

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you have sold or transferred all of your Ordinary Shares in Sovereign Reversions plc, please send this document, together with the accompanying Form of Proxy, immediately 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. If you have sold or transferred part only of your holding of Ordinary Shares, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

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# **Sovereign Reversions plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2696924)*

## **Notice of Extraordinary General Meeting and Letter from Senior Independent Non-Executive Director**

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**THIS IS AN URGENT CIRCULAR  
AND YOUR BOARD STRONGLY  
URGES YOU TO VOTE  
AGAINST ALL THE RESOLUTIONS  
AT THE FORTHCOMING REQUISITIONED EGM  
TO CHANGE THE BOARD**

A notice convening an Extraordinary General Meeting of the Company to be held at Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA on 2 September 2009 at 10.30 a.m. 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 be completed, signed 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, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 10.30 a.m. on 31 August 2009. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.

If you have any questions with regard the documentation you have received or if you require additional copies of the Circular and/or the Proxy Card please do not hesitate to contact the Company Secretary, either in writing at 31 Goldington Road, Bedford MK40 3LH, or by telephone on +44 (0) 1234 356 300.

## Key Information

**The Board firmly believes the Company's existing strategy will generate better long term returns for shareholders. Here are some reasons why.**

- Equity release is in its infancy. As more people reach retirement, retirees ownership of property will increase significantly over today's £800 billion.
- As pensioners continue to have funding or income deficits the demand for equity release will grow. The Company's strategy is to exploit the growing need to use these property assets to support retirement income.
- Competition in this market is decreasing just as the property market reaches its nadir. This presents new opportunities to acquire properties, at attractive values.
- Your Company has just renewed its bank facilities and has raised new equity. Funding sources are starting to open up.
- The Board believes its strategy will generate better returns for Shareholders through capital growth and dividend income. It is the Board's intention to pay a dividend in the current financial year, provided the Company generates an operating cash surplus.
- Your Company has been consistent in its drive to deliver shareholder value.
- Your Company has one of the most experienced management teams in the home reversions sector.
- To exit this market at the beginning of a major long term growth path, as proposed by the Requisitioners, will deny any value increase.

**THE BOARD URGES YOU TO VOTE  
AGAINST ALL THE RESOLUTIONS AT  
THE FORTHCOMING EGM.**

# **PART I – LETTER FROM THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

## **Sovereign Reversions plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered  
number 2696924)*

*Directors:*

Paul Spencer (*Non-Executive Chairman*)  
Graeme Marshall (*Chief Executive*)  
Rupert Pearce Gould (*Executive Director*)  
Rt. Hon. John Gummer M.P. (*Senior Independent Non-Executive Director*)  
Robert Lo (*Non-Executive Director*)

*Registered Office:*

31 Goldington Road  
Bedford  
MK40 3LH

5 August 2009

*To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares*

Dear Shareholder,

### **Notice of Extraordinary General Meeting**

#### **1. Introduction**

On 16 July 2009, your Board received a valid general meeting requisition and special notice from members of the Company acting on behalf of Ellis & Sons Third Amalgamated Properties Ltd, Stancroft Trust Ltd, Milton Homes Ltd and Harry Hill Esq. to convene an EGM of the Company. The Requisitioners hold, in aggregate, 2,628,888 Ordinary Shares being 17.36 per cent. of the Existing Issued Share Capital of the Company.

The Requisitioners served notice on the Company that they are seeking the removal of the Executive Directors, Graeme Marshall and Rupert Pearce Gould and Paul Spencer, our Chairman. The Requisitioners propose that these Directors should be replaced with Michael Campbell, as Non-executive Chairman, and Harry Hill and Peter Gordon as Executive Directors. The Requisitioners have also stated that they intend, should the proposed board changes occur, to bring about a fundamental change in the strategy of the Company.

As Paul Spencer, our Chairman, is subject to re-election, I am writing to you as the Senior Independent Non-Executive Director of the Company.

The Directors believe that the EGM requisition served on the Company represents a significant cost and major distraction to Sovereign at a time when there are numerous opportunities presenting themselves in the equity release and home reversion market.

