

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Shares, please send this document, together with the accompanying documents, at once to the Purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

IG Group Holdings plc

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of IG Group Holdings plc (the “**Company**”) will be held at the offices of Financial Dynamics, located at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB, on Tuesday 6 October 2009 at 10:30am (the “**Annual General Meeting**”).

The business of the Annual General Meeting will be to consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the accounts for the year ended 31 May 2009 together with the report of the directors of the Company (the “**Directors**”) and the report of the auditors of the Company (the “**Auditors**”) on those accounts and the auditable part of the remuneration report.
2. To re-elect Sir Alan Budd as a Director.
3. To re-elect Mr Martin Jackson as a Director.
4. To re-elect Mr Roger Yates as a Director.
5. To declare a final dividend for the year ended 31 May 2009 in the amount of 11 pence per share.
6. To re-appoint Ernst & Young LLP as Auditors to the Company to hold office until the conclusion of the next Annual General Meeting.
7. To authorise the Directors to determine the Auditors’ remuneration.
8. To approve the Directors’ remuneration report for the year ended 31 May 2009.
9. That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the “2006 Act”) to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares:
 - (i) up to a nominal amount of £6,000; and
 - (ii) comprising equity securities (as defined in Section 560(1) of the 2006 Act) up to a further nominal amount of £6,000 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 80 of the Companies Act 1985 and to expire at the end of the next annual general meeting or on 31 November 2010, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

For the purposes of this Resolution, “rights issue” means an offer to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

10. That the IG Group Holdings plc U.S. Employee Stock Purchase Plan (the “**Plan**”), a summary of which is set out in Appendix I to this Notice, be hereby adopted and established; and the Directors of the Company be and are hereby authorised to do all acts, matters and things which they may consider necessary or desirable in order to carry the Plan into effect; and the Directors be and are hereby authorised to establish further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in other overseas countries, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the Plan.

And to consider and, if thought fit, to pass the following as special resolutions:

11. That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 701 of the 2006 Act to make market purchases (as defined in Section 693 of that Act) of ordinary shares of 0.005p each in the capital of the Company provided that:

- (i) the maximum number of shares which may be purchased is 36,000,280;
- (ii) the minimum price which may be paid for each share is 0.005 pence;
- (iii) the maximum price which may be paid for a share is an amount equal to 105 per cent of the average of the closing price of the Company’s ordinary shares as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which such share is contracted to be purchased; and
- (iv) this authority shall expire at the conclusion of the annual general meeting of the Company held in 2010 or, if earlier 31 November 2010 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

12. That subject to the passing of Resolution 9 above, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash:

- (i) pursuant to the authority given by paragraph (i) of Resolution 9 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(2)(b) of the 2006 Act in each case:
 - (I) in connection with a pre-emptive offer; and
 - (II) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £900; and
- (ii) pursuant to the authority given by paragraph (ii) of Resolution 9 above in connection with a rights issue,

as if Section 561(1) of the 2006 Act did not apply to any such allotment;

such power to expire at the end of the next annual general meeting or on 31 November 2010, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this Resolution:

- (i) “**rights issue**” has the same meaning as in Resolution 9 above;
- (ii) “**pre-emptive offer**” means an offer of equity securities open for acceptance for a period fixed by the Directors to holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings 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 or legal, regulatory or practical problems in, or under the laws of, any territory;
- (iii) references to an allotment of equity securities shall include a sale of treasury shares; and

the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

13. That the Articles of Association of the Company be amended by:

- (i) deleting all the provisions of the Company’s Memorandum of Association which, by virtue of Section 28 of the 2006 Act, are to be treated as provisions of the Company’s Articles of Association;
- (ii) deleting Article 3 of the Company’s Articles of Association:

“The share capital of the Company at the date of the adoption of these Articles consists of 500,000,000 Ordinary Shares of 0.005 pence each, 40,000 Preference Shares of £1.00 each and 65,000 B Shares of 0.001 pence each”;

- (iii) deleting Article 5 of the Company’s Articles of Association:

“The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.”; and

- (iv) replacing the current wording of Article 64 of the Company’s Articles of Association with the following wording:

“Subject to Articles 53.5 and 68 and to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares:

- (i) on a show of hands every member who is present in person and, subject to Article 64(b), every proxy present who has been duly appointed by a member entitled to vote on the resolution shall have one vote;
- (ii) on a show of hands, a proxy has one vote for and one vote against the resolution if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and the proxy has been instructed:
 - (a) by one or more of those members to vote for the resolution and by one or more of those other members to vote against it; or

- (b) by one or more of those members to vote either for or against the resolution and by one or more of those other members to use his discretion as to how to vote; and
- (iii) on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.”

14. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

BY ORDER OF THE BOARD



Guy Abbi
Company Secretary
28 August 2009

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting convened by the notice set out above is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend and speak and vote in his or her place. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
2. A form of proxy is enclosed. To be effective, the instrument appointing a proxy, must be either (a) deposited at the office of the Company's registrars, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Note 8 below, in each case so as to be received no later than 4 October at 10.30am. The appointment of a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
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 communications from the company in accordance with Section 146 of the 2006 Act ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the 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. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 28 August 2009, which is the latest practicable date before the publication of this document is 360,085,849, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 28 August 2009 is 360,085,849.
5. Members should note that the doors to the Annual General Meeting will be open at 9.30am.
6. Mobile phones may not be used in the meeting hall, and cameras, tape or video recorders are not allowed in the meeting hall.
7. The register of interests of the directors and their families in the share capital of the Company, copies of contracts of service of directors with the Company or with any of its subsidiary undertakings, a copy of the new set of Articles of Association highlighting the difference between the new Articles of Association proposed to be adopted pursuant to Resolution 13 and the existing Articles of Association and a copy of the Plan will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and will also be available at the offices of Financial Dynamics, located at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB for at least 15 minutes before and during the Annual General Meeting.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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 by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). 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 issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in Note 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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.

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.

9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
10. Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at 5.30pm on 4 October 2009 or, if the meeting is adjourned, 24 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.
11. Shareholders should note that, under Section 527 of the 2006 Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting for the financial year beginning 1 June 2009; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 June 2009 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.
12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. A copy of this notice and other information required by Section 311A of the 2006 Act can be found at www.iggroup.com.

APPENDIX I

Summary of the IG Group Holdings plc (the “Company”) U.S. Employee Stock Purchase Plan (the “Plan”)

The Company is committed to employee share ownership and has already introduced share plans for employees in the UK and Australia. In addition, a plan was launched on 1 June 2009 for employees in the United States. In order to qualify for favourable tax treatment, the US plan must be approved by shareholders within 12 months after the launch date. Resolution 10, which will be proposed as an ordinary resolution, seeks shareholders’ approval of the Plan. A summary of the Plan is set out below.

1. General

The Plan is designed to qualify for favourable tax treatment under the terms of section 423 of the US Internal Revenue Code (“Section 423”). The Plan was launched on 1 June 2009, but under Section 423, shareholders’ approval is required within 12 months after the launch date.

The operation of the Plan will be supervised by the Board of Directors of the Company (the “Board”) or a duly appointed committee of the Board.

Benefits under the Plan are not transferable (except on death) and are not pensionable.

2. Eligibility

All employees, including executive directors, of the Company’s subsidiaries in the United States are eligible to participate in the Plan.

3. Savings cycles

The Plan will operate on a series of six-monthly savings cycles to coincide with the Company’s financial year, namely from 1 June to 30 November and from 1 December to 31 May the following year. Employees may apply to have deductions from their net pay each payday during a savings cycle.

4. Grant of options

Eligible employees who apply to participate in the Plan will be granted options to acquire ordinary shares in the Company (“Shares”) at a price not less than 85% of the market value of a Share on the first day of the relevant savings cycle (the “Option Grant Date”) and 85% of the market value of a Share on the purchase date at the end of the savings cycle.

5. Purchase of shares

At the end of each savings cycle, the participant’s savings will be used to buy Shares at the option price. Any savings not used to buy Shares will be carried forward to the next purchase date.

A savings cycle may be terminated early in the event of a change of control of the Company.

A participant who ceases to be in employment before the end of a savings cycle will lose the right to acquire Shares at the end of that cycle and will receive a refund of his savings.

