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Dialog Semiconductor Plc – ISIN: GB0059822006

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (AGM) of Dialog Semiconductor Plc (the Company or Dialog) will be held at Reynolds Porter Chamberlain LLP, Tower Bridge House, St Katharine’s Way, London E1W 1AA on April 24, 2012 at 9.00 a.m. BST (10.00 a.m. CEST) for the purpose of transacting the following business:

To consider and, if thought fit, to pass the following Resolutions of which Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and Resolutions 12 and 13 will be proposed as special resolutions:

RESOLUTION 1 - Receipt of the Company’s Report and Accounts
THAT the audited accounts for the financial year ended 31 December 2011 together with the Directors’ and Auditor’s reports thereon be and are hereby received.

RESOLUTION 2 - Directors’ Remuneration Report
THAT the Directors’ Remuneration Report for the financial year ended 31 December 2011 together with the Auditor’s report thereon be and are hereby received and approved.

RESOLUTION 3 - Re-appointment of Ernst & Young LLP as Auditors of the Company
THAT Ernst & Young LLP be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.

RESOLUTION 4 - Authority to agree the Auditors’ remuneration
THAT the Directors be and are hereby authorised to agree the remuneration of the Auditors.

RESOLUTION 5 - Re-election of Aidan Hughes as a Director of the Company
THAT Aidan Hughes retiring pursuant to Article 93 of the Company’s Articles of Association be and is hereby re-elected as a Director of the Company.

RESOLUTION 6 - Re-election of Russell Shaw as a Director of the Company
THAT Russell Shaw retiring pursuant to Article 93 of the Company’s Articles of Association be and is hereby re-elected as a Director of the Company.

RESOLUTION 7 - Re-election of John McMonigall as a Director of the Company
THAT John McMonigall retiring pursuant to Article 93 of the Company’s Articles of Association be and is hereby re-elected as a Director of the Company.

RESOLUTION 8 - Election of Chang-Bun Yoon as a Director of the Company
THAT Chang-Bun Yoon be and is hereby elected as a Director of the Company pursuant to Article 95 of the Company’s Articles of Association.
RESOLUTION 9 – Dialog Semiconductor Plc Employee Share Plan 2012

THAT the Dialog Semiconductor Plc Employee Share Plan 2012 (ESP), the principal terms of which are summarised in the explanatory notes to this Notice of Annual General Meeting, be and is hereby approved and that the Directors be and are hereby authorised to do all acts and things which they may consider necessary or desirable to carry the ESP into effect.

RESOLUTION 10 - Authority to allot shares

THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,268,964 provided that this authority shall (unless previously renewed, varied or revoked) expire at the earlier of 15 months from the date of this Resolution and 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 any offers or agreements which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares and grant rights to subscribe for or to convert any securities into shares in the Company pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

RESOLUTION 11 - Additional authority to allot shares in connection with a rights issue

THAT, in addition to Resolution 10, the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount (when added to any allotments made under Resolution 10) of £4,537,928 provided that this authority shall (unless previously renewed, varied or revoked) expire at the earlier of 15 months from the date of this Resolution and 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 any offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

RESOLUTION 12 - Disapplication of pre-emption rights

THAT, subject to and conditional upon Resolution 10 and/or, as the case may be, Resolution 11 being passed, the Directors be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolutions 10 and/or 11 (as applicable) as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (but in the case of any authority granted under Resolution 11, by way of rights issue only) where the equity securities attributable to the interests of all ordinary shareholders are proportionate (as nearly as practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £340,345,

and shall (unless previously renewed, varied or revoked) expire at the earlier of 15 months from the date of this Resolution and 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 any offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power conferred by this Resolution had not expired.
RESOLUTION 13 - Notice period for general meetings

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

Tim Anderson
Company Secretary
Dialog Semiconductor Plc
Tower Bridge House
St Katharine’s Way
London E1W 1AA

March 19, 2012

Registered in England and Wales No. 3505161
Notes to the Notice of AGM

1. Documents provided

This Notice is being sent to all members and all CI Holders (as defined in the Company’s Articles of Association (the Articles)) (the CI Holders together with the members, the Shareholders).

A separate letter from the CEO of the Company (the Letter to Shareholders) incorporating further details of how you may attend and vote at the AGM and important notes for AGM registration, proxy appointment and voting instructions (Important Notes) is available on the Company’s website at http://www.dialog-semiconductor.com and is included with this Notice to shareholders.

