

5 June 2008



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 seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

SSL International plc

Registered office:
35 New Bridge Street
London EC4V 6BW

Registered in England
No 388828

Dear Shareholder

I am pleased to be writing to you with details of our Annual General Meeting ('AGM'), which we are holding at the CII Insurance Hall, 20 Aldermanbury, London EC2V 7HY on 24 July at 10.30 a.m. The formal notice of Annual General Meeting is set out on page 2 of this circular.

Action to be taken

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this circular and return it to our registrars as soon as possible. They must receive it by 10.30 a.m. on 22 July 2008.

Amendment to the Rules of the Performance Share Plan

Your Board is recommending that the rules of the SSL International plc Performance Plan (the 'Plan') be amended to increase the level of award that may be granted. Subject to this amendment being approved by shareholders, an exceptional award will be granted to the Executive Directors and to certain other senior executives this year, subject to extremely challenging performance conditions. The Board, on the advice of the Remuneration Committee, believes that this exceptional award will be an effective incentive for the Executive Directors to outperform against the accelerated growth targets set for the Group. Full details of this proposal are set out in the Notice of the AGM and details of the award are set out in the Directors' Remuneration Report contained in the Annual Report.

New Articles of Association

We are also asking shareholders to approve a number of amendments to our Articles of Association primarily to reflect the provisions of the Companies Act 2006. An explanation of the main changes between the proposed and the existing Articles of Association is set out in the Appendix on page 6 of this circular.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 4 and 5 of this circular.

Recommendation

The Directors consider that all the resolutions to be put to the AGM are in the best interest 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.

We welcome any questions relating to the Annual Report or any matter contained in this circular. It would be helpful if you could complete and return the enclosed question card.

Susan Murray will stand down as a Non-Executive Director after the AGM. Susan has made a valuable contribution since joining the Board. We wish her well.

Yours sincerely

Gerald Corbett
Chairman

Notice of Annual General Meeting 2008

Ordinary Resolutions

1. To receive and if thought fit to approve the Directors' reports and the Company's accounts for the year ended 31 March 2008 together with the auditors' report on those accounts and the auditable part of the Directors' Remuneration Report.
2. To approve the Directors' Remuneration Report as contained in the report and accounts for the year ended 31 March 2008.
3. That the final dividend recommended by the Directors of 5.3 pence per ordinary share, for the year ended 31 March 2008, be declared payable on 4 September 2008 to holders of ordinary shares on the register on 1 August 2008.
4. To re-elect Richard Adam, who retires by rotation, as a Director*.
5. To re-elect Peter Read, who retires by rotation, as a Director*.
6. To re-elect Garry Watts, who retires by rotation, as a Director*.
7. To re-appoint KPMG Audit plc as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which the accounts are laid.
8. To authorise the Directors to set the auditors' remuneration.
9. That the rules of the SSL International plc Performance Share Plan 2005 be amended to permit the granting of exceptional awards in excess of 100 per cent of an executive's basic salary.
10. That, in substitution of all existing unexercised authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the 'Act') to exercise all powers of the Company to allot relevant securities (within the meaning of that Section) up to a maximum nominal amount of £5,000,000 provided that this authority shall expire (unless previously renewed, varied, substituted or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or on the day 15 months from the date of the passing of this resolution (whichever is earlier) except that the Company may, before then or on the expiry of any renewal of this authority, make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred had not expired.

*Biographical details are set out in the Board of Directors section of the Annual Report 2008.

