

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, solicitor, fund manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all your shares in Dawson Holdings PLC, please hand this document and the accompanying Form of Proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of existing Shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

---

## **DAWSON HOLDINGS PLC**

*(incorporated and registered in England & Wales with registered number 00034273)*

### **Notice of 2010 Annual General Meeting**

---

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 to 7 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Annual General Meeting. Your attention is also drawn to the paragraph entitled "Action to be taken" on page 6 of this document.

Notice of the One-hundred and Eighteenth Annual General Meeting of the Company to be held at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 2:30 p.m. on 17 February 2010, is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Annual General Meeting. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's registrars, Capita Registrars, Proxies Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2:30 p.m. on 15 February 2010. Alternatively, Shareholders may register the appointment of a proxy electronically with Capita Registrars by logging onto [www.capitashareportal.com](http://www.capitashareportal.com) where full instructions are given. Electronic proxy appointments must also be received by Capita Registrars by no later than 2:30 p.m. on 15 February 2010. Proxy voting in respect of uncertificated shares may also be registered electronically through CREST. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the Annual General Meeting should they choose to do so. Further instructions relating to the Form of Proxy are set out in the Annual General Meeting notice at the end of this document.

## CONTENTS

PART 1: LETTER FROM THE CHAIRMAN OF DAWSON HOLDINGS PLC.....	4
PART 2 SUMMARY OF THE PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION OF THE COMPANY .....	8
PART 3 NOTICE OF ANNUAL GENERAL MEETING .....	13

## TIMETABLE

Latest time and date for receipt of Forms of Proxy for the AGM: 2:30 p.m. on 15 February 2010

Annual General Meeting: 2:30 p.m. on 17 February 2010

### Notes

1. All references to time in this document are to UK time.
2. If any of the above times and/or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service and otherwise in accordance with the Current Articles of Association.

## DEFINITIONS

In this document the following expressions have the following meanings unless the context otherwise requires:

<b>“2006 Act”</b>	the Companies Act 2006.
<b>“AGM” or “Annual General Meeting”</b>	the Annual General Meeting of Dawson to be held at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 2:30 p.m. on 17 February 2010 (or any adjournment thereof), notice of which is set out at the end of this document.
<b>“B Shares”</b>	B non-voting ordinary shares of 1p each in the Company.
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of share in uncertificated form in respect of which CRESTCo is the operator (as defined in the CREST Regulations).
<b>“CREST Manual”</b>	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterparty Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001).
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended).
<b>“Current Articles” or “Current Articles of Association”</b>	the current articles of association of Dawson.
<b>“Dawson” or “the Company”</b>	Dawson Holdings PLC.
<b>“Directors” or “Board”</b>	the directors of Dawson.
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in relation to the AGM.
<b>“New Articles” or “New Articles of Association”</b>	the proposed new articles of association of Dawson.
<b>“Notice”</b>	the notice to Shareholders convening the AGM, a copy of which is at the end of this document.
<b>“Ordinary Shares”</b>	the ordinary shares of 1p each in the Company.
<b>“Resolutions”</b>	the resolutions to be proposed at the AGM, as set out in the Notice of AGM at the end of this document.
<b>“Shareholder”</b>	a holder of Ordinary Shares.
<b>“Shares”</b>	any share in the Company.
<b>“UK”</b>	United Kingdom of Great Britain and Northern Ireland.

**PART 1:**  
**LETTER FROM THE CHAIRMAN OF DAWSON HOLDINGS PLC**  
**DAWSON HOLDINGS PLC**

*(incorporated and registered in England & Wales with registered number 00034273)*

*Directors:*  
Nigel Freer (*Chairman*)  
Hugh Cawley (*Chief Executive Officer*)  
Adrian Wood (*Finance Director*)  
Ian Davies\*  
The Right Honourable Baroness Dean\*  
James McCarthy\*

*Registered Office:*  
Blenheim House  
1 Blenheim Road  
Epsom  
Surrey  
KT19 9AP

(\*Denotes a non-executive Director)

12 January 2010

Dear Shareholder,

**Annual General Meeting – 17 February 2010**

The One-hundred and Eighteenth Annual General Meeting of the Company will be held at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 17 February 2010 at 2:30 p.m. The formal notice of the meeting is set out on pages 13 to 17 of this document.

