

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal advice from your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all of your registered holding of ordinary shares of 2.5 pence each in the capital of SPARK Ventures plc, please send this document, together with the accompanying form of proxy, to the purchaser or transferee, stockbroker, bank or other agent through whom the sale or transfer was effected. If you have sold or transferred part only of your holding please immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected.



SPARK Ventures plc
Notice of Annual General Meeting
6 November 2008

A letter from the Chairman of SPARK is set out in this document.

Notice of the Annual General Meeting of SPARK, to be held at the offices of Nabarro LLP, Lacon House, 84 Theobald's Road, London WC1X 8RW and convened for 11.00 a.m. on Thursday 6 November 2008 is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should (if appropriate) be completed and returned in accordance with the instructions thereon, as soon as possible but, in any event, so as to be received by the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11.00 a.m. on Tuesday 4 November 2008 (or 48 hours before any adjournment of that meeting).

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy 11.00 a.m. on 4 November 2008
Annual General Meeting 11.00 a.m. on 6 November 2008

Letter from the Chairman

SPARK Ventures plc

(Incorporated and registered in England and Wales with registered number: 3813450)

DIRECTORS:

Thomas Alfred Teichman (Chairman)
Andrew Bruce Carruthers (Chief Executive)
Andrew David Norman Betton (Finance Director and Company Secretary)
Jayesh Ramesh Patel (Executive Director)
Charles Richard Berry (Non-Executive Director)
David Roger Potter (Non-Executive Director)
Michael Keith Whitaker (Non-Executive Director)

Registered and Head Office:

33 Glasshouse Street
London
W1B 5DG

24 September 2008

To SPARK Shareholders

DEAR SHAREHOLDER,

I am writing to give you details of certain special business to be considered at the Company's forthcoming Annual General Meeting to be held on Thursday 6 November 2008 at 11.00 a.m. at the offices of Nabarro LLP, Lacon House, 84 Theobald's Road, London WC1X 8RW.

RENEWAL OF AUTHORITY TO ALLOT SHARES

The Directors under the 1985 Act may only allot unissued shares if authorised to do so in a general meeting. The Directors may also only allot shares for cash to persons who are not already shareholders of the Company if authorised to do so by the Shareholders in general meeting.

The authorities given to the Board at the last Annual General Meeting of the Company to allot unissued share capital and to allot shares for cash in limited circumstances (the making of a rights issue or a non pre-emptive issue of shares for cash up to a specified maximum) are due to expire at the conclusion of this year's Annual General Meeting unless renewed. It is therefore proposed at the Annual General Meeting to renew these authorities until whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2009 or the date falling fifteen months from the date of the passing of the resolutions. An ordinary resolution (Resolution 9) will be proposed to authorise the Board to allot the unissued share capital up to an aggregate nominal amount of £3,750,000. This represents 150,000,000 SPARK Shares and is equivalent to approximately 33.3% of the Company's current issued ordinary share capital.

A special resolution (Resolution 10) will be proposed authorising the Board to allot shares for cash without first offering them to existing Shareholders up to an aggregate nominal amount of £562,500. This sum represents 22,500,000 SPARK Shares being equivalent to approximately 5% of the Company's current issued share capital. The Directors will use this authority in the circumstances where it is in the best interests of the Company to issue SPARK Shares for cash other than to existing Shareholders. The resolution also enables the Directors to modify the strict requirements for a rights issue in circumstances where they consider it necessary or expedient.

PURCHASE OF OWN SHARES

The Company cannot purchase its own shares unless the purchase has been authorised by the Company in general meeting. At the Annual General Meeting, the Company intends to ask Shareholders to renew the authority to repurchase 90,000,000 SPARK shares which is equivalent to approximately 20% of the Company's issued ordinary share capital, at a maximum price per SPARK share, exclusive of expenses, of 105% of the average of the middle market quotations for the ordinary shares as taken from the AIM Appendix of the London Stock Exchange Daily Official List for five business days preceding the date of purchase. The minimum price per ordinary share, exclusive of expenses for any purchase will be 2.5 pence, which is the nominal value of the SPARK Shares. The maximum number of Ordinary Shares to be purchased in addition to those already held shall be 50,754,780.