Special Resolutions

11. That, in substitution for any existing powers, the Directors be and they are hereby empowered pursuant to section 95 of the Act:
 - a) Subject to the passing of resolution 10, to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash pursuant to the authority conferred by resolution 10; and
 - b) To sell equity securities (within the meaning of section 94(2) of the Act) for cash which before the sale were held by the Company as treasury shares (within the meaning of Section 162A of the Act);as if the provisions of Section 89(1) of the Act did not apply to the allotment provided that this power shall be limited:
 - i. To the allotment or sale of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to the holders of ordinary shares on the register on any record date selected by the Directors for the purpose (and, if in accordance with their rights or if the Directors of the Company so determine, holders on any such date of other equity shares of any class) in proportion (as nearly as may be) to their existing holdings of ordinary shares, or as the case may be, other equity securities on such record date (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any legal problems under the laws of, or the requirements of, any recognised body or any stock exchange in any overseas territory, or in relation to fractional entitlements or by virtue of shares being represented by depositary receipts or otherwise howsoever); and

- ii. To the allotment or sale of equity securities for cash (otherwise than under sub-paragraph (i) above) up to a maximum aggregate nominal value of £955,523;

provided always that such power shall expire (unless previously renewed, varied, substituted or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or on the day 15 months from the date after the passing of this resolution (whichever is the earlier) so that the Company may, before then or before the expiry of any renewal of this authority, make an offer or agreement which would or might require equity securities to be allotted or sold from treasury after expiry of this power and the Directors may allot or sell from treasury equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

12. That, pursuant to Article 45 of the Company's Articles of Association, the Company be and is generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of section 163(3) of that Act) of ordinary shares of 10 pence each in the capital of the Company up to a maximum aggregate of 18,950,000 ordinary shares provided that:

- a) the minimum price which may be paid for each ordinary share is the nominal amount of that share exclusive of expenses payable by the Company;
- b) the maximum price which may be paid for each ordinary share is the amount equal to 105 per cent of the average of the middle market quotations for an ordinary share, as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the ordinary share is agreed to be purchased exclusive of expenses payable by the Company;
- c) unless previously renewed, varied or revoked, this authority shall expire at the conclusion of the next Annual General Meeting after the date of the passing of this resolution or on 24 January 2009 (whichever is the earlier) (except in relation to the purchase of ordinary shares the contract for which is concluded before such date and which is executed wholly or partly after such date); and
- d) before the expiry of this authority, the Company may make a contract to purchase its own shares under this authority which would or might involve the Company purchasing its own shares after this authority expires.

13. That the Articles of Association produced to the Meeting and initialled by the Chairman for the purposes of identification be and are hereby adopted as the new Articles of Association of the Company with effect from the close of this Meeting, in substitution for and to the exclusion of all existing articles of association.

By order of the Board

Maria Buxton-Smith

Company Secretary
19 May 2008

Registered Office:
35 New Bridge Street
London EC4V 6BW
Registered No. 388828

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder 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. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
2. Should you wish to appoint more than one proxy please contact Capita Registrars (telephone: 0871 664 0321 – calls cost 10p per minute plus network extras). The following principles shall apply in relation to the appointment of multiple proxies:
 - (a) The Company will give effect to the intentions of members and include votes wherever and to the fullest extent possible.
 - (b) Where a proxy does not state the number of shares to which it applies (a 'blank proxy') then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of the appointing member (the 'member's entire holding'). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (a 'specific proxy'), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
 - (c) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the member's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. That is, there is only assumed to be a conflict where the aggregate number of shares in respect of which proxies have been appointed exceeds the member's entire holding.
 - (d) When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies.
 - (e) If conflicting proxies are sent or received at the same time, or if the Company is unable to determine which was sent or received last, in respect of (or deemed to be in respect of) an entire holding, none of them shall be treated as valid.
 - (f) Where the aggregate number of shares in respect of which proxies are appointed exceeds a member's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata.
 - (g) If a member appoints a proxy or proxies and then decides to attend the Annual General Meeting in person and vote, on a poll, using his poll card, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's entire holding then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the member's entire holding, then if the member indicates on his polling card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding.
 - (h) In relation to paragraph (g) above, in the event that a member does not specifically revoke proxies, it will not be possible for the Company to determine the intentions of the member in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
3. To be valid any proxy form or other instrument appointing a proxy and the power of attorney (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by post or (during normal business hours only) by hand to Capita Registrars at the address given in note 1 no later than 10.30 a.m. on Tuesday 22 July 2008.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 10 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by 6 p.m. on 22 July 2008 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. As at 5 June 2008 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 191,163,698 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 5 June 2008 are 191,163,698.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 10.30 a.m. on 22 July 2008. 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 Application 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.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular message. 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 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 system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34(5)(a) of the Uncertificated Securities Regulations 2001.

13. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to 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. The Company may not require the shareholders requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

14. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all 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 attend 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. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

Inspection of documents

The following documents will be available for inspection at the office of the Company, 35 New Bridge Street, London EC4V 6BW from the date of posting of this circular until the time of the AGM and at the CII Insurance Hall, 20 Aldermanbury, London EC4V 6BW from 15 minutes before the AGM until it ends:

- Copies of the executive directors' service contracts;
- Copies of letters of appointment of the non-executive directors;
- A copy of the proposed new articles of association of the Company, and a copy of the existing articles of association marked to show the changes being proposed in resolution 13; and
- A copy of the proposed amended rules SSL International plc Performance Share Plan 2005, and a copy of the existing rules marked to show the changes being proposed in resolution 9.

Explanatory notes to the Notice of Annual General Meeting

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 to 13 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Approval of the financial statements

The Directors must present to shareholders at the AGM the financial statements for the year ended 31 March 2008 together with the reports of the Directors and auditors. These are contained within the Annual Report 2008.

Resolution 2: Approval of the Directors' Remuneration Report

The Board seeks the shareholders' approval of the Directors' Remuneration Report 2008, which is included on pages 39 to 45 in the Annual Report 2008.

Resolution 3: Approval of the final dividend

A final dividend can only be paid after it has been approved by the shareholders. A final dividend of 5.3 pence per ordinary share is recommended by the Directors for payment to shareholders who are on the register of members at the close of business on 1 August 2008 and, if approved, the date of payment of the final dividend will be 4 September 2008.

Resolutions 4, 5 and 6: Re-election of Directors

The Nomination Committee has determined, in accordance with the Company's Articles of Association and the principles of the Combined Code, that it is appropriate for Richard Adam, Peter Read and Garry Watts to retire and offer themselves for re-election at the AGM. Following the recommendation from the Nomination Committee, the Board recommends the re-election of those Directors.

Resolutions 7 and 8: Re-appointment of auditors and auditors' remuneration

The auditors of a company must be re-appointed at each general meeting at which accounts are presented. Resolution 7 proposes the re-appointment of the Company's existing auditors, KPMG Audit Plc, until the next Annual General Meeting.

Resolution 9: Amendment to the Rules of the SSL International plc Performance Share Plan (the 'Plan') 2005:

The current Plan rules (the 'Rules') limit the market value of any award over shares in any financial year to 100 per cent of an individual's salary other than in exceptional circumstances.

The Remuneration Committee has considered carefully the award levels and performance conditions attached to the 2008 awards. As set out in recent results presentations, Company performance has been outstanding and, with a number of strategic initiatives ongoing and being contemplated, the Remuneration Committee considers that it is critical that this highly talented management team is retained and provided with a significant incentive opportunity at the present time. Accordingly, it is proposed that, in addition to the normal award over shares of 100 per cent of base salary, an exceptional award over shares worth 200 per cent of base salary be made to the Executive Directors and to certain other key senior executives (at lower levels).

The exceptional award is subject to very stretching EPS and EVA growth targets. Accordingly, the expected value of the exceptional award is considered to be significantly lower than for the normal award. In addition, the exceptional award will vest in two equal parts after four and five years.

To facilitate the grant of this award, it is proposed that shareholder approval is sought to increase the individual limit in the Rules so that the market value of any award over shares granted in any financial year shall not exceed 300 per cent of an individual's base salary. It is currently anticipated that the provision to make exceptional awards above normal market levels will be used sparingly in the future and will be subject to more challenging performance conditions (other than in exceptional circumstances, such as the recruitment of a new senior executive).