2. Entitlement to attend and vote

The Company, pursuant to the Articles, specifies that only those Shareholders entered in the register of members of the Company or the CI Register (as defined in the Articles) (together, the Registers of Members) at 5.30 p.m. BST (6.30 p.m. CEST) on April 20, 2012, or, if this meeting is adjourned, in the appropriate Registers of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the AGM in respect of the number of shares or interests in shares registered in their name at that time. Changes to the entries in the Registers of Members after 5.30 p.m. BST (6.30 p.m. CEST) on April 20, 2012, or, if this meeting is adjourned, in the Registers of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

3. Personal attendance

Shareholders wishing to attend the AGM in person, should request an Admission Card by following the procedure described at section 1 ("Request for an Admission Card") in the reply form attached to the Letter to Shareholders (the Reply Form).

4. Proxies

Shareholders who are unable to attend the AGM may appoint one or more proxies (who need not be a Shareholder) to exercise all or any of their rights to attend, speak and vote at the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by his appointor. A Shareholder may only appoint a proxy or proxies by following the procedure described at section 2 ("Appointment of Proxy and Voting Instructions") in the Reply Form. Your proxy appointment must be received no later than 5.30 p.m. BST / 6.30 p.m. CEST on April 20, 2012. Further details in relation to the appointment of proxies are given in the Reply Form and Important Notes.

5. Questions at the AGM

Under section 319A of the Act, any member attending the AGM has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting unless:

- answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

6. Number of issued shares and total voting rights

As at March 16, 2012 (being the last practicable date prior to the publication of this Notice), the Company’s issued share capital comprised 68,068,930 ordinary shares carrying one vote each, and therefore the total voting rights in the Company as at March 16, 2012 are 68,068,930.
7. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may have a right, under an agreement between him and the Shareholder by whom he was nominated, to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

The statement of the rights of Shareholders in relation to the appointment of proxies in note 4 to this Notice does not apply to Nominated Persons. The rights described in that note can only be exercised by Shareholders.

8. Corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all its powers as a member provided that no more than one corporate representative exercises power over the same share. Any corporate Shareholder who wishes (or who may wish) to appoint more than one corporate representative should contact Martina Zawadzki by email at dialog@art-of-conference.de or by telephone on +49 (0) 711 4709-605.

9. Website giving information regarding the AGM

A copy of this Notice, and the other information required by section 311A of the Act, can be found at http://www.dialog-semiconductor.com.

10. Website publication of audit concerns

Pursuant to Chapter 5 of Part 16 of the Act (sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 11 to this Notice, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting 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 meeting. Where the Company is required to publish such a statement on its website:

- it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the meeting.

The request:

- may be in hard copy form or by fax (see note 12 to this Notice);
- must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person(s) making it; and
- must be received by the Company at least one week before the AGM.

11. Qualification criteria

In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 10 to this Notice) the relevant request must be made by:

- a member or members having a right to vote at the AGM and holding at least 5% of total voting rights of the Company; or
- at least 100 members having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital in the Company.
The Company wishes to extend these rights to the CI Holders, and all references in notes 10 to 12 to this Notice to a member or members should therefore be construed accordingly.

For information on voting rights, including the total number of voting rights, see note 6 to this Notice and the website referred to in note 9 to this Notice.

12. Submission of requests and authentication requirements

Where one or more members wish to request the Company to publish audit concerns (see note 10 to this Notice) such request must be made in accordance with one of the following ways:

- a hard copy request which is signed by the relevant member(s), states the member's(s') full name(s) and address(es) and is sent to Dialog Semiconductor Plc c/o Art-of-Conference - Martina Zawadzki, Böblinger Str. 26, 70178 Stuttgart, Germany; or
- a request which is signed by the relevant member(s), states the member's(s') full name(s) and address(es) and is sent to fax number +49 (0) 711 4709-713 marked for the attention of Martina Zawadzki.

13. Communication

Except as provided above, Shareholders who have general queries about the AGM should contact Martina Zawadzki by email at dialog@art-of-conference.de (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this Notice of Annual General Meeting; or
- any related documents (including the Letter to Shareholders),

to communicate with the Company for any purposes other than those expressly stated.
Explanatory Notes for Resolutions to be proposed at AGM

Resolutions

Resolutions 1 to 11 are proposed as ordinary resolutions. To pass these Resolutions more than 50% of the votes cast on each Resolution must be in favour. Resolutions 12 and 13 are proposed as special resolutions. To pass a special resolution not less than 75% of the votes cast on the Resolution must be in favour.

