

# **Oxford Instruments plc**

**Annual General Meeting**

**of**

**Oxford Instruments plc**

**to be held at**

**the offices of Oxford Instruments plc  
Tubney Woods, Abingdon,  
Oxfordshire, OX13 5QX**

**on**

**Tuesday 14 September 2010**



*The Business of Science®*

This document, which contains the Notice of the Company's Annual General Meeting is important and should be given your immediate attention.

If you are in any doubt as to what action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all your shares in Oxford Instruments plc please pass this document and the accompanying Form of Proxy to the purchaser or transferee, or to the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**31 July 2010**

Dear Shareholder,

### **2010 Annual General Meeting**

The Notice of Meeting on pages 7 to 9 sets out the business to be transacted at the Annual General Meeting which is to be held on Tuesday 14 September 2010 at 2.30pm at our offices at Tubney Woods, Abingdon, Oxfordshire OX13 5QX together with a proxy card for voting at the Annual General Meeting.

The Reports and Financial Statements for the year to 31 March 2010 are available on our website at [www.oxford-instruments.com/investors](http://www.oxford-instruments.com/investors). If you have elected to receive a copy of this Report by post, it is also enclosed.

Resolutions 1 to 5 and 7 will be proposed as ordinary resolutions. More than 50% of the votes cast must support these Resolutions in order for them to be passed. Resolutions 6 and 8 to 10 will be proposed as Special Resolutions and 75% or more of the votes cast must support them in order for these Resolutions to be passed.

The Resolutions to be proposed are explained in further detail below.

#### **Resolution 1 – Reports and Financial Statements**

Shareholders will be asked to approve the adoption of the Reports and Financial Statements for the year ended 31 March 2010.

#### **Resolution 2 – Final dividend**

Shareholders will be asked to approve payment of a final dividend of 6p per ordinary share for the year ended 31 March 2010. If approved at the Annual General Meeting, the dividend will be paid on 28 October 2010 to shareholders registered at the close of business on 1 October 2010.

#### **Resolution 3 – Directors' Remuneration Report**

Shareholders will be asked to approve the adoption of the Directors' Remuneration Report for the year ended 31 March 2010. Under the Directors' Remuneration Report Regulations 2002, Companies are required to ask shareholders to vote on the Directors' Remuneration Report (shown on pages 28 to 34 of the Reports and Financial Statements 2010). The Directors, who have unanimously endorsed the Directors' Remuneration Report,

consider that asking the shareholders to vote on this Report facilitates accountability and transparency.

#### **Resolutions 4(a) to 4(e) – Re-election of Directors**

At the 2010 Annual General Meeting the following Directors are standing for re-election. Short biographical details, together with reasons for the re-appointment of the Directors, are given below.

The Company's Articles of Association state that at each Annual General Meeting, the following Directors must retire from office: (i) any Director who has held office for three years or more since his or her last election or for whom the Meeting is the third Annual General Meeting since he or she was last elected, and (ii) one third of the Directors at the commencement of the Annual General Meeting. In addition, in accordance with the Combined Code, Directors who have served more than nine years offer themselves for re-election annually. This gives shareholders the chance to confirm their re-appointments. All Directors take it in turn to retire in this way and accordingly Kevin Boyd, Mike Hughes

and Bernard Taylor retire by rotation and offer themselves for re-election and Mike Brady and Nigel Keen, each having served for more than nine years, also offer themselves for re-election.

The Board has confirmed, following a performance review, that each Director standing for re-election continues to perform effectively and demonstrates commitment to his role.

#### **Kevin Boyd**

Kevin joined Oxford Instruments in August 2006 as Group Finance Director. He holds a BEng in Electronic and Information Engineering from Queen's University Belfast and is a Chartered Engineer (FIET) and Chartered Accountant (FCA), having qualified with Arthur Andersen. Prior to joining Oxford Instruments he was Group Finance Director of Radstone Technology plc, Finance Director of Siroyan Ltd and held senior finance positions in the TI Group (now Smiths Group plc). He is a non-executive Director of Guidance Ltd. The Board recommends his re-appointment as a Director.