Full details of the performance conditions attached to awards are set out in the Directors' Remuneration Report contained in the Annual Report 2008.

Resolution 10: Authority to allot shares

Resolution 10 will renew the Directors' authority to allot unissued shares in the Company. The resolution authorises the Directors to allot shares up to an aggregate nominal amount of £5,000,000 being 26.2 per cent of the issued ordinary share capital of the Company at 19 May 2008. The authority will expire at the conclusion of the next Annual General Meeting of the Company or on the day 15 months from the date of the passing of the resolution (whichever is earlier). The Directors have no immediate intention to exercise this authority other than in connection with the Group's employee share schemes, but seek such authority in order to retain maximum flexibility to take advantage of business opportunities as they arise. The Company held no treasury shares within the meaning of section 162A of the Companies Act 1985 at 19 May 2008.

Resolution 11: Disapplication of pre-emption rights

Under Section 89 of the Companies Act 1985, equity securities in the Company may not be allotted for cash or sold from treasury (otherwise than in respect of an employee share scheme) without first being offered pro rata to existing shareholders, unless the prior approval of the shareholders is given in a general meeting. The Directors consider that it is in the best interests of the Company to renew the relevant authority given at the annual general meeting in 2007. Accordingly, a Special Resolution to this effect is proposed as Resolution 11 in the notice of the Annual General Meeting. The proposed authority will expire at the conclusion of the next Annual General Meeting of the Company or on the day 15 months from the date of the passing of this resolution (whichever is the earlier) and permits the Directors during this period to issue up to an aggregate nominal amount of £955,523 representing 5 per cent of the issued share capital at 19 May 2008 without first offering them to existing shareholders.

In any three-year period, no more than 7.5 per cent of the issued share capital will be issued on a non-pre-emptive basis.

Resolution 12: Renewal of the power to purchase own shares

In certain circumstances it may be advantageous for the Company to purchase its own shares. There is no present intention to exercise this power and, if granted, the Directors would only exercise this authority if and when, in the light of market conditions prevailing at the time, they believe that the effect of such purchase will be to increase earnings per share and that it is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account before deciding upon this course of action.

If the Company were to purchase any of its own shares pursuant to the authority conferred by Resolution 12, the Company would consider at that time whether to cancel the shares or to hold these shares.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 ('the Regulations') permit a company to hold its own shares as treasury shares, to transfer them for the purposes of employee share schemes, to sell them for cash or to cancel those shares. No dividends would be paid on and no voting rights would attach to any shares whilst held in treasury.

The Company does not currently hold any treasury shares as defined by the Regulations.

This resolution specifies the maximum number of shares that may be acquired (representing less than 10 per cent of the Company's total issued ordinary share capital as at 19 May 2008) and the maximum and minimum prices at which they may be bought. The total number of warrants and options to subscribe for ordinary shares that were outstanding as at 19 May 2008 was 4,263,335 representing 2.23 per cent of the issued share capital of the Company at that date, 2.48 per cent if the authority to purchase shares under this resolution be used in full.

Resolution 13: Adoption of new articles of association.

It is proposed in resolution 13 to adopt new articles of association (the 'New Articles') in order to update the Company's current articles of association (the 'Current Articles') primarily to take account of changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature and also more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 4 of this document.

Appendix

Explanatory notes of principal changes to the Company's Articles of Association

1. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. Form of resolution

The Current Articles are to be amended as the concept of extraordinary resolutions has not been retained under the Companies Act 2006, so that where an extraordinary resolution is currently required a special resolution would in future be effective.

3. Variation of class rights

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

4. Convening extraordinary and annual general meetings

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

5. Votes of members

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

6. Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interests to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

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

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

7. Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and to continue to Website communications. However, the New Articles use revised definitions, such as communication in or by 'Electronic Copy', 'Electronic Means' and 'Electronic Form' as these are all terms that are defined in the Companies Act 2006.

Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him/her by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

8. Directors' indemnities and loans to fund expenditure

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