Resolutions 1 and 2 - Receipt of Report and Accounts; approval of Remuneration Report

The Company’s audited accounts for the financial year ended 31 December 2011 together with the Directors’ report, the Directors’ Remuneration Report and the Auditors’ report on those accounts and the auditable part of the Remuneration Report are available on the Company's website http://www.dialog-semiconductor.com. Please note that the Directors do not propose to declare a dividend.

Resolutions 3 and 4 - Appointment and remuneration of Auditors

Ernst & Young LLP are required by the Act to retire at the AGM and seek re-appointment. The Act also requires Shareholders to determine the manner in which the Auditors are remunerated; Resolution 4 gives authority to the Directors to determine the Auditors' remuneration.

Resolutions 5, 6 and 7 - Re-election of Directors

Pursuant to the Company's Articles one third of the Directors shall retire at each Annual General Meeting. Those retiring by rotation at the AGM are Aidan Hughes, Russell Shaw and Peter Tan. In addition, as the longest standing member of the Board, John McMonigall is also retiring at the AGM. Aidan Hughes, Russell Shaw and John McMonigall are offering themselves for re-appointment in accordance with the Articles. Peter Tan is not offering himself for re-appointment. Biographical details for Mr Hughes, Mr Shaw and Mr McMonigall are set out below. A separate Resolution is proposed for each re-election.

The Board has confirmed that Aidan Hughes, who is seeking re-appointment as a Non-executive Director and as Chair of the Audit Committee, John McMonigall, who is seeking re-appointment as a Non-executive Director, and Russell Shaw, who is seeking re-appointment as a Non-executive Director and as Chair of the Remuneration and Nomination Committee, continue to perform effectively and demonstrate commitment to their roles. Therefore the Board considers that Mr Hughes, Mr McMonigall and Mr Shaw should be re-appointed as their wider, current and relevant business experience allows them to contribute effectively to the leadership of the Company.

Aidan Hughes
Non-executive Director, Chair of Audit Committee

Aidan joined the Board in October 2004. He qualified as a Chartered Accountant with Price Waterhouse in the 1980s before taking senior accountant roles at Lex Service Plc and Carlton Communications Plc. He was Finance Director of the Sage Group plc from 1993 until 2000 and, from December 2001 to August 2004, was a director of Communisis Plc. He is a director of, and investor in, a number of UK private technology companies.

Russell Shaw
Non-executive Director, Chair of Remuneration and Nomination Committee

Russell joined the Board in July 2006 and is currently a non-executive director for Unwire A.p.S. and GAME Group plc; he is also the current Chairman of the Marketing Group of Great Britain and an investor in Ariadne Capital's ACE Fund. Until recently, Russell was the Vice President & General Manager for Skype with responsibilities for its Mobile Division as well as Europe, Middle East and Africa. Previously, he was at Telefonica where he was the Global Director of Innovation. Before joining Telefonica, he was the Innovation Director at O2, which he joined as Marketing Director in 2005. The strong brand and product range he established resulted in significant customer growth. His more-than 20 years' senior marketing and brand management experience in the technology, telecoms and financial services areas has enabled him to bring an excellent level of knowledge to Dialog.
John McMonigall  
Non-executive Director

John joined the Board in March 1998. He joined Apax Partners Worldwide LLP in 1990 and was responsible for investments in telecommunications, electronics and software. After leaving Apax he remained on the boards of several companies including Autonomy Corporation, which was successfully sold in 2011. He currently serves on the boards of several private companies.

Resolution 8 – Election of Chang-Bun Yoon as a Director

Dr Chang-Bun Yoon offers himself for appointment as a Director of the Company following recommendation by the Board, pursuant to the Company's Articles. The Board considers that Chang-Bun Yoon should be appointed as a Non-executive Director as his wider, current and relevant business experience will allow him to contribute effectively to the leadership of the Company. His biographical details are set out below.

