

**This document accompanies the LPA Group plc Annual Report and Accounts for 2008 and provides details of proposed changes to the Articles of Association. It is the document referred to in resolution 9 of the Notice of Meeting.**

**LPA Group plc**

(Company No: 686429)

Dear shareholder,

**The LPA Group plc – Articles of Association**

As indicated in the Report of the Directors the Company's existing Articles of Association, which were adopted in 1999, do not reflect recent legislative changes, in particular those arising from the Companies Act 2006.

In light of these changes the Board has taken the opportunity to review the existing Articles of Association, and update them in line with best current practice.

It is proposed, therefore, that the Company adopt new Articles of Association which reflect a number of legislative and other changes in place of the existing Articles of Association. This document summarises the principal changes.

Your Board believes that the proposed new Articles of Association are appropriate for the Company going forward and recommends you to vote in favour of resolution 9 to be proposed at the Annual General Meeting.

Michael Rusch  
Chairman  
29 January 2009

## **LPA GROUP PLC (THE "COMPANY")**

### **SUMMARY OF PRINCIPAL CHANGES TO THE ARTICLES OF ASSOCIATION**

The following explanatory notes summarise the principal differences between the Company's current articles of association (the "**Old Articles**") and the articles of association which are proposed to be adopted at the annual general meeting of the Company to be held on Friday 20 March 2009 (the "**New Articles**"). The directors are recommending that the New Articles be adopted on the basis that they reflect a number of recent changes in legislation, primarily contained in the Companies Act 2006.

The principal changes introduced by the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature (including minor changes which merely reflect legislative changes made by the Companies Act 2006) have not been noted in the summary below.

#### **1. Articles duplicating statutory provisions**

Provisions in the Old Articles which replicate provisions contained in the Companies Act 1985 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 requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings.

#### **2. Dismissal of Directors**

The New Articles contain a provision that if an executive director ceases to be an employee of the Company that Director will automatically be dismissed as a Director of the Company. This reflects the position set out in the Directors' service agreements.

#### **3. Form of resolutions**

In accordance with the Companies Act 2006, the New Articles refer only to ordinary and special resolutions and do not contain any reference to extraordinary resolutions.

#### **4. Age Discrimination**

The provision in the Old Articles that a director must retire at 70 has been removed in the New Articles to comply with the Employment Age Equality Regulations 2006.

#### **5. Conflicts of interest**

As a result of provisions introduced by the Companies Act 2006, the Directors will be entitled under the New Articles to authorise a director to be involved in a situation in which the director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company and may impose such terms or conditions on the grant of such authorisation as they think fit.

## **6. General meetings**

The Companies Act 2006 requires that a public company must hold its annual general meeting within the 6 month period beginning with the day following its accounting reference date as opposed to every 15 months under the Companies Act 1985. 21 days' clear written notice must be given for these meetings; however these meetings may be called on shorter notice providing all members entitled to attend and vote at the meeting agree.

To reflect the terminology used by the Companies Act 2006, the New Articles refer to all shareholder meetings other than annual general meetings as general meetings. Directors may call general meetings whenever they think fit and when required by relevant legislation. 14 days' clear written notice must be given. Shorter notice may be given provided that a majority in number of members having a right to attend and vote, being a majority holding not less than 95% in nominal value of the shares giving that right, consent.

## **7. Voting rights**

The New Articles reflect changes brought in by the Companies Act 2006 which allows multiple proxies to be appointed by one member provided that each proxy is appointed to exercise the rights attached to a different share held by the member. Any proxy appointment will only remain valid for 12 months from the date stated in it as the date of its execution.

In addition, the New Articles contain provisions which facilitate the attendance at any meeting of multiple corporate representatives and which enable all of such representatives' voting intentions to be recorded.

## **8. Indemnification of directors and other officers**

The Old Articles provide that each director "shall be entitled" to be indemnified in defending proceedings brought against him. This will be amended by the New Articles so that the provision is enabling rather than mandatory (i.e. the directors "may" be indemnified in respect of such losses) which will allow the Company to keep better control over the indemnity provisions in a separately drafted deed of indemnity and will also lead to better insurance terms for the Company's Directors' and Officers' Insurance. The New Articles also extend the option to the Company of indemnifying former directors.