications for relief - although not if the Director was convicted or denied relief - or of defending regulatory actions. The Company would also be able to advance monies to fund any Director's defence expenditure in civil or criminal proceedings, but only on terms that the Company must be reimbursed immediately if his defence failed. Indemnities granted to the auditors would be subject to the same restrictions as at present, but there would be no restrictions on any indemnity granted to other officers (these provisions have also been amended in light of the Companies Act 2006).

Companies Act 2006 Amendments

In addition to the changes made to the provisions listed in paragraph 1 the following further amendments have been made as a result of the Companies Act 2006 coming into force:

2. The Company's objects

The Company is proposing to remove its objects clause together with all other provisions of its Memorandum of Association 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. The Companies Act 2006 has also abolished the requirement for a company to have an authorised share capital. The statement of the Company's authorised share capital imported from the Memorandum will be removed and no longer form part of the Articles of Association nor operate as a limit on future issues of shares. Provisions from the Company's Articles of Association that refer to authorised share capital will be deleted. The Directors will still be limited as to the number of shares they can at any time allot, because an allotment authority continues to be required under the Companies Act 2006; an allotment authority is proposed in Resolution 8.

3. 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. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

4. Change of name

Currently, the Company can only change its name by special resolution. Under the Companies Act 2006 a company may 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.

5. 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.

6. Redeemable shares

Under the Companies Act 1985 if a company wished to issue redeemable shares, it was required 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.

7. 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 only requires shareholder authority to do any of these things and it is longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

8. Use of seals

Under the Companies Act 1985 a company required authority in its articles to have an official seal for use abroad. Since 1 October 2009 such authority is no longer 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 authorised person 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.

9. 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. Accordingly, this power has been removed in the New Articles.

10. 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 under the Companies Act 2006.

11. Form of resolution

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

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

12. Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been amended in the New Articles.

13. Convening the annual general meeting and other general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

14. Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all of these new provisions.

15. Age of directors on appointment

The Current Articles contain a provision limiting the age at which a director can be appointed. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

16. Conflicts of interest

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

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

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

17. Notice of board meetings

Under the Current Articles, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

18. Records to be kept

The provision in the Current Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

19. Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

20. Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors to make provision for a person employed or formerly employed by the company in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company, may be exercised by the directors or by the company in general meeting. However, if the power is to be exercised by the directors, the articles of association must include a provision to this effect. The New Articles provide that the directors may exercise this power.

21. Electronic and web communications

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

22. Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