I am writing to give you details of the items of business that will be put before the meeting.

This year, Shareholders will be asked to approve 10 resolutions. Resolutions 1 to 6 will be proposed as ordinary resolutions. This means that more than 50 per cent of the votes cast must support these resolutions. Resolutions 7 to 10 will be proposed as special resolutions. At least 75 per cent of the votes cast must support these resolutions if they are to be passed.

**Resolution 1: Annual report and accounts**

Each year the Directors are required to lay before the annual general meeting the annual accounts of the Company together with the directors' report and auditors' report on those accounts. The annual report and accounts for the year ended 30 September 2009 is available on the Company's website at [www.dawson.co.uk](http://www.dawson.co.uk).

**Resolution 2: Remuneration Committee Report**

As we are an officially listed company, it is a statutory requirement that the directors' remuneration report be subject to an advisory vote by shareholders at the annual general meeting.

The remuneration report is set out in full on pages 25 to 31 of this year's annual report and accounts.

**Resolution 3 and 4: Reappointment and election of directors**

Resolution 3 proposes the reappointment of James McCarthy as a director of the Company. This is in accordance with the Company's articles of association which require that each director shall retire from office and shall be eligible for reappointment at the third annual general meeting after which he was appointed or last reappointed.

Resolution 4 proposes the appointment of Adrian Wood as a director of the Company. Under the Company's articles of association any new director appointed by the Board must retire and seek reappointment at the next annual general meeting following his appointment. This gives Shareholders the opportunity to confirm that appointment.

Biographical details of each of these directors are set out on pages 2 and 3 of this year's annual report and accounts.

**Resolutions 5: Reappointment of auditors**

The Company is required to reappoint auditors at each annual general meeting at which accounts are laid, to hold office until the next such meeting. Therefore, Resolution 5 proposes the reappointment

of KPMG Audit Plc as auditors and, in accordance with normal practice, authorises the Directors (via the Audit Committee) to determine the auditors' remuneration.

#### **Resolution 6: Authority to allot shares**

The directors of a company may only allot shares if they have been authorised to do so by shareholders in general meeting. Resolution 6 authorises the Directors to allot Ordinary Shares in the capital of the Company up to an aggregate nominal amount of £239,266 which represents approximately one-quarter of the issued share capital of the Company as at 18 December 2009. This limit is in line with the guidelines issued by the Association of British Insurers.

If given, this authority will expire 15 months after the date of passing of the resolution or, if earlier, at the conclusion of the Company's next annual general meeting. It is the Directors' intention to renew this authority each year.

There are no present plans to allot any of the unissued share capital of the Company other than in connection with employee share schemes.

#### **Resolution 7: Disapplication of pre-emption rights**

Resolution 7, if passed, would enable the Directors to allot Shares for cash on a non pre-emptive basis in limited circumstances. It is proposed to authorise the directors to issue Shares for cash up to an aggregate nominal amount of £48,702 (which represents approximately five per cent of the Company's issued share capital as at 18 December 2009), without having to first offer them to holders of Shares in proportion to their existing holdings. This limit is in line with the guidelines issued by the Pre-emption Group.

If given, this authority will expire 15 months after the date of passing of the resolution or, if earlier, at the conclusion of the Company's next annual general meeting. It is the Directors' intention to renew this authority each year.

There are no present plans to exercise this authority.

#### **Resolution 8: Purchase by the Company of its own Ordinary Shares**

This Resolution will be proposed as a special resolution. If passed, it will allow the Company to buy back up to 9,740,327 Ordinary Shares in the market (representing approximately 10 per cent of the Company's issued share capital as at 18 December 2009). The minimum and maximum prices for such a purchase are set out in the resolution. The Directors have no current intention of exercising this authority and would only do so if they were satisfied that the purchase would be likely to result in an increase in expected earnings per Share, and would be in the best interests of holders of Shares generally.