Dr Chang-Bun Yoon was Chairman, CEO and President of SK Broadband (formerly known as Hanaro Telecom). He was chosen as "CEO of the Year 2004" by the Korea Management Association and he received a "Top Management Award" from the Korean Institute of Communication and Sciences in 2004. He was President of Korea Information Society Development Institute, and has been actively involved in policy recommendations for the ministries and government agencies in Korea. He was a non-executive member of the Board of Directors and a member of the Audit Committee for Korea Telecom, as well as a member of the Board of Directors for Seoul Broadcasting Systems Ltd. Chang-Bun Yoon has a comprehensive understanding of Korea's IT industry and telecommunications market and is recognized as a contributor to Korea's IT and telecommunications development.

Resolution 9 – Dialog Semiconductor Plc Employee Share Plan 2012

The success of the Company has been built on the effort and contribution of its employees. In order to continue building on this success it is necessary for the Board to have appropriate and robust tools with which to motivate and retain its employees at all levels. In order to achieve this aim, the Company is seeking shareholder approval to introduce a new Employee Share Plan (ESP), which will be operated alongside the existing Stock Option Plan (SOP) and Executive Incentive Plan (EIP). Together, these three plans will provide the Company with the flexibility it needs to adapt to changing market standards with regard to the provision of shares and to ensure that its employees are effectively motivated and retained in a highly competitive global market.

Historically, the Company has used the SOP to grant long-term incentives to its employees and the EIP (introduced in 2010) to incentivise its executive team. However, these plans focus on incentivising employees and they do not provide the Company with an effective tool with which to retain its employees and to attract employees of a calibre required to continue its success. The Company considers it appropriate to supplement the SOP and EIP with the ESP and to use the ESP as its main retention and attraction tool for the following reasons:

- The Company faces increasing challenges to retain the highly marketable and talented employees it has and to attract employees of a similar calibre. It anticipates that the retention focus will increase as the Company continues to grow and its employees deliver strong performance over a sustained period.

- Conditional share awards granted under the ESP will enable the Company to fill the retention gap which can be left by market value stock options. The inbuilt share price hurdle in market value stock options means that stock options have no value when the share price falls and have no retentive value as a consequence. However, it is recognised that stock options have an important part to play in rewarding employees for delivering value to shareholders.

- In recent years, the market trend has been to use a balanced approach to the provision of shares to employees, using stock options and conditional share awards (also known a restricted stock units) and by introducing the ESP the Company would be more in line with the current global standard.

- From a shareholder dilution and Company cost perspective, the provision of benefits under a conditional share plan (such as the ESP) can be more cost effective than under a stock option plan as fewer shares will be needed in order to deliver the desired level of value.
Therefore, going forward the Company’s intention is to grant a balanced combination of awards under the SOP, EIP and ESP without significantly increasing the overall level of expected value of the awards.

Awards granted under the ESP will be subject to the overall 15%, after issue, dilution limit already approved by shareholders in respect of the SOP, EIP, Long Term Incentive Plan (now finalised) and Non-Executive Directors Share Option Scheme. This limit will not be increased as a consequence of the ESP.

All employees will be eligible to participate in the ESP. However, in order to avoid duplication of reward between the ESP and the EIP, the executive team, which currently participates in the EIP, will be able to participate in the ESP only where a specified level of performance, which is recognised as being representative of exceptional corporate performance, has been achieved. It is envisaged that awards under the ESP will be granted to the executive team only in exceptional circumstances where the level of Company performance significantly exceeds the stretch targets set under the EIP and the Remuneration and Nomination Committee considers it necessary to provide an additional award to the executive team in order to retain their services. By delivering performance levels of this magnitude, the executive team would be very attractive in the market and to competitors and it would be vital for their services to be retained.

In respect of the first awards to be granted under the ESP, the level of Company performance which would need to be achieved in order for the executive team to be eligible to receive awards would be:

- Total Company Revenues of $1 billion achieved over four consecutive quarters before 2015; and
- the Company’s share price must be higher at the end of the four quarter period compared to that prevailing at the date of grant of awards under the ESP (in each case measured as a 30 day average of the share price to such date).