The purpose of this document is to convene the EGM, articulate the Company's strategy and to explain the reasons why the Directors unanimously urge you to vote **AGAINST** all the resolutions to be put before Shareholders at the forthcoming EGM.

#### **2. Strategy**

The long established strategy of Sovereign is to:

1. build long term capital value through the appreciation of equity release assets acquired at a discount to their vacant value at the time of acquisition, typically reinvesting net proceeds on a regular basis;
2. leverage our knowledge of the equity release market to generate additional revenue from third parties as well as offer products and support our investment activities; and

3. build a managed portfolio of equity release assets with a continuing and growing revenue stream.

Central to our strategy is the following:

- The Directors' belief in the long term future of UK residential property as an asset class. The Embedded Value will mature automatically but further value will derive from any increase in UK property prices. The Directors expect property values to rise once the effects of the recession have passed, principally due to shortages in housing stock in the UK.
- Building a long term equity management business with the ability to write new equity release plans. This requires an advisory business to ensure the requisite deal flow.
- A disciplined approach in the prices paid for new equity release assets or for portfolio opportunities. The Directors believe we have weathered the property downturn better than our main competitors, who have been prepared to pay higher prices and take on more gearing.

### **3. Reasons to vote AGAINST the resolutions**

The Board believes it has, to date, demonstrated its expertise in building the Company's portfolio. It fully intends to capitalise on the opportunities now presenting themselves as a result of the falls in property prices, the problems with other equity release providers and the increasing demands of the large numbers of retired homeowners living below sustainable levels. The UK has recently been ranked the fourth worst country in Europe for elderly poverty.

This will enable the Company to acquire new reversions at better rates than have existed for some years. In addition this growth in activity is starting, we believe, at or close to the nadir in the property cycle.

We do not believe that it is possible to grow our investment base and the long term management portfolio without having product sourcing, allied to the provision of appropriate advice. The retention of Home & Capital Advisers is therefore an important element in the Company's strategy.

The Board has demonstrated that its interests are wholly aligned with those of Shareholders as a whole, as evidenced by their participation in the Company's recent fundraising, and are fully committed to the successful pursuit of the strategy outlined above.

Your Board also recognises the importance of dividends to Shareholders and intends to return to a progressive dividend policy as soon as possible, allied to capital appreciation. It is the Board's intention to pay a dividend in the current financial year, provided the Company generates an operating cash surplus.

We do not believe that the alternative strategy proposed by the Requisitioners will bring any greater benefits to Shareholders; in fact we believe that it will damage shareholder value, as it will derive no benefit from the market position we have created. As the portfolio is run down and third parties no longer commit to our services the proportionate costs of operating the Company will increase. It is also highly likely that it will become, at some stage, uneconomic to remain on AIM and that might lead to an inability of Shareholders to deal in the Ordinary Shares.

The Requisitioners' strategy is deeply flawed. The equity release market is in its infancy; exiting a market at the beginning of what the Directors anticipate will be a major long term growth path makes no logical sense. In the Board's opinion, increased demand from elderly homeowners will lead to increased demand for our services and attractive opportunities for new investment. The proposed alternative strategy would deny Shareholders the opportunity to benefit from any increased activity or the ability to fund home reversions or equity release plans.

We want your Company to move forward in carefully measured steps given the difficult times in which we now operate and we believe that not only are we ready to do that but also that your Board is best placed to deliver increasing returns for Shareholders.

The Board's detailed response to each of the Requisitioners' assertions is set out in the appendix of this Circular.

**Accordingly, the Directors do not consider the proposed changes to the Board and to the Company's strategy to be in the best interests of Shareholders as a whole and we strongly recommend that you vote AGAINST the Resolutions at the forthcoming EGM.**

#### **4. Intentions of the Non-Executive Directors**

Should Shareholders vote in favour of the resolutions at the forthcoming EGM Robert Lo and I have indicated that we intend to resign with immediate effect.

#### **5. Irrevocable undertakings**

All of the Directors have irrevocably undertaken to vote against all of the Resolutions in respect of their own entire legal and beneficial holdings of Ordinary Shares amounting in aggregate to, as at the date of this document, 1,252,394 Ordinary Shares, representing approximately 8.27 per cent. of the Company's Existing Issued Share Capital. Following completion of the Open Offer the Directors will hold an additional 131,297 Ordinary Shares.