The effect of such purchases would either be to cancel the number of shares in issue or the Directors may elect to hold them in treasury pursuant to the 2006 Act.

The 2006 Act enables companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of its own shares by a company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under a company's employee share schemes. Once its shares are held in treasury, a company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the company's assets may be made to the company in respect of the treasury shares.

If the Directors exercise the authority conferred by Resolution 8 they will consider holding those Ordinary Shares in treasury, rather than cancelling them. The Directors believe that holding shares in treasury would provide the Company with greater flexibility in the management of its share capital. The Directors will also consider using the treasury shares to satisfy any share options or awards under an employee share scheme. The Directors will have regard to any guidelines in relation to the purchase, holding or resale of treasury shares issued by investor groups which may be in force at the relevant time.

The Company may utilise the authority to purchase Ordinary Shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders.

On 30 September 2009, there were options over Ordinary Shares representing 6.04 per cent of the Company's then issued ordinary share capital. If the authority to purchase the Company's Ordinary

Shares was exercised in full and those Ordinary Shares were subsequently cancelled, these options would represent 5.81 per cent of the Company's issued and voting ordinary share capital as at 18 December 2009.

If given, this authority will expire at the conclusion of the Company's next annual general meeting or, if earlier, on the expiry of 15 months from the passing of the resolution. It is the Directors' intention to renew this authority each year.

#### **Resolution 9: New Articles of Association**

It is proposed in Resolution 9 to adopt the New Articles in order to update the Current Articles primarily to take account of changes in English company law brought about by the 2006 Act and the implementation of the Shareholders Right Directive in the UK through the Companies (Shareholders' Rights) Regulations which came into effect on 3 August 2009 ("Shareholders' Rights Regulations").

The principal changes introduced in the New Articles are summarised in Part 2 to this document. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act have not been noted in Part 2.

The New Articles incorporating all the changes to the Current Articles and the Current Articles are available for inspection, as noted on page 8 of this document.

#### **Resolution 10: Notice period for general meetings**

One of the requirements of the Shareholders Rights Regulations is that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period. The Company is currently able to call general meetings (other than annual general meetings or a meeting for the passing of a special resolution) on 14 clear days' notice and would like to preserve this ability and extend it to meetings called for the passing of special resolutions. In order to be able to do so, shareholders must have approved the calling of meetings on 14 clear days' notice. Resolution 10 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 Company will also need to meet the requirements for electronic voting under the Shareholders Rights Regulations before it can call a general meeting on 14 clear days' notice.

#### **Recommendation**

Your Directors consider that the Resolutions are in the best interests of the Company and its shareholders as a whole and, accordingly, recommend that you vote in favour of them, as your Directors intend to do in respect of their own beneficial shareholdings.

#### **Action to be taken**

You will find enclosed a Form of Proxy for use in respect of the Annual General Meeting. As a member you are entitled to appoint one or more persons as proxies to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by you. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. Additional Forms of Proxy may be obtained by contacting the Company's registrar Capita Registrars, Proxies Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU or you may photocopy the Form of Proxy. You will need to state clearly on each Form of Proxy the number of Shares in relation to which the proxy is appointed. If you do not intend to attend the meeting in person, please complete and return this form indicating how you wish your votes to be cast on each of the Resolutions. You will still be able to attend and vote at the meeting should you wish to do so.

To be effective, the Form of Proxy must be completed in accordance with the instructions printed on it and returned as soon as possible but, in any event, so as to reach the Company's registrar, Capita Registrars, Proxies Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2:30 p.m. on 15 February 2010 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). Alternatively, you may appoint proxies electronically with Capita Registrars by logging onto [www.capitashareportal.com](http://www.capitashareportal.com) where full instructions are given. Proxy voting in respect of uncertificated shares may also be registered electronically through CREST. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrar by no later than 2:30 p.m. on 15 February 2010.

Yours sincerely

**NIGEL FREER**

Chairman

**DAWSON HOLDINGS PLC**

## PART 2

### SUMMARY OF THE PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

As explained in the letter from the Chairman, it is proposed that the Current Articles should be replaced by the New Articles.