The following table summarises the main terms and conditions of the proposed ESP:

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Operation</td>
<td>The Remuneration and Nomination Committee will supervise the operation of the ESP.</td>
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<tr>
<td></td>
<td>The ESP will operate over a ten year period from the date of approval by shareholders. The Remuneration and Nomination Committee may not grant awards under the ESP more than ten years after its approval.</td>
</tr>
<tr>
<td>Participation</td>
<td>Any employee selected by the Remuneration and Nomination Committee is eligible to participate in the ESP. Non-Executive Directors are not eligible to participate.</td>
</tr>
<tr>
<td></td>
<td>Members of the executive team who participate in the EIP will be eligible to participate in the ESP only where a specified level of exceptional corporate performance has been achieved and a retention risk has been identified.</td>
</tr>
<tr>
<td>Delivery mechanism</td>
<td>Participants selected by the Remuneration and Nomination Committee will be granted either:</td>
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<td></td>
<td>• a nil-cost option;</td>
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<td></td>
<td>• a conditional share award; or</td>
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<td></td>
<td>• a cash settled award linked to the value of the Company’s share price (in the case of jurisdictions where it is not feasible to deliver shares to employees) (an ESP Award).</td>
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<td>Where shares are delivered, participants will be required to pay the nominal value of the shares received, equal to 10 pence per share (or Euro equivalent).</td>
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<td>A grant of an ESP Award in any year will give no entitlement to subsequent awards.</td>
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<tr>
<td>Term</td>
<td>Description</td>
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</tr>
<tr>
<td>Frequency of grant</td>
<td>Annual. It is intended that the first ESP Awards will be granted to employees in 2012.</td>
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<tr>
<td>Size of award</td>
<td>The size of award to each participant will be subject to the Remuneration and Nomination Committee's discretion and levels will be competitive in the market. However, the award levels will not be excessive relative to the market in which the Company operates and its listing status.</td>
</tr>
<tr>
<td>Performance conditions</td>
<td>The vesting of ESP Awards may be made subject to the satisfaction of corporate performance conditions at the discretion of the Remuneration and Nomination Committee. In respect of the executive team who have been granted awards under the EIP, they will only be eligible to receive ESP Awards where Total Company Revenues of $1 billion are achieved before 2015 (which can be satisfied through aggregate revenue over four consecutive quarters) and the Company’s share price at the end of those four quarters is higher than at the date of grant of awards under the ESP (in each case measured as a 30 day average of the share price to such date).</td>
</tr>
<tr>
<td>Vesting period</td>
<td>The Remuneration and Nomination Committee will set the vesting period for each grant of ESP Awards at the time of grant. In setting the vesting period, it will take into account the market conditions, as well as the needs of the Company and its shareholders in terms of attracting and retaining employees, at that particular time.</td>
</tr>
<tr>
<td>Vesting and exercise of awards</td>
<td>The Remuneration and Nomination Committee will determine the amount of ESP Award that vests at the end of the relevant period. ESP Awards that have vested can be exercised (where applicable) until the seventh anniversary of the date of grant, at which point any unexercised ESP Awards will lapse.</td>
</tr>
<tr>
<td></td>
<td>The exercise of an ESP Award will be conditional upon the participant paying any taxes due as a result of the exercise.</td>
</tr>
<tr>
<td>Cessation of employment</td>
<td>If a participant leaves employment before the end of the vesting period, unvested ESP Awards will normally lapse. If a participant ceases employment as a good leaver, the proportion of an unvested ESP Award that will vest is dependent on the progress towards and satisfaction of the performance conditions to the date of cessation of employment (if applicable), and the proportion of the vesting period that has elapsed. Participants will be classed as good leavers if their employment terminates by reason of death in service, injury/disability, redundancy, retirement, sale of business unit or outsourcing of business function.</td>
</tr>
<tr>
<td>Change of control</td>
<td>On a change of control the vesting period will end. The vesting of the ESP Award will be dependent on the progress towards and satisfaction of the performance conditions to the date of the change of control (if applicable), and the proportion of the vesting period that has elapsed.</td>
</tr>
<tr>
<td>Dilution</td>
<td>ESP Awards will be satisfied using newly issued or market purchased shares. However, awards will remain within the Company’s overall 15%, after issue, dilution limit for employee share schemes agreed with shareholders.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
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</tr>
<tr>
<td>Adjustments</td>
<td>On a variation of the capital of the Company, or significant acquisition, the number of shares subject to an ESP Award and/or the performance conditions (if applicable) may be adjusted in such manner as the Remuneration and Nomination Committee and advisors of the Company confirm to be fair and reasonable.</td>
</tr>
<tr>
<td>Amendments</td>
<td>Amendments to the Rules of the ESP may be made at the discretion of the Remuneration and Nomination Committee. However, the provisions governing eligibility requirements, limits and individual participation limits cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the ESP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company. However, where the Remuneration and Nomination Committee amends the ESP to bring about favourable tax treatment for participants there will be no additional costs to the Company, and any loss in corporate tax deduction will be offset against a reduction in cash compensation and employers’ national insurance.</td>
</tr>
<tr>
<td>Allotment of shares</td>
<td>Ordinary shares subscribed for will not rank for dividends payable by reference to a record date falling before the date on which the ESP Award was exercised, but will otherwise rank pari passu with existing ordinary shares.</td>
</tr>
<tr>
<td>Duration</td>
<td>The Remuneration and Nomination Committee may not grant ESP Awards more than ten years after its approval by shareholders.</td>
</tr>
<tr>
<td>General</td>
<td>ESP Awards and any other right granted pursuant to the ESP are non-pensionable.</td>
</tr>
<tr>
<td>Non-transferability of ESP Awards</td>
<td>ESP Awards are non-transferable, except in the case of a participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the participant.</td>
</tr>
<tr>
<td>Employee Benefit Trust</td>
<td>The Company intends to utilise an existing discretionary employee benefit trust to be used in conjunction with the ESP. The employee benefit trust will be an employees’ share scheme, within the meaning of section 1166 of the Companies Act 2006 and, subject to acting on recommendations from a committee of the Board, will have full discretion with regard to the application of the trust fund. The Company will be able to fund the employee benefit trust to acquire shares in the market and/or to subscribe for shares in order to satisfy ESP Awards granted under the ESP.</td>
</tr>
<tr>
<td>Rules available for inspection</td>
<td>Copies of the Rules of the ESP will be available for inspection at the registered office of the Company, during normal business hours on Monday to Friday each week (public holidays excepted) from the date of this Notice until the close of the meeting. The Directors reserve the right, up to the times of the General Meeting, to make such amendments and additions to the Rules and the operation of the ESP as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out above.</td>
</tr>
</tbody>
</table>
Resolution 10 - Directors’ authority to allot shares