The Treasury Shares Regulations allow companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. Pursuant to the Treasury Shares Regulations, the Company will consider holding any of its own shares that it purchases pursuant to the authority as treasury shares, which will give the Company the ability to reissue shares quickly and cost effectively, and will provide the Company with additional flexibility in the management of its capital base.

Resolution 12 proposes that the Company is empowered to make market purchases of its own shares subject to the provisions of the 1985 Act on the terms set out in the resolution. The Board wishes to have the option to implement a share buy-back programme in due course subject to the passing of the resolutions for the proposed Capital Reduction.

Letter from the Chairman continued

Depending on the level of share purchases contemplated, the Board may consider effecting any share purchases by means of a tender offer to Shareholders. Further details are provided under the heading "Reduction of Share Premium Account" below. This power will only be exercised if and when, in the light of market conditions prevailing at the time, the Directors believe that such purchases would increase net assets per share and would be for the benefit of Shareholders generally.

The effect of any such purchase will clearly depend on the price at which it is made. On 23 September 2008 the middle market quotation for SPARK Shares as derived from the AIM Appendix to the London Stock Exchange Daily Official List was 8 pence.

REDUCTION OF THE SHARE PREMIUM ACCOUNT

Subject to the approval of Shareholders at the Annual General Meeting and the confirmation of Court, the Company intends to reduce its share premium account.

Under the 1985 Act, and 2006 Act, a Company's ability to use its share premium account is very limited. However, with the consent of the Court and the approval of Shareholders it is possible for the Company to reduce its share premium account and apply the sum which results from such reduction to eliminate the accumulated deficit in the Company's profit and loss account which has arisen as a result of historical losses and, subject to the protection of creditors, to create distributable reserves.

At present, the Company has an accumulated deficit on its profit and loss account, which as at 31 March 2008 amounted to £3,207,000. The Board believes that it is now appropriate to cancel this deficit in order to restructure the Company's balance sheet. The sum of £39,693,381 stands to the credit of the share premium account.

Accordingly, the Company proposes to seek Shareholders approval at the AGM (Resolution 11) to reduce the Company's share premium account by £13,207,000 in order that it be applied in cancelling the anticipated accumulated deficit on the Company's profit and loss account and to create reserves to enable the Company to effect future buy-backs of SPARK Shares and for other corporate purposes of the Company subject to there being adequate distributable profits and cash resources available to do so.

The Company will, upon obtaining such approval, make such applications to the Court as will be necessary to obtain the Court's confirmation of this reduction of share premium account. Your Board expects the Company to be required by the Court to protect creditors. The issue of creditor protection is within the discretion of the Court, but your Board is proposing to undertake to maintain in a separate blocked trust bank account an appropriate sum for the protection of non-consenting creditors and anticipates that the Court will be satisfied that this course will provide sufficient protection for such creditors.

ADOPTION OF NEW ARTICLES OF ASSOCIATION

It is proposed in Resolution 13 to adopt the New Articles in order to update the Current Articles primarily to take account of changes in English company law brought about by the 2006 Act.

The New Articles incorporate amendments to reflect the provisions of the 2006 Act. As the 2006 Act will not be fully in force until October 2009, it is not yet possible to fully reflect the 2006 Act changes, and so it is anticipated that Shareholders will be asked to approve further changes to the New Articles at the 2009 AGM.

The principal changes to the New Articles to be adopted at the 2008 AGM relate to Shareholder meetings and resolutions, Directors' indemnities, transfers of shares and Directors' conflicts of interest.

The provisions of the 2006 Act regarding Shareholder meetings and resolutions came into force in October 2007, replacing the corresponding provisions of the 1985 Act. The New Articles incorporate amendments in relation to meetings and resolutions to ensure consistency with the 2006 Act.

From 1 October 2008, under the 2006 Act a Director has a statutory duty to 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 2006 Act allows Directors of public companies to authorise conflicts or potential conflicts where the articles of association contain a provision allowing this authorisation. It is proposed that the New Articles should contain such a provision.