The Company considers that this is an appropriate time to update the Current Articles to reflect the current law. This includes the implementation of certain parts of the Companies Act 2006 which have recently come into force.

Due to the number of these changes, a summary only of the reasons for and effect of the principal differences between the Current Articles and the New Articles is as set below. Changes of a minor, conforming or purely technical nature have not been mentioned specifically.

A copy of the New Articles, which it is proposed should replace the Current Articles can be obtained from the Company Secretary, Dawson Holdings PLC, Blenheim House, 1 Blenheim Road, Epsom, Surrey, KT19 9AP and both the New Articles and the Current Articles will be available for inspection for at least 15 minutes before and during the AGM.

#### **1. Articles which duplicate statutory provisions**

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to 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. 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 2006 Act. The New Articles reflect this.

#### **3. Fractions**

The Current Articles contain a provision providing that if a consolidation or subdivision of shares results in members being entitled to fractions of shares, the Board can deal with such fractions as it thinks fit, including selling the fractions and distributing the proceeds in proportion among the members. For clarity, this provision has been amended in the New Articles to provide where any member's entitlement to a portion of the proceeds of sale of the fractions amounts to less than £3.00, the Board can distribute that member's proceeds to charity.

New provisions have been included in the New Articles to allow the Board to deal with entitlement to fractions of shares to allow the Board (subject to the provisions of the 2006 Act) to allot to each relevant shareholder, credited as fully paid by way of capitalisation the minimum number of new Shares required to round up a shareholder's holding following the consolidation to a whole number. This is in line with current market practice.

#### **4. Convening general meetings**

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the 2006 Act. In particular, the 2006 Act provides that a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. This position was changed after the implementation of the EU Shareholder Rights Directive in August 2009 and the Company will be required to take certain actions in order to maintain this 14 day notice period, as referred to in Resolution 10 and the accompanying notes to that Resolution. In addition, the chairman of a general meeting no longer has a casting vote.

## **5. Votes of members**

The time limits for the appointment or termination of a proxy appointment have been altered by the 2006 Act so that the articles cannot provide that they should be received:

- more than 48 hours before the meeting or adjourned meeting;
- in the case of a poll taken more than 48 hours after it was demanded, more than 24 hours before the taking of the poll; or
- in the case of a poll taken less than 48 hours after it was demanded, no earlier than the time at which it was demanded.

The New Articles reflect these provisions and give the Directors discretion, when calculating these time limits, to exclude weekends and bank holidays.

In addition, the 2006 Act provides that multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect this provision.

The Shareholders Rights Regulations have amended the 2006 Act so that it now provides that each proxy appointed by a shareholder has one vote on a show of hands, unless the proxy is appointed by more than one shareholder, in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more shareholders to vote for the resolution and by one or more shareholders to vote against the resolution. The New Articles reflect these changes.

Under section 323(1) of the 2006 Act, a corporate shareholder can now appoint more than one corporate representative. The Company is aware of concerns that have been raised about the effect of section 323(4) of the 2006 Act, which provides that where multiple corporate representatives of the same corporate shareholder vote differently, the power to vote is treated as not having been exercised. As the New Articles generally avoid duplicating provisions of the 2006 Act, the New Articles do not incorporate or explicitly reflect the terms of section 323(4) of the 2006 Act. The Company intends to take account of best practice to allow, as far as possible, multiple corporate representatives to attend general meetings of the Company and ensure their votes are counted.

## **6. Age of directors on appointment**

The Current Articles contain a provision limiting the age at which a director can be appointed. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

## **7. Notice of board meetings**

Under the Current Articles, when a Director is abroad he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a Director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

## **8. Records to be kept**

The provision in the Current Articles requiring the board to keep accounting records has been removed as this requirement is contained in the 2006 Act.

## **9. Electronic and web communications**

Provisions of the 2006 Act 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, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. 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 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.