In addition to the irrevocable undertakings entered into by Directors, the Company has received irrevocable undertakings to vote against all of the Resolutions in respect of 2,620,080 Ordinary Shares, in aggregate representing approximately 17.30 per cent. of the Company's Existing Issued Share Capital.

**Accordingly, as at the date of this document irrevocable undertakings to vote against all of the Resolutions have been provided to the Company by holders of, in aggregate, 3,872,474 Ordinary Shares, being 25.57 per cent. of the Existing Issued Share Capital.**

#### **6. Directors' recommendation**

**The Directors unanimously consider that the proposals as put forward by the Requisitioners are not in the best interests of the Company and its Shareholders as a whole. The Directors recommend that Shareholders complete and return a proxy card to vote AGAINST all of the Resolutions to be proposed at the EGM as they and certain Shareholders connected with them intend to do in respect of their beneficial holdings of Ordinary Shares amounting to, in aggregate, 1,252,394 Ordinary Shares or 8.27 per cent. of the Existing Issued Share Capital.**

Yours sincerely

Rt. Hon. John Gummer M.P.  
*Senior Independent Non-Executive Director*

## APPENDIX

### THE BOARD'S RESPONSE TO THE REQUISITIONERS

On 16 July 2009, the Requisitioners issued a statement, detailing their motives for requisitioning the EGM. The Requisitioners made the assertions shown in italics below.

**The Directors have set out below the reasons why the proposed changes to the Board of Sovereign and its strategy are not in the best interests of Shareholders as a whole and why we strongly recommend that you vote AGAINST the Resolutions at the forthcoming EGM.**

#### 1. Problems

*Management's strategy is not delivering value to Shareholders*

- *Since the Company's listing on AIM in April 2004 its share price has fallen 57 per cent. from 260 pence to 111.5 pence per share. The current share price represents a discount of 56 per cent. to the Company's net assets for the year ended 30 April 2009.*

The Directors recognise that absolute share price performance is key and, as Shareholders themselves (and until recently holders of a significant number of warrants to subscribe for new Ordinary Shares), believe our interests are fully aligned with all Shareholders.

We believe that the Company's strategy of pursuing the measured development of Home & Capital Advisers to accompany our investment activities is the right one which will be reflected in our share price performance. The discount to Net Asset Value is a serious concern for the Directors and one suffered by many property businesses in the current economic climate and, as such, Sovereign is in no way unique.

The Directors believe that in the long term our investment strategy of realising existing assets as and when they become vacant, accompanied by regular reinvestment in equity release plans near to or at the bottom of the UK residential property cycle, will provide attractive net asset performance.

Our ancillary equity release services, provided to a market which is expected to grow substantially, are expected to create additional value from a niche business. Taken together, we believe that the result of our business strategy will be to improve shareholder value.

- *The current strategy is inappropriate for the prospective business environment.*

The Directors believe that equity release is set to become a mass market investment product, driven by demographics and the need of UK retirees to supplement their pension savings with other finance as life expectancy increases. We expect the recession, which has had a severe impact on those at or approaching retirement, to be a significant driver for growth over the next three to five years.

The Requisitioners are proposing a run-off of the Company's portfolio and no new investment. We strongly believe that this is not an appropriate strategy for the Company, particularly as this is such an attractive time to acquire residential property and develop our service activities in a fragmented equity release market.

- *The Company's incumbent board (the 'Board') is maintaining a business infrastructure that is predicated on a return to the pre-credit crunch conditions of readily available banking finance. However, with credit likely to remain constrained for some years, the Company is carrying a level of overhead that it cannot support including, but not limited to, a board of directors costing approximately £500,000 pa, which is unjustifiable for a business of this size and type.*

The Board's strategy has, and will continue to be, that the growth of the Company will be financed through a combination of borrowings and equity. The Board was successful in recently obtaining renewal terms from our two bank funders at a time of unprecedented turmoil in global finance.