For a more detailed explanation of these and other amendments please refer to the Appendix. The New Articles, showing all the changes to the Current Articles, are available for inspection as noted in the Notice.

Letter from the Chairman continued

ANNUAL GENERAL MEETING

You will find set out at the end of this document a notice convening an Annual General Meeting of the Company to be held at the offices of Nabarro LLP, Lacon House, 84 Theobald's Road, London WC1X 8RW at 11.00 a.m. on Thursday 6 November 2008. Shareholders will find enclosed with this document a Form of Proxy for use at the Annual General Meeting. **Whether or not you intend to be present at the meeting, you are requested to appoint a proxy in accordance with the instructions set out on the Form of Proxy and ensure that such appointment is received by the Company's Registrars, Capita Registrars, as soon as possible but, in any event, no later than 11.00 a.m. on Tuesday 4 November 2008** (or 48 hours before any adjournment of the AGM). The appointment of a proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

ADDITIONAL INFORMATION

Copies of this document will be available to the public free of charge from the registered office of the Company, at 33 Glasshouse Street, London W1B 5DG, during normal office hours, Saturdays, Sundays and Bank Holidays excepted, from the date of this document until Tuesday 4 November 2008.

RECOMMENDATION

Your Directors believe that the proposals referred to in this letter are fair and reasonable so far as Shareholders are concerned. Accordingly, your Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the Annual General Meeting.

The Directors intend to vote in favour of the Resolutions in respect of their beneficial shareholdings amounting to 41,348,091 SPARK Shares (representing 9.2% of the existing issued share capital of SPARK).

Yours sincerely

Thomas Teichman

Appendix

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“1985 Act”	the Companies Act 1985, as amended
“2006 Act”	the Companies Act 2006, as amended
“AGM” or “Annual General Meeting”	the Annual General Meeting of the Company to be held at 11.00 a.m. on 6 November 2008
“Board” or “Directors”	the directors of SPARK as at the date of this document
“Capital Reduction”	the proposed reductions of the share premium account as more particularly described in this document
“Current Articles”	the Company’s current articles of association
“Form of Proxy”	the form of proxy, accompanying this document, for use in connection with the AGM
“Group”	the Company and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“New Articles”	the new articles of association of the Company to be adopted pursuant to Resolution 13
“Notice of AGM”	the notice of the Annual General Meeting which is set out at the end of this document
“Resolutions”	the resolutions to be proposed to shareholders at the AGM
“Shareholders”	holders of SPARK Shares
“SPARK” or “the Company”	SPARK Ventures plc
“SPARK Shares”	ordinary shares of 2.5 pence each in the capital of SPARK
“Treasury Shares Regulations”	Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003

Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of SPARK Ventures plc (“the Company”) will be held at the offices of Nabarro LLP, Lacon House, Theobald’s Road, London WC1X 8RW, on Thursday 6 November 2008 at 11.00 a.m., for the following purposes, namely:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and adopt the accounts for the year ended 31 March 2008.
2. To re-appoint Andrew Betton as a director of the Company.
3. To re-appoint Charles Berry as a director of the Company.
4. To re-appoint David Potter as a director of the Company.
5. To re-appoint Thomas Teichman as a director of the Company.
6. To re-appoint Andrew Carruthers as a director of the Company.
7. To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting.
8. To authorise the Directors to agree the auditors’ remuneration.

As special business, to consider and, if thought fit, to pass the following resolutions, as an ordinary resolution in the case of Resolution 9 and as special resolutions in the case of Resolutions 10, 11, 12, and 13.

SPECIAL BUSINESS

9. THAT the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Companies Act 1985 (“the 1985 Act”)) up to an aggregate nominal amount of £3,750,000 provided that this authority shall expire on whichever is the earlier of the next annual general meeting of the Company after the date of the passing of this resolution or the date falling 15 months after the date of the passing of this resolution, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired and that this authority shall be in substitution for all previous authorities conferred upon the Directors pursuant to section 80 of the 1985 Act but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.
10. THAT, subject to and conditional upon the passing of Resolution number 9 set out in the notice of the meeting, the Directors be and they are hereby empowered, pursuant to section 95 of the 1985 Act, to allot equity securities (as defined in section 94 of the 1985 Act) for cash as if section 89(1) of the 1985 Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of all the ordinary Shareholders are proportionate (as nearly as they may be) to the respective number of equity securities held by them subject in each case to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of the equity securities up to an aggregate nominal amount of £562,500.

and shall expire on whichever is the earlier of the next annual general meeting of the Company after the date of passing of this Resolution or the date falling 15 months after the date of the passing of this Resolution except that the Company may before such expiry 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 by this Resolution had not expired.