6. Plan limits

Section 423 requires a numerical limit on the number of Shares that may be issued under a plan of this type. This is in addition to the usual percentage of a company’s share capital that may be issued pursuant to employees share schemes. The total number of Shares that may be issued under the Plan shall not exceed 16,375,048 Shares (representing 5% of the Company’s issued Shares on 1 June 2009).

The total number of unissued Shares over which awards may be made, when aggregated with the total number of Shares issued pursuant to share awards or made issuable pursuant to options granted under any

employees' share scheme in the ten years immediately preceding the date upon which an award is made, shall not exceed 10% of the Company's issued Shares at the date of grant.

7. Limits on participation by employees

The lowest of the following limits shall apply:

- (a) the maximum amount that an employee may save under the Plan is limited to 20% of his basic rate of pay,
- (b) the aggregate market value of Shares (determined at the Option Grant Date) over which a participant may receive options in any calendar year shall not exceed US\$25,000, and
- (c) a participant shall not be permitted to purchase more than 40,000 Shares in respect of any savings cycle.

8. Issue of shares

Awards may be granted over new or existing Shares. Shares will be allotted, re-issued as treasury shares or transferred to a participant within 30 days of vesting. Shares allotted upon the vesting of an award will, upon the holder's name being entered on the Company's register of members, rank *pari passu* with the then issued Shares (save for any entitlements accruing to Shares by reference to a record date preceding the date of entry on the register of members). The Company will apply for admission to the Official List, and to trading on the London Stock Exchange's market for listed securities, for new Shares allotted on exercise of an option.

9. Capital re-organisation

If the issued share capital of the Company is varied on a capitalisation issue, rights issue or sub-division, consolidation or reduction of capital, the Board may, on the advice of the Company's auditors, adjust the number of Shares comprised in each option and the price payable on the exercise of the option.

10. Amendments

The Board may amend the Plan except that the provisions relating to

- (a) the persons to whom Shares are provided under the Plan;
- (b) limitations on the number of Shares subject to the Plan;
- (c) the maximum entitlement for any one participant; and
- (d) the basis for determining a participant's entitlement under the Plan and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital;

cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan or the Company operating the Plan or for members of its group).

The Board may not make any amendments to existing options which adversely affect the rights of any participant without such participant's consent.

APPENDIX II

EXPLANATION OF ANNUAL GENERAL MEETING BUSINESS

This explanatory note gives further information on resolutions numbered 1 to 14 listed in the enclosed Notice of the 2009 Annual General Meeting of the Company.

Resolution 1 - Receipt of Company Accounts

The Directors must lay the Company's Accounts, the Director's report and the Auditors' report before the shareholders at a General Meeting. This is a legal requirement after the Directors have approved the Accounts and the Directors report, and the Auditors have prepared their report.

Resolution 2 - Re-election of Sir Alan Budd

In accordance with the Company's Articles of Association, Sir Alan Budd, who was appointed to the board in April 2005, retires and offers himself for re-election.

Full biographical details are set out on page 13 of the Annual Report.

Resolution 3 - Re-election of Mr Martin Jackson

In accordance with the Company's Articles of Association, Mr Martin Jackson, who was appointed to the board in April 2005, retires and offers himself for re-election.

Full biographical details are set out on page 13 of the Annual Report.

Resolution 4 - Re-election of Mr Roger Yates

In accordance with the Company's Articles of Association, Mr Roger Yates, who was appointed to the board in February 2006, retires and offers himself for re-election.

Full biographical details are set out on page 13 of the Annual Report.

Resolution 5 - Declaration of Dividend

Resolution 5 is for a final ordinary dividend of 11.0p per share. Commentary on our dividend policy is set out on page 28 of the Annual Report.

Resolution 6 - Re-election of Ernst & Young LLP as Auditors

The board, on the recommendation of the audit committee, recommends the re-election of Ernst & Young LLP as Auditors, to hold office until the next meeting at which accounts are laid.

Resolution 7 - Remuneration of the Auditors

It is normal practice for a Company's Directors to be authorised to agree the Auditor's fees. This resolution authorises the Board of Directors to agree the remuneration of the Auditors.

Resolution 8 - Adoption of the Remuneration Report

The Annual General Meeting business includes the usual ordinary resolution to approve the Directors' Remuneration Report for the year ended 31 May 2009. This is set out on page 35 of the Annual Report.