There are a number of home reversion portfolios which we believe may be offered for sale and we have had initial discussions with certain potential vendors. The EGM requisition has been an unnecessary distraction

for the Board and management and has created uncertainty with vendors making these negotiations difficult. We believe that the acquisition of, or the award of contracts to manage, other equity release portfolios will result in economies of scale and excellent returns for Shareholders.

The non-executive Directors have previously proposed the introduction of long term incentive arrangements for the Executive Directors, which would allow a reduction in base salaries; however certain of the Requisitioners, when consulted, were strongly against such a proposal.

- *At the time of the Company's listing on AIM the Board set out 'to continue paying dividends on a regular and sustainable basis' whereas dividends have been suspended until 'normal market conditions return'.*

The Board recognises the importance of dividends to Shareholders, being significant Shareholders themselves, and intends to return to dividend payments via a policy of distributing a proportion of annual operating cash surpluses. The Board hopes that Shareholders will recognise that suspending the payment of dividends in a difficult market is a prudent step taken by many companies in the current climate.

The Board believes that, given the current recessionary environment, it would have been inappropriate to pay a dividend for the year ending 30 April 2009. **It is the Board's intention to pay a dividend in the current financial year, provided the Company generates an operating cash surplus.**

- *The Company is operating at the limit of its banking facilities and a large proportion of these facilities expire in June 2010.*

It is our intention to seek to match the term of our financing with the likely period for holding our property assets. Long-term financing has been, not surprisingly, unavailable in recent months and the Board believes that it did well in recently obtaining renewal terms from each of our bankers in such a highly unstable market. The Board also obtained an extension to one of the Company's facilities. We are seeing some signs of improvement in the financing environment and are starting to discuss longer-term financing arrangements for our current property portfolio and acquisition finance to take advantage of the attractive market conditions for property investment.

- *The Board defends its performance by reference to an 'embedded value' concept which is flawed since the quantum and timing of this being received by shareholders is highly uncertain. The Requisitioners believe the Board should be judged according to delivery of shareholder value through cash generation and achievement of distributable profits. On these measures their performance is very poor and, with no proposals from the Board to remedy this performance, the Requisitioners believes that without change the shares will continue to trade at a large discount to net asset value.*

The Directors consider that Embedded Value is an important performance measure as it reflects the discount at which the Company purchases its equity release assets.

As announced on 14 July 2009, within our preliminary results the Company reported cash generated of 18.0 pence (2008: 18.5 pence) per Ordinary Share. The Directors believe that Sovereign has an appropriate business infrastructure to generate significant cash flows once the expected upturn to the UK residential property market arrives. A measure related to distributable reserves is not, in the Board's opinion, an appropriate one, given the distortions that current accounting treatment can introduce, and is no more achievable by the Requisitioners than the incumbent Board.

- *Certain of the Requisitioners have expressed concerns to the Board about the Company's failure to deliver value and have asked it to consider alternative means to deliver acceptable shareholder returns. The Board has chosen, nevertheless, to adhere to its existing strategy.*

The Directors spent considerable time devising a proposal following a request for an alternative strategy from certain of the Requisitioners which the Board believes would have achieved the commercial objectives that the Requisitioners are now seeking to impose on all Shareholders.

- *In the opinion of the Requisitioners the interests of the current executive directors are not aligned with the interests of the shareholders, taken as a whole, and a change of strategy is required, executed by a new and highly qualified management team.*

The executive Directors are the current holders of 1,167,394 Ordinary Shares in aggregate, representing 7.7 per cent. of the issued share capital of the Company. We do not agree that their interests are not aligned with Shareholders. The Directors have further demonstrated their commitment to the Company via their subscription for 239,797 Ordinary Shares, amounting to £282,961, in the recently announced Placing and Open Offer. The existing management team is also highly experienced, has successfully built the Company and has a significant network of contacts within the equity release market which cannot be easily replicated.