#### **Mike Hughes**

Mike, Senior Independent Non-Executive Director, joined the Board in November 2004. He is Chairman of EA Technology Ltd and a Non-Executive Director of South Staffordshire Water Ltd. The Board recommends his re-appointment as a Director.

#### **Bernard Taylor**

Bernard, Independent Non-Executive Director, joined the Board in 2002 and is Vice-Chairman of Evercore Partners. He is a member of The Council of the University of Oxford and is Chairman of the University's Audit Committee. He is Chairman of ISIS Innovation Ltd and a Royal Commissioner on the 1851 Commission. He is also a Fellow of the Royal Society of Chemistry and an Honorary Fellow of St. John's College, Oxford. The Board recommends his re-appointment as a Director.

#### **Professor Sir Michael Brady**

Mike is Deputy Chairman and was first appointed a Non-Executive Director of the Board in June 1995. He is currently a member of the Audit and Nomination Board Committees. He is BP Professor of Information Engineering at Oxford University and is one of the UK's leading engineers. He

is also a Fellow of the Royal Society and a Fellow of the Royal Academy of Engineering. He is a founding Director of Guidance Ltd, Mirada Medical Ltd and Matakina Ltd (a New Zealand based company), Chairman of Dixela Ltd, a Director of ISIS Innovation Ltd and Non-Executive Director of Acuitas Medical Ltd. Mike has now served on the Board for fifteen years and consequently the Board has considered whether it is appropriate in view of this length of service that he continue in office and if so whether he should continue to be considered to be independent. Having taken into account his independence of mind gained from a career as a senior academic supervisor of research programmes in a major technical discipline at Oxford University; his technical expertise as the only Non-Executive Director from a scientific profession and the value of that expertise to Board discussions; the strength of his professional and business interests unrelated to the Group; his continual constructive probing of the technical aspect of proposals considered by the Board; the composition of the Board generally and the fact that he qualifies as independent in all other criteria referred to in the Combined Code, the Board has concluded that it is appropriate that he continues in office. The Board has however determined that, in light of the guidance provided under the Code and his length of service that Mike should no longer be considered independent. Mike retires in accordance with the provisions of the Combined Code and offers himself for re-election. The Board recommends his re-appointment as a Director.

#### **Nigel Keen**

I am Non-Executive Chairman of the Board of Directors and was first appointed a Director in February 1999. Having served on the Board for more than 9 years I am putting myself forward for re-election at the Annual General Meeting. I fulfilled the independence criteria as laid down in the Combined Code at the time of my appointment. I am Chairman of the Nomination and Remuneration Committees as the Board considers that for a SmallCap company the Chairman's prime roles are: to procure an excellent strategy for the business; to recruit and retain the best available management team to execute this strategy; to put in place a Board of independent directors whose experience can add value to the work of the management; and to ensure that the business maintains the highest standard

of corporate governance. In order to fulfil these obligations the Board believes that it is appropriate and necessary for the Chairman of the Board to also be Chairman of the Nomination Committee and the Remuneration Committee. I also serve as Chairman of Oxford Instruments Pension Trustee Limited, which is the Trustee of the Company's UK defined benefit pension scheme. I have a degree in engineering from Cambridge University, am a Fellow of the Institute of Chartered Accountants and have been involved in the formation and development of high technology businesses for more than thirty years. I am currently Chairman of Laird PLC, Bioquell Plc and Deltex Medical Group plc and a Non-Executive Director of ISIS Innovation Ltd. I am retiring in accordance with the provisions of the Combined Code and offer myself for re-election to allow shareholders the opportunity to express their views on the matter. In accordance with the Combined Code, my performance has been reviewed by the Non-Executive Directors who have confirmed that in their opinion I remain effective and they therefore recommend my re-appointment as a Director.

#### **Resolutions 5 (a) and (b) – Appointment and remuneration of Auditors**

The Company is required to appoint auditors at each general meeting at which accounts are laid before the shareholders. The auditors are appointed from the conclusion of the forthcoming Annual General Meeting until the conclusion of next year's Annual General Meeting. In line with the recommendation of the Audit Committee to the Board, shareholders will be asked to appoint KPMG Audit Plc as the Company's auditors until next year's Annual General Meeting and to authorise the Directors to set their fees.