11. THAT the share premium account of the Company be and is hereby reduced by £13,207,000.

Notice of Meeting continued

12. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the 1985 Act to make market purchases (within the meaning of Section 163 of the 1985 Act) of ordinary shares of 2.5 pence each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine, provided that:
- (i) the maximum number of Ordinary Shares hereby authorised to be purchased in addition to those already held shall be 50,754,780;
 - (ii) the minimum price which may be paid for an Ordinary Share is 2.5 pence (exclusive of expenses);
 - (iii) the maximum price which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share taken from the AIM Appendix to the London Stock Exchange Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased or such other amount as may be specified by the London Stock Exchange from time to time;
 - (iv) this authority expires at the conclusion of the next annual general meeting of the Company after the passing of the resolution or 15 months from the date of the passing of this resolution whichever is earlier, unless such authority is renewed prior to such time; and
 - (v) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.
13. THAT the regulations contained in the printed document produced to the meeting be and are hereby adopted as the articles of association of the Company in substitution for the existing articles of association of the Company.

By order of the Board

Registered Office:

33 Glasshouse Street
London
W1B 5DG

Andrew Betton

Company Secretary
24 September 2008

Notice of Meeting continued

NOTES

1. A member of the Company entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote in his place. A proxy need not also be a member of the Company. Appointment of a proxy will not preclude a Shareholder from attending the meeting and voting in person. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative 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.
2. A form of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid an appointment of proxy must be returned by one of the following methods:
 - in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

and in each case must be received by the Company not less than 48 hours before the time of the meeting.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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 made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to 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 the latest time(s) for receipt of proxy appointments specified in the notice of meeting. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo 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 a voting service provider (s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3. The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays, Sundays and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting:
 - (a) the register of directors' interests (and their families) in shares in the Company;
 - (b) copies of directors' service contracts (other than contracts expiring or determinable by the Company in less than one year); and
 - (c) a copy of the proposed new articles of association of the Company marked to show the changes proposed pursuant to Resolution 13 to the existing articles of association.
4. The Company pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those Shareholders registered in the Register of Members of the Company as at 11.00 a.m. on Tuesday 4 November 2008 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time and changes to the Register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Appendix

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

The Companies Act 2006 (the "2006 Act") is being implemented in stages and will be fully in force by 1 October 2009. Under Resolution 11, it is proposed that the Company adopts new articles of association ("New Articles") in order to update the Company's current articles of association ("Current Articles"). The New Articles will reflect the changes in Company law brought about by the 2006 Act which are already in force. A detailed explanation of the principal changes proposed to the Current Articles is set out below. The New Articles, showing all the changes to the Current Articles, are available for inspection as set out at note 3 to the enclosed notice of Annual General Meeting.

1. 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 2006 Act and all references to 'extraordinary resolutions' have been amended to 'special resolutions'.

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

2. CONVENING 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 the new provisions in the 2006 Act. In particular a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

3. QUORUM AT GENERAL MEETINGS

The Current Articles provide that two persons entitled to vote each being a member or a proxy for a member constitute a quorum. This provision is being amended to provide that duly authorised representatives of a corporation which is a shareholder count towards the quorum of a general meeting and that two persons who are proxies or corporate representatives of the same member shall be a quorum.

4. VOTES OF MEMBERS

Under the 2006 Act, proxies are entitled to vote on a show of hands as well as on a poll, and members may appoint a proxy to exercise all or any of their rights to attend, speak and vote at meetings. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares. The New Articles reflect these new proxy rights. The 2006 Act also provides for multiple corporate representatives to be appointed and the New Articles therefore refer to the right to appoint multiple corporate representatives. The provision giving the chairman a casting vote in the case of an equality of votes has been retained as the Government has made it clear that although the 2006 Act does not provide for the chairman to have a casting vote, companies who previously had such a provision in their articles may continue to do so.