## **2. Solutions**

The new management team would cease all new investment activity and put the Company's property portfolio into run-off and maximise the return of cash to shareholders. The main elements of its strategy are to:

- *Align management incentives: the new executive team would be rewarded primarily on the basis of their success in returning cash to shareholders. Base salaries will be £50,000 per executive director with reward in excess of this only arising when cash is returned to shareholders. This will provide immediate and material savings to the cost base of the Company in addition to creating an incentive to maximise cash returns to shareholders. It is also proposed that Harry Hill and Peter Gordon will each subscribe for one per cent. new equity in the Company following their appointment at a price of 111.5 pence per share, being the mid-market closing price yesterday.*

The Requisitioners propose to put the Company's property portfolio into run-off and therefore remunerate its proposed executive directors appropriately for the reduced management commitment and time this will require. They have not explained how they will calculate the other incentives for the new directors and how they will distribute cash to Shareholders.

We believe the proposed executive directors will be far less committed to Sovereign than Graeme Marshall and Rupert Pearce Gould. The run-off strategy proposed demonstrates a lack of understanding as to the equity release activities of Sovereign and would take many years to achieve – probably in excess of 10 years. Sovereign only sells a property when it falls vacant after the tenant dies or vacates the property. As such the run-off strategy would most likely be inappropriate for Shareholders as a whole who want capital growth in addition to income from their investment.

In addition there are many Shareholders who invested in the Company via Business Expansion Schemes and it is not clear how the proposed new strategy would effect their tax reliefs.

- *Cease all new investment and eliminate associated expense: the Company has only limited funds for new investment yet is carrying significant overheads to service potential new business. There are significant and immediate savings to be made.*

On 21 July 2009, Sovereign announced the Placing and Open Offer to raise up to approximately £3.69 million (before expenses). The proceeds from this fundraising will principally be used to invest in new equity release plans based on home reversions or similar products. The Directors therefore do not share the views of the Requisitioners.

- *Close or sell Home & Capital Advisers: this will further reduce the cost base.*

A trade sale for Home & Capital Advisers may be achievable; however, the Directors firmly believe that potential buyers are limited in the current economic environment. In July 2009 In Retirement Services, a prominent equity release adviser, entered administration, having failed to secure ongoing funding. If Home & Capital Advisers is closed there will be an immediate cost and it is unclear what savings, net of income, will be achieved.

We also believe that Home & Capital Advisers can be built into a profitable niche business as the market for equity release grows and therefore this is certainly the wrong time to be considering either to close the business of Home & Capital Advisers or to sell it.

- *Retain the Company's third party administration business: this is a profitable and cash generative activity and will be continued on a cost effective basis.*

Sovereign is actively trying to grow its third party administration business, which manages home reversion portfolios on behalf of others. The Requisitioners however propose to put our own portfolio into run-off and this will clearly erode our ability to win new mandates.

- *Maximise sale proceeds of properties as they fall vacant: the proposed new executive directors have the recognised expertise to achieve this.*

Sovereign believes that it has particular expertise in achieving the best possible sale proceeds on properties as they fall vacant and we do not put all sales through one agent. We do not believe that employing the Chairman of Countrywide plc as Chief Executive as proposed by the Requisitioners will result in any better performance than the current Board.

- *Secure long term banking arrangements: the proposed new directors intend to secure appropriate bank facilities for the run off strategy from either the current or new lenders.*

The Board has developed excellent relationships with Sovereign's bankers over many years and with other providers of alternative finance. It is for this reason that the Directors believe that they are particularly well placed to secure appropriate funding for the Company moving forward.