#### **Resolution 6 – Amendments to the Company's Articles of Association**

Resolution 6 is a Special Resolution to adopt new Articles of Association in substitution for and to the exclusion of the Company's existing Articles of Association.

Since the last Annual General Meeting when the Company's existing Articles of Association were adopted there have been a number of changes to the law in relation to companies as a result of amendments to the Companies Act 2006 ("the Act") and by the Companies

(Shareholder Rights) Regulations 2009 ("the Regulations"). Some of these changes will apply automatically to the Company whilst others will require the Company to take specific steps to take advantage of, or exclude, as the case may be, the effect of the changes.

In order to accommodate all the proposed changes to the existing articles it is proposed that new Articles of Association be adopted at the Annual General Meeting. Accordingly, resolution 6 is a Special Resolution to adopt these new Articles of Association which in addition to reflecting the provisions of the 2006 Act, also contain a number of changes that generally update the existing Articles of Association bringing the provisions into line with current market practice.

The principal changes proposed to be made are detailed in the notes to the Annual General Meeting and a copy of the new Articles of Association are available for inspection as set out in those notes.

#### **Resolution 7 – Permission for the Directors to allot further shares**

Under section 551 of the Companies Act 2006, the Directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders. Previous resolutions giving authority expire on the date of this year's Annual General Meeting and accordingly this resolution is proposed as follows:

- (a) to give authority to allot relevant securities up to an aggregate nominal amount of £826,122 which represents one third of the total issued share capital of the Company at 31 March 2010; and
- (b) to give authority to allot equity securities up to an aggregate nominal amount (including those allotments made under paragraph (a) above) of £1,652,244 where the allotment is in connection with a rights issue. This figure represents two thirds of the total issued share capital of the Company at 31 March 2010.

The Association of British Insurers (ABI), in a revision to its guidelines published on 31 December 2008, has confirmed that its members will regard requests from companies for authorisation to allot new shares in an amount of up to one third of the existing issued share capital as routine.

In these revised guidelines the ABI has further stated that its members will regard as routine requests to authorise the allotment of a further one third. Their support for this additional headroom is predicated on it being applied to fully pre-emptive rights issues only and on the basis that the authorisation is valid for one year. It is also subject to various other provisos stated in the ABI's guidelines. The Company has decided to take advantage of these guidelines and seek the maximum authority within the ABI guidelines to allot further relevant securities up to an aggregate nominal value of £1,652,244, which represents two-thirds of the total issued ordinary share capital at 31 March 2010.

The Directors have no immediate plans to make use of these authorities; they will, however, issue further ordinary shares in accordance with the Company's obligations under its various employee share schemes. The authorities, which comply with institutional investment guidelines, replace the existing authority of the Directors to allot ordinary shares and, if passed, will lapse at the earlier of next year's Annual General Meeting and 13 December 2011.

Where the aggregate actual usage of these authorities exceeds the first one-third threshold set out in the ABI guidance, the Directors will stand for re-election at the following Annual General Meeting to the extent required by the ABI.

#### **Resolution 8 – Relaxation of the restrictions which normally apply when ordinary shares are issued for cash**

Unless they are given an appropriate authority, Directors may allot new equity shares (including treasury shares) for cash (excluding shares issued under employees' share schemes) only if they have first been offered to existing shareholders in proportion to their holdings. There may however be occasions when in order to act in the best interests of the shareholders and the Company, the Directors will need the flexibility to issue a small number of shares for cash. The maximum number of ordinary shares to be covered under the power, with the exception of a rights issue or other pre-emptive offers, is 2,478,366, which represents 5% of the issued ordinary share capital on 31 March 2010. This Special Resolution replaces

the Directors' existing authority and, if passed, will lapse at the earlier of the Annual General Meeting following its passing or if later, on 13 December 2011.