#### **10. Directors' indemnities**

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors. In particular, a company that is a trustee for an occupational pension scheme can now indemnify a director against a liability incurred in connection with the company's activities as trustee of the scheme. This is reflected in the New Articles.

The New Articles contain a provision allowing a Director to vote and be counted in the quorum at a board meeting in respect of any resolution concerning indemnification (including loans) by the Company in relation to the performance of his duties. This clarifies the ability of the Board to adopt indemnities in favour of Directors in accordance with the 2006 Act.

#### **11. Change of name**

As from 1 October 2009, a company is able to change its name by means provided for by its articles. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

#### **12. Authorised share capital and unissued shares**

The 2006 Act abolishes the requirement for a company to have an authorised share capital. A special resolution passed by the Shareholders on 12 October 2009 deleted all provisions of the Company's memorandum relating to the Company's authorised share capital which were deemed to form part of the Company's articles. The New Articles reflect this and all references to authorised share capital have been removed. 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.

#### **13. Redeemable shares**

As from 1 October 2009, the 2006 Act enabled directors to determine the terms and manner of redemption of redeemable shares provided they are authorised to do so by the Company's articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would require Shareholder's authority to issue new shares in the usual way.

#### **14. Authority to purchase own shares, consolidate and sub-divide shares and reduce share capital**

Pre 1 October 2009, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves, as well as shareholder authority to undertake the relevant action. The Current Articles included these enabling provisions. As from 1 October 2009, a company only requires shareholder authority to do any of these things and it is no longer necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.

#### **15. Suspension of registration of share transfers**

The Current Articles permit the directors to suspend the registration of transfers. Under the 2006 Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

#### **16. Use of seals**

Prior to 1 October 2009, a company required authority in its articles to have an official seal for use abroad. From 1 October 2009, such authority is no longer required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document, it may also be signed by a director in the presence of a witness, in addition to the current provisions for signature by either a director and the secretary or two directors or such other person or persons as the Board may approve.

**17. Vacation of office by directors**

The Current Articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business Innovation & Skills (formerly known as the Department of Business, Enterprise and Regulatory Reform).

**18. Notices in the event of a postal strike**

The opportunity has been taken in the New Articles to clarify the process for giving notice of a meeting during a postal strike by stating that the Company can give such notice by electronic means.

**19. The Company's objects**

The provisions regulating the operation 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. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the Company. Under the 2006 Act, the objects clause and all other provisions which are currently contained in the Company's memorandum will be deemed to be contained in its articles of association, although the Company can remove these provisions by a special resolution.

Further, the 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason, the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 9(a) confirms the removal of these provisions. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

**20. Provision for employees on cessation of business**

The 2006 Act provides that the powers of a board of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

**21. Voting record date**

Under the 2006 Act as amended by the Shareholders' Rights Regulations, a company must determine the right of shareholders to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles reflect this requirement.

**22. Adjournments for lack of quorum**

Under the 2006 Act as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum, must be held at least 10 clear days after the original meeting. The New Articles reflect this.

**23. Changes to retirement by rotation**

In accordance with current market practice, the New Articles provide for one third of the Board (who are subject to retirement by rotation) to retire by rotation, or if their number is not three or a multiple of three, the number nearest to but not exceeding one third to retire from office. This provision on its own is not sufficient to comply with paragraph A.7.1 of the Combined Code for any number of Directors which is not a multiple of three and therefore in addition, the New Articles provide that there shall also be required to retire by rotation any Director who at an annual general meeting of the Company shall have been a Director at each of the preceding two annual general meetings. This differs to the corresponding provision in the Current Articles which state that each Director shall retire by rotation every three years which has the disadvantage that where an entirely new Board is appointed, this may result in the whole Board being entrenched for two years and then all subject to retirement by rotation in the third year.

**24. Conversion of Shares into Stock**

The ability to convert fully paid-up shares into stock has been repealed by the 2006 Act. However, section 620 of the 2006 Act preserves a company's ability to re-convert existing stock back into paid up shares of any nominal value by way of an ordinary resolution. The New Articles remove provisions in the Current Articles dealing with conversion of shares into stock and stock into shares on the basis that this is provided for in the 2006 Act.