## DEFINITIONS

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

<b>“AIM”</b>	the AIM market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM rules for Companies as published and amended by the London Stock Exchange from time to time
<b>“Capita Registrars”</b>	a trading name of Capita Registrars Limited
<b>“certificated form” or “in certificated form”</b>	an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
<b>“Charles Stanley”</b>	Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited
<b>“Company” or “Sovereign”</b>	Sovereign Reversions plc
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
<b>“Directors” or “Board”</b>	the directors of the Company or any duly authorised committee thereof
<b>“EGM” or “Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company (including any adjournment thereof), notice of which is set out at the end of this document
<b>“Embedded Value”</b>	the net asset value of the Group adjusted to reflect reversion properties at their vacant possession value and excluding the effect of taxation
<b>“Embedded Value Per Share”</b>	Embedded Value divided by the existing number of Ordinary Shares
<b>“Enlarged Issued Share Capital”</b>	all of the issued Ordinary Shares of the Company following completion of the Placing and Open Offer
<b>“Executive Directors”</b>	Graeme Marshall and Rupert Pearce Gould
<b>“Existing Issued Share Capital”</b>	any or all of the 15,143,801 Ordinary Shares of 50 pence each in the capital of the Company in issue at the date of this document, all of which are admitted to trading on AIM, but excluding the Treasury Shares in issue at the date of this document
<b>“Financial Services Authority” or “FSA”</b>	the Financial Services Authority of the United Kingdom
<b>“Home &amp; Capital Advisers”</b>	Home & Capital Advisers Limited
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Net Asset Value”</b>	the net asset value of the Group
<b>“Net Asset Value Per Share”</b>	the Net Asset Value divided by the existing number of Ordinary Shares
<b>“Open Offer”</b>	the conditional offer to Qualifying Shareholders to subscribe for 1,796,054 New Ordinary Shares at a price of 118 pence, on the terms and conditions set out in the circular dated 21 July 2009

<b>“Ordinary Shares”</b>	ordinary shares of 50 pence each in the capital of the Company
<b>“Overseas Shareholders”</b>	shareholders who have registered addresses in, are resident in, or are citizens of, jurisdictions outside of the United Kingdom
<b>“Placing and Open Offer”</b>	the placing and open offer of the Company of up to 3,124,054 new Ordinary Shares announced on 31 July 2009
<b>“Prospectus Rules”</b>	the Prospectus Rules, as published and amended from time to time by the Financial Services Authority
<b>“Registrar”</b>	Capita Registrars Limited, a company registered in England and Wales under registered number 2605568
<b>“Regulations”</b>	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
<b>“Requisitioners”</b>	Ellis & Sons Third Amalgamated Properties Ltd, Stancroft Trust Ltd, Milton Homes Ltd and Harry Hill Esq.
<b>“Resolutions”</b>	the resolutions to be proposed at the EGM
<b>“Senior Independent Non-Executive Director”</b>	the Rt. Hon. John Gummer M.P.
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

# Sovereign Reversions PLC

(Incorporated and registered in England and Wales with company number 2696924)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Sovereign Reversions plc will be held at the offices of **Field Fisher Waterhouse LLP** at 35 Vine Street London EC3N 2AA on 2 September 2009 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions.

### Ordinary Resolutions

1. THAT Graeme Calder Walker Marshall be removed as a director of the Company with immediate effect.
2. THAT Rupert Anthony Pearce Gould be removed as a director of the Company with immediate effect.
3. THAT Paul Spencer be removed as a director of the Company with immediate effect.
4. THAT Harry Douglas Hill be appointed as a director of the Company with immediate effect.
5. THAT Peter Charles Gordon be appointed as a director of the Company with immediate effect.
6. THAT Michael David Colin Campbell be appointed as a director of the Company with immediate effect.

Dated: 5 August 2009

By order of the Board  
Nigel Hare-Scott  
Company Secretary

### Notes:

1. 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 Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita (ID RA10) not later than 48 hours before the time fixed for the AGM. 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 Capita is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. 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.
2. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and, on a poll, vote at a general meeting of the Company.
3. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the Form of Proxy. If you sign and return your Form of Proxy with no name inserted, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank Form of Proxy and a Form of Proxy which states the number of shares to which it applies, the specific Form of Proxy shall be counted first, regardless of whether it was sent or received before or after the blank Form of Proxy, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank Form of Proxy. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should follow the instructions on the Form of Proxy.
6. To direct your proxy how to vote on the resolutions, mark the appropriate box on your Form of Proxy with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
7. To appoint a proxy using this form, your Form of Proxy must be:
  - completed and signed;
  - sent or delivered to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
  - received by Capita Registrars by no later than 10.30 a.m. on 31 August 2009.
8. In the case of a member which is a company, your Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which your Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with your Form of Proxy.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company at 10.30 a.m. on 31 August 2009 or, in the event that the meeting is adjourned, in the register of members as at 10.30 a.m. on the day two days before the date of any adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after 10.30 a.m. on 31 August 2009 or in the event that that meeting is adjourned, in the register of members after 10.30 a.m. on the day two days before the date of the adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.