The Directors will exercise this authority with due regard to institutional guidelines and requirements for advance consultation with shareholders before making any issue which exceeds 7.5% of the Company's issued share capital in any rolling three year period. The Directors do not have any present intention of exercising this authority, but consider it is in the best interests of the Company to have the flexibility to use it should opportunities arise.

#### **Resolution 9 – Authority to buy back up to 10% of the Company's issued share capital**

This Special Resolution is a renewal of the authority granted to Directors at the 2009 Annual General Meeting. It allows the Company to buy back up to 4,956,732 of its issued ordinary shares on the stock market. This is equal to 10% of the Company's issued share capital on 31 March 2010. The Resolution sets out the lowest and highest prices the Company can pay for the shares.

The Directors are committed to creating shareholder value. Buying back the Company's shares is one of the options they keep under review. The Directors will only implement such purchases if they think it is in the shareholders' best interests. Before making such a decision they would consider the effect on earnings per share.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 allow companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Company may therefore consider holding any of its own shares that it purchases pursuant to the authority conferred by this Resolution as treasury shares as an alternative to cancelling them. This would give the Company the ability to re-issue such shares quickly and cost effectively, and would provide the Company with additional flexibility in the management of its capital base. The Directors believe that it is desirable for the Company to have this flexibility.

Unless the Directors determine that they are to be held as treasury shares (see above) any shares in its own capital purchased by the Company shall be cancelled and the number of shares in issue will be reduced accordingly. Shares held in treasury will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

No dividends will be paid on shares whilst held in treasury and no voting rights will be exercisable in respect of treasury shares.

This power will automatically lapse at the end of the Company's next Annual General Meeting or on 13 December 2011 whichever is earlier.

**Resolution 10 – Notice of General Meetings**

This Resolution is required to reflect the changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 ("the Shareholders' Rights Regulations"). The Shareholders' Rights Regulations increased the notice period for general meetings of the Company to 21 days unless shareholders approve a shorter period, which cannot be less than 14 clear days. Prior

to the coming into force of the Shareholders' Rights Regulations the Company was able to call general meetings (other than an annual general meeting) on 14 clear days' notice. In order to preserve this ability the Company's shareholders must approve the calling of such meetings on 14 clear days' notice and resolution 10 seeks such approval.

**Recommendation**

The Directors believe that the proposed Resolutions are in the best interests of the Company and its shareholders, and accordingly unanimously recommend shareholders to vote in favour of resolutions 1 to 10 inclusive to be proposed at the Annual General Meeting, as they propose to do so in respect of their beneficial shareholdings.

Yours faithfully

Handwritten signatures of Nigel and Keen in black ink. The signature 'Nigel' is on the left and 'Keen' is on the right, with a horizontal line underneath the 'Keen' signature.

**Nigel Keen**  
Chairman



# Notice of Meeting

Notice is hereby given that the forty-sixth Annual General Meeting of Oxford Instruments plc will be held at 2.30pm on 14 September 2010 at its offices at Tubney Woods, Abingdon, Oxfordshire, OX13 5QX to transact the following business:

## 1 Reports and Financial Statements

To receive and adopt the Reports and Financial Statements for the year ended 31 March 2010 and the Report of the Auditors thereon.

## 2 Final dividend

To declare the final dividend for the year to 31 March 2010.

## 3 Directors' Remuneration Report

To approve the Directors' Remuneration Report set out on pages 28 to 34 of the Reports and Financial Statements for the year ended 31 March 2010.

## 4 Re-election of Directors

- (a) To re-elect Kevin Boyd who retires by rotation and, being eligible, will be proposed for re-election.
- (b) To re-elect Mike Hughes who retires by rotation and, being eligible, will be proposed for re-election.
- (c) To re-elect Bernard Taylor who retires by rotation and, being eligible, will be proposed for re-election.
- (d) To re-elect Mike Brady who is required to retire annually as he has been a Non-Executive Director for more than 9 years and, being eligible, will be proposed for re-election.
- (e) To re-elect Nigel Keen who is required to retire annually as he has been a Non-Executive Director for more than 9 years and, being eligible, will be proposed for re-election.