**25. General**

Several statutory references have been amended in the New Articles to take account of the implementation of provisions in the 2006 Act and repeal of corresponding sections of the Companies Act 1985. Some definitions have also been changed and additional definitions added to bring them in line with relevant provisions of the 2006 Act. In addition, other miscellaneous non-material changes have been made to reflect current law and practice.

# DAWSON HOLDINGS PLC

## PART 3

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the One-hundred and Eighteenth Annual General Meeting of Dawson Holdings PLC (the “**Company**”) will be held at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 17 February 2010 at 2:30 p.m. for the following purposes:-

To consider and, if thought fit, pass the following resolutions of which the Resolutions numbered 1 to 6 will be proposed as ordinary resolutions and resolutions numbered 7 to 10 will be proposed as special resolutions:-

#### **As Ordinary Business**

##### **Ordinary Resolutions**

- 1) To receive the Company’s audited accounts and the reports of the Directors and the Auditors and the auditable part of the director’s remuneration report for the year ended 30 September 2009.
- 2) To approve the Remuneration Committee Report for the year ended 30 September 2009.
- 3) To re-appoint Mr J J McCarthy as a Director of the Company.
- 4) To elect Mr A L Wood as a Director of the Company.
- 5) To re-appoint KPMG Audit Plc as the Auditors of the Company and to authorise the Audit Committee to agree the Auditors’ remuneration.

#### **As Special Business**

- 6) THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot ordinary shares of 1p each in the Company (“**Ordinary Shares**”) or to grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of £239,266 provided that:-
  - (a) this authority shall expire 15 months after the date of the passing of this resolution or if earlier at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement 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 such expiry and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if the authority conferred hereby had not expired; and
  - (b) this authority shall be in substitution for and shall replace any existing authorities pursuant to Section 80 of the Companies Act 1985 and section 551 of the Act which existing authorities are hereby revoked.

#### **Special Resolutions**

- 7) THAT subject to the passing of Resolution 6 in the Notice of Meeting, the Directors be and are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) of the Company for cash pursuant to the authority conferred by such Resolution 6 set out in the Notice of Meeting as if sub-section (1) of Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited:-
  - (a) to the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise):
    - (i) to shareholders where the equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them; and

- (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities, or subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements, record dates, or legal and practical problems under the laws of, or the requirements of, any regulatory authority or any Stock Exchange in any territory, or otherwise howsoever; and

- (b) to other allotments of equity securities for cash where this authority shall be limited in aggregate to the allotment of or involving equity securities not exceeding (in nominal value) 5 per cent of the nominal value of the issued share capital of the Company at the date hereof,

and (unless previously revoked, varied or renewed) shall expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry, make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2) of the Act as if in the first paragraph the words “pursuant to the authority conferred by such Resolution 6 set out in the Notice of Meeting” were omitted.

- 8) THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares on such terms and conditions as the Directors shall determine, provided that:-
  - (a) the maximum number of such Ordinary Shares hereby authorised to be purchased shall be Ordinary Shares representing 10 per cent of the capital of the Company;
  - (b) the minimum price (excluding expenses) which may be paid for an Ordinary Share is 1p;
  - (c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is the higher of:
    - (i) an 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 plc for the five business days immediately preceding the day on which the purchase is made; and
    - (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share of the trading venue where the purchase is carried out;
  - (d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed, varied or revoked by the Company in general meeting prior to such time; and
  - (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract as if this authority had not expired.
- 9) THAT:
  - (a) the articles of association of the Company be amended by deleting all the provisions of the Company’s memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company’s articles of association; and
  - (b) the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

- 10) That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

**By Order of the Board**

Adrian L Wood  
Company Secretary  
Blenheim House  
1 Blenheim Road  
Epsom  
KT19 9AP  
12 January 2010

Notes:

- 1) A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend and to speak and vote instead of him. A proxy need not be a member of the Company. Where a member appoints more than one proxy in relation to the meeting, failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the number of shares set out in the other proxy appointments is in excess of the total number of shares held by that member may result in the proxy appointment being invalid. A form of proxy is appended with this notice.