Resolution 9 - Authority to allot shares

The purpose of Resolution 9 is to renew the Directors' power to allot shares.

The authority in paragraph (i) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of £6,000, which is equivalent to approximately 33

per cent of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 28 August 2009.

The authority in paragraph (ii) will allow the Directors to allot new shares and other relevant securities only in connection with a rights issue up to a further nominal value of £6,000, which is equivalent to approximately 33 per cent of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 28 August 2009. This is in line with corporate governance guidelines.

At 28 August 2009, the Company did not hold any shares in treasury.

There are no present plans to undertake a rights issue or to allot new shares other than in connection with employee share and incentive plans. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

If the resolution is passed the authority will expire on the earlier of 31 November 2010 and the end of the annual general meeting in 2010.

Resolution 10 - Approval of the US Employee Stock Purchase Plan

See Appendix I

Resolution 11 - Purchase by the Company of its own shares

The effect of this resolution is to renew the authority granted to the Company to purchase its own ordinary shares, up to a maximum of 36,000,280 ordinary shares, until the annual general meeting in 2010 or 31 November 2010 whichever is the earlier. This represents 10% of the ordinary shares in issue as at 28 August 2009 and the Company's exercise of this authority is subject to the stated upper and lower limits on the price payable.

Pursuant to the 2006 Act, the Company can hold the shares which have been repurchased itself as treasury shares and either resell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee share schemes. The Directors believe that it is desirable for the Company to have this choice and therefore intend to hold any shares purchased under this authority as treasury shares. Holding the repurchased shares as treasury shares will give the Company the ability to re-sell or transfer them in the future, and so provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares.

Shares will only be repurchased if the directors consider such purchases to be in the best interests of shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Shares held as treasury shares 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).

As at 28 August 2009 (being the latest practicable date prior to the publication of this Notice), there were 1,218,001 vested but unexercised options granted under all share option schemes operated by the Company and no outstanding warrants, which, if exercised would represent 0.33% of the issued ordinary share capital of the Company (excluding any shares held in treasury). In 2007 and 2008 the Company granted Long Term Incentive Plan share option awards for 5,687,603 shares that are subject to performance criteria being attained by the Company. If these share option awards vest at 100% the issued ordinary share capital of the Company would increase by a further 1.58%.

Resolution 12 - Disapplication of pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of paragraph (i) of Resolution 12 is to authorise the Directors to allot new shares pursuant to the authority given by paragraph (i) of Resolution 9, or sell treasury shares, for cash (I) in connection with a pre-emptive offer or rights issue or (II) otherwise up to a nominal value of £900, equivalent to five per cent of the total issued ordinary share capital of the Company as at 28 August 2009, in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

The purpose of paragraph (ii) of Resolution 12 is to authorise the Directors to allot new shares pursuant to the authority given by paragraph (ii) of Resolution 9, or sell treasury shares, for cash in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings. This is in line with corporate governance guidelines.

The Board considers the authority in Resolution 12 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company within a rolling three-year period without prior consultation with shareholders.

Resolution 13 - Amendment to the Company's Articles of Association

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum and Articles of Association. The Company's Memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake.

The 2006 Act significantly reduces the significance of the Company's Memorandum and provides that the Memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the Company. Under Section 28 of the 2006 Act, the objects clause and all other provisions which are currently contained in the Company's Memorandum, for existing companies at 1 October 2009, are deemed to be contained in the Articles, however, the Company can remove these provisions by Special Resolution.

Further, the 2006 Act states that, unless the Articles of Association provide otherwise, the Company's objects will be unrestricted and thus the requirement for the Company to have an objects clause is now obsolete. For this reason the Company is proposing to remove its objects clause. Resolution 13 confirms the removal of this provision for the Company.

Further, the Company is proposing to amend Article 64 of its Articles of Association to avoid confusion resulting from inconsistencies with the new wording in the 2006 Act, which clarifies that a proxy appointed by more than one member can vote both for and against a resolution on a show of hands, if instructed to do so by different appointors.

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the new Articles of Association 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 2006 Act, save in respect of employee share schemes.

Resolution 14 - Notice of General Meetings

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

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an annual general meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 14 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

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