## 5 Appointment and remuneration of Auditors

- (a) To appoint KPMG Audit Plc as Auditors to the Company for the period until the next Annual General Meeting.
- (b) To authorise the Directors to agree the remuneration of the Auditors.

## 6. Amendments to the Company's Articles of Association

To consider as a Special Resolution that:

- (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.

## 7. Permission for the Directors to allot further shares

To consider as an Ordinary Resolution that the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:

- (i) comprising equity securities (as defined in section 560 of the Act) up to a maximum aggregate nominal amount of £1,652,644 (such amount to be reduced by any shares which have been previously allotted or rights previously granted under paragraph (ii) below) in connection with an offer by way of a rights issue:
  - (a) to holders of shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - (b) to holders of other equity securities if this is required by the rights of those equity securities or if the Directors consider it necessary as permitted by the rights of those equity securities; and so that the Directors may make such exclusions

or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and

- (ii) up to an aggregate nominal amount of £826,122 (such amount to be reduced by the aggregate nominal amount of any equity securities (as defined in section 560 of the Act) which have been previously allotted under paragraph (i) above in excess of £826,122;

and this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the close of business on 14 December 2011, save that the Company may before such expiry make any 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 any such offer or agreement as if the authority conferred hereby had not expired.

All previous unutilised authorities under section 80 of the Companies Act 1985 shall cease to have effect at the conclusion of the Annual General Meeting (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 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).

**8. Relaxation of the restrictions which normally apply when ordinary shares are issued for cash**

To consider as a Special Resolution that, subject to the passing of resolution 7, the Directors be and are given the general power pursuant to section 571(1) of the Companies Act 2006 ("the Act") to allot securities (as defined by section 560 of

the Act) for cash, either pursuant to the authority conferred by resolution 7 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with an offer by way of a rights issue (but in the case of the authority granted under resolution 7(i) by way of a rights issue as described in that resolution only):
  - (a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
  - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (ii) the allotment (otherwise than pursuant to paragraph (i) above) of equity securities up to an aggregate nominal amount of £123,918,

and such power granted by this Resolution will expire on 14 December 2011 or if earlier the conclusion of the Annual General Meeting in 2011 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

All previous unutilised authorities under section 95 of the Companies Act 1985 shall cease to have effect at the conclusion of the Annual General Meeting.



**9. Authority to buy back up to 10% of the Company's issued share capital**

To consider as a Special Resolution subject to the provisions of the Companies Act 2006 ("the Act") the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to purchase by market purchase (as defined by Section 693(4) of the Act) up to 4,956,732 ordinary shares of 5p each in its own capital subject to the following:

- (i) the purchase price for any share so purchased shall not exceed a sum (exclusive of all expenses) equal to 105% of the average of the middle market quotations for ordinary shares for the five business days immediately preceding the day of purchase (as derived from the London Stock Exchange Daily Official List) and shall not be less than the nominal value of the share;
- (ii) the authority shall expire on the earlier of the close of the following Annual General Meeting or the expiry of fifteen months from the date of the passing of the Resolution;

- (iii) the Company may make a contract for purchase which would, or might, be executed wholly or partly after the expiry of the authority; and

- (iv) any shares purchased pursuant to the authority may be selected by the Directors in any manner as they from time to time deem appropriate and 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.

**10. Notice of General Meetings**

To consider as a Special Resolution that general meetings other than the Annual General Meeting may be called on not less than fourteen clear days' notice.