To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the registrars office not less than 48 hours before the time for holding the Meeting (or if the meeting is adjourned no later than 48 hours (excluding any part of a day which is not a working day) before the time of such adjourned meeting).

Alternatively, all members (other than those who hold their shares in CREST) may register their proxy appointments and instructions on-line by visiting the website of our registrars, Capita Registrars, by logging onto [www.capitaregistrars.com](http://www.capitaregistrars.com) where full instructions are given. In order to register your vote on-line you will need to enter the Reference Number, which is given on the share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Capita Registrar no later than 48 hours before the time for holding the Meeting (or if the Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

The completion and return of a form of proxy will not preclude members from attending and voting in person at the Meeting.

- 2) Members whose shares are held in CREST may use the CREST electronic appointment service in accordance with the following procedure:-

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST Personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

**In all cases, proxy instructions must be received by Capita Registrars no later than 2:30 p.m. on Monday, 15 February 2010.**

**A proxy form sent electronically that is found to contain any virus will not be accepted.**

- 3) As at 18 December 2009 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 71,779,684 ordinary shares of £0.01 each, carrying one vote each and 25,623,586 B Ordinary Shares of £0.01 each which do not carry the right to vote at meetings of the Company. The Company does not hold any Ordinary Shares in treasury. Therefore the total voting rights in the Company as at 18 December 2009 are 71,779,684.
- 4) Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Act ("Nominated Person"):
  - (a) the Nominated Person may have a right under an agreement between him/her and the member by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the Meeting; or
  - (b) if the Nominated person has no such right or does not wish to exercise such right, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to a Nominated Person. The rights described in such notes can only be exercised by members of the Company.

- 5) A member or members having a right to vote at the Meeting and holding at least five per cent of the total voting rights of the Company, or at least 100 members having a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the Meeting relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Meeting in accordance with section 527 of the Act.

Any such request must:

- (a) identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another member, clearly identifying the statement which is being supported;
- (b) comply with the requirements set out in note 6 below; and
- (c) be received by the Company at least one week before the Meeting.

Where a Company is required to publish such a statement on its website:

- (i) it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
  - (ii) it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website; and
  - (iii) the statement may be dealt with as part of the business of the Meeting.
- 6) Any request by a member or members to require the Company to publish audit concerns as set out in note 5:
- (a) may be made either:
    - (i) in hard copy, by sending it to the Company's registered office; or
    - (ii) in electronic form, by sending it to 0844 544 4103, marked for the attention of the Company Secretary;
  - (b) must state the full name(s) and address(es) of the member(s); and
  - (c) must be signed by the shareholder(s).
- 7) Members have the right to ask questions at the Meeting relating to the business being dealt with at the Meeting in accordance with section 319A of the Act. The Company must answer any such question unless:
- (a) to do so would interfere unduly with the preparation for the Meeting or would 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.
- 8) The following documents, which are available for inspection during normal business hours at the registered office of the Company (public holidays excluded) and will also be available for inspection at the place of the Annual General Meeting from 2:00 p.m. on 17 February 2010 until the conclusion of the Annual General Meeting:-
- (a) copies of all Directors' service contracts and contracts of appointment between the Directors and the Company; and
  - (b) copies of the deeds of indemnity for the benefit of each Director and the Company Secretary;
  - (c) a copy of the proposed new articles of association; and
  - (d) a copy of the current articles of association.
- 9) Biographical details of all those directors who are offering themselves for election or reappointment at the Meeting are set out on the Company's website, [www.dawson.co.uk](http://www.dawson.co.uk).
- 10) The information required by section 311A of the Act to be published in advance of the Meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at [www.dawson.co.uk](http://www.dawson.co.uk).
- 11) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the relevant register of members of the Company at close of business on 15 February 2010 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time or, if the Meeting is adjourned, close of business on such date being not more than two days prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after close of business on 15 February 2010 shall be disregarded in determining the right of any person to attend or vote at the Meeting.