The purpose of Resolution 10 is to renew the Directors’ authority to issue shares until the conclusion of the next AGM up to an aggregate nominal value of £2,268,964 equating to 22,689,640 shares. The nominal amount of relevant securities to which this authority will relate represents the aggregate of approximately one third of the issued share capital of the Company.

Resolution 11 - Additional authority to allot shares in connection with a rights issue

UK investor guidelines (the Association of British Insurers) make it acceptable to give authority to the Directors to issue up to a further third of the issued share capital (over and above the authority granted under Resolution 10) provided it is only applied on the basis of a rights issue. If any of the additional authority in Resolution 11 is used all the Directors of the Company wishing to remain in office shall stand for re-election at the next Annual General Meeting of the Company.

Resolution 12 - Disapplication of pre-emption rights

If Directors wish to issue shares they have to abide by the statutory pre-emption rights in the Act. This means that, subject to limited exceptions, Directors have to offer any shares they want to issue to existing Shareholders first. Resolution 12 seeks to give the Directors authority to disapply the statutory pre-emption rights where (i) the share issue relates to a pre-emptive issue (in which case all holders of ordinary shares would be made an offer to participate anyway); or (ii) where the allotment is limited to the issue of equity securities having a maximum aggregate nominal value of £340,345 (equating to 3,403,450 shares) which is equivalent to 5% of the Company’s issued share capital of 68,068,930 shares. The Directors do not have any present intention of exercising this authority and do not intend to issue more than 7.5% of the issued share capital of the Company on a non pre-emptive basis in any rolling three-year period without prior consultation with Shareholders.

Resolution 13 - Notice period for general meetings

The Company's Articles of Association allow the Directors to call general meetings other than Annual General Meetings on 14 clear days' notice. However, the Companies (Shareholders' Rights) Regulations 2009 (the Regulations) require that all general meetings be held on 21 days' notice, unless Shareholders agree to a shorter notice period, and the Company has met the requirements for electronic voting under the Regulations. Resolution 13 seeks to renew the authority granted by shareholders at last year’s AGM which preserved the Company's ability to call general meetings, other than AGMs, on 14 clear days' notice, such authority to be effective until the Company's next AGM, when a similar resolution will be proposed. The Directors confirm that the shorter notice period would not be used as a matter of course for such meeting, but only where flexibility is merited by the business of the meeting and it is thought to be to the advantage of Shareholders as a whole. An electronic voting facility will be made available to all Shareholders for any meeting held on such notice.