The directors may also specify in a notice of meeting that in determining the time for delivery of proxies, no account shall be taken of non-working days.

5. REFUSAL TO REGISTER TRANSFERS

The provision relating to the right to refuse to register a transfer of any share has been updated to bring it in line with section 771 of the 2006 Act. In particular, the directors are now obliged to send to the transferee such information about the reasons for refusal as the transferee may reasonably request.

6. OMISSION TO SEND NOTICE

This provision has been amended so that omission to send notice due to circumstances beyond the Company's control will not invalidate any resolution passed or proceedings held at the meeting for which any person entitled to receive such notice did not receive it.

7. AMENDMENT OF RESOLUTIONS

The wording of the provision detailing the methods by which resolutions may be amended has been updated to bring the wording in line with the draft model form articles for public companies (the "Model Articles") of the Department for Business Enterprise and Regulatory Reform. The Model Articles will replace the Table A articles under the Companies Act 1985 in due course.

Appendix continued

8. DIRECTORS' FEES

The Current Articles are unclear regarding the cap on the directors' fees. This has been clarified in the New Articles. The aggregate cap on directors' fees is £250,000 per annum.

9. CONFLICTS OF INTEREST

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008 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 2006 Act 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 2006 Act 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 includes some conflict management provisions regarding confidential information and a director's ability to absent himself from discussions.

Only directors who have no interest in the matter being considered will be able to take the relevant decision. The directors will also 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.

10. UNCERTIFICATED SHARES

The New Articles contain updated provisions regarding uncertificated shares reflecting the changes introduced by the Uncertificated Securities Regulations 2001, which replaced the Uncertificated Securities Regulations 1995.

11. 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 2006 Act.

In addition, the provision in the Current Articles requiring there to be a register of directors' interests has been removed as this is no longer a requirement under the 2006 Act.

12. ELECTRONIC COMMUNICATIONS

The 2006 Act enables companies to communicate with their members by electronic communication to a greater extent than previously permitted. Article 156 of the New Articles will provide the Company with a general power to send or supply any notice document or information to any member by a variety of methods or by making it available on the Company's website.

The Company may ask each member for his or her consent to receive communications from the Company via its website. If the Shareholder does not respond to the request for consent within 28 days, the Company may take that as consent by the Shareholder to receive communications in this way. If the Company sends or supplies any notices documents or information to Shareholders by making it available on the Company's website, it must notify each Shareholder who has consented (or is deemed to have consented) to receive documents via the website, either by post or by email (if the Shareholder has specifically agreed to receive communications in electronic form), that the notice, document or information has been placed on the website. A Shareholder who has consented or is deemed to have consented to receive communications via the website can request a hard copy of any document at any time.

13. UNDELIVERED NOTICES OR DOCUMENTS

A provision in the New Articles has been included which states that if, on three consecutive occasions, a notice or other document or information sent to a shareholder (or other person) has been returned undelivered, such shareholder (or other person) shall not thereafter be entitled to receive notices or other documents or information from the Company until he has communicated with the Company and supplied in writing to the Company's registered office a new postal address or an electronic address for the service of notices or other documents.

Appendix continued

14. DIRECTORS' INDEMNITIES AND LOANS TO FUND EXPENDITURE

The 2006 Act has in some areas widened the scope of the powers of the 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 and also allow a company to indemnify directors of associated companies.

15. INDEMNITY AGAINST CLAIMS IN RESPECT OF SHARES

The New Articles contain a provision requiring a shareholder to indemnify the Company if the law of any jurisdiction imposes a liability on the Company to make payment in respect of shares held by or dividends or other monies paid to such shareholder (for example as a consequence of the non-payment of income or inheritance tax).

16. GENERAL

Generally, the opportunity has been taken to bring clearer language in the New Articles and in some areas to conform the language of the New Articles.