By Order of the Board

**Susan Johnson-Brett**, Company Secretary  
26 July 2010

1. A form of proxy is enclosed for use by shareholders and, if appropriate, must be deposited with the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the Annual General Meeting ("AGM"). Appointment of a proxy does not preclude a shareholder from attending the AGM and voting in person.
2. A member entitled to attend and vote at the AGM may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll. A member 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. In order to be valid an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notarially) must be returned in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
3. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, in order to be able to attend and vote at the AGM or any adjourned meeting (and also for the purpose of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by 2.30 pm on 12 September 2010 (or 6.00 pm on the date two days before any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. The issued share capital of the Company as at 9 July 2010 was 49,608,689 ordinary shares, carrying one vote each.
6. Copies of the following documents will be available for inspection at the Registered Office of the Company and at the offices of the Company's solicitors, Laytons, Carmelite, 50 Victoria Embankment, London EC4Y 0LS during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this Notice until the conclusion of the Meeting:
  - (i) the service contracts of the Executive Directors;
  - (ii) the register of interests of Directors (and their families) in the shares of the Company; and
  - (iii) the written terms of reference of the Board Committees; a copy of the company's existing Articles of Association showing the amendments as tracked changes;

## 7. New Articles of Association

- (a) **The Company's Objects**  
The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum of association. The provisions governing the operations of the Company are currently set out in both its Memorandum of Association and its Articles of Association. Under the Act, the Memorandum no longer contains an objects clause and simply records the names of the original subscribers and the number of shares each subscriber agreed to take in the Company upon incorporation. Under the Act, the objects clause and all other provisions in the Memorandum are treated as part of the Articles with effect from 1 October 2009 but the Company can remove these provisions by special resolution. Unless the Articles provide otherwise, the Company's objects will be unrestricted. The Company is proposing to remove its objects clause together with certain other provisions of its memorandum which, by virtue of the Act, are now treated as forming part of the Company's Articles. Resolution 6 removes these provisions and adopts the New Articles.
- (b) **Liability of Members**  
Under the Act, the Memorandum of Association no longer contains a clause stating that the liability of the members of a company is limited. For existing companies, this statement is automatically treated as having moved into the Articles on 1 October 2009, and accordingly, an explicit statement of the members' limited liability is included in the New Articles.
- (c) **Change of Name**  
Under the Companies Act 1985 a company could only change its name by special resolution. Under the Act a company will be able to change its name by other means provided for by its Articles of Association. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.
- (d) **Authorised Share Capital and Unissued Shares**  
The Act 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 Act, save in respect of employee share schemes.
- (e) **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 Act enables Directors to determine such matters 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, either pursuant to resolutions passed at an Annual General Meeting or at a special meeting for the purpose.
- (f) **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 Act, a company will only require shareholder authority to do any of these things and it will no longer be necessary for Articles of Association to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.
- (g) **Use of Seals**  
Under the Companies Act 1985, a company required authority in its Articles of Association to have an official seal for use abroad. Under the Act, 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 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.
- (h) **Voting by Proxies on a show of hands**  
The Shareholders' Rights Regulations have amended the Act 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.
  - (i) **Lodgement of Proxy Forms**  
Weekends and bank holidays have been expressly excluded from the forty-eight hour cut-off period for lodging proxy forms; proxy forms must be lodged at the Company's registered office or such other place as is specified for that purpose in the notice convening the relevant meeting not less than forty-eight hours before the time appointed for the meeting (not including weekends or bank holidays).
  - (j) **Voting by Corporate Representatives**  
The Shareholders' Rights Regulations have amended the Act 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 rely on the provisions dealing with voting by corporate representatives which are contained in the Act.
  - (k) **Chairman's Casting Vote**  
The New Articles remove the provision giving the Chairman a casting vote in the event of an equality of votes at a general meeting as this is no longer permitted under the Act.
  - (l) **Directors' Remuneration**  
The New Articles increase the aggregate base fees that may be paid to the Non-Executive Directors from £150,000 to £200,000 per annum. This figure was last amended in 1999 when it was increased from £50,000 to £150,000. The Company wishes to take this opportunity to create additional flexibility in respect of payment of Directors' fees and is therefore seeking the higher limit in the New Articles, primarily to reduce the risk that the Company will have to return to its shareholders to seek a further amendment to its Articles, having already sought approval for amendment of its Articles at the 2008, 2009 and now the 2010 Annual General Meeting.
  - (m) **Adjournments for lack of quorum**  
Under the Act as amended by the Companies (Shareholders' Rights) Regulations 2009, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.
  - (n) **General**  
The opportunity has been taken to make minor technical changes and update references in the New Articles.