

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Centurion Electronics Plc will be held at the Company's registered office at Satellite House, City Park, Swiftfields, Welwyn Garden City, Herts AL7 1LY on **19th May 2006 at 10.00 a.m.** for the transaction of the following business:

## Ordinary Business

to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the report of the directors of the Company and the audited accounts for the Company for the year ended 30th September 2005.
2. To re-appoint Malcolm Diamond as a Director of the Company, who retires in accordance with Article 23 of the Company's Articles of Association.
3. To re-appoint Michael Harrison as a Director of the Company, who retires in accordance with Article 20 of the Company's Articles of Association.
4. To re-appoint Keith Davis as a Director of the Company, who retires in accordance with Article 20 of the Company's Articles of Association.
5. To re-appoint Iwan Rees as a Director of the Company, who retires in accordance with Article 20 of the Company's Articles of Association.
6. To re-appoint Ernst Kastner as a Director of the Company, who retires in accordance with Article 20 of the Company's Articles of Association.
7. To re-appoint Ernst and Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.

## Special Business

to consider and, if thought fit, pass the following resolutions of which Resolutions 8 and 9 will be proposed as Ordinary Resolutions and Resolution 10 will be proposed as a Special Resolution:

8. THAT, every 50 issued and unissued ordinary shares of 0.1p in the capital of the Company shall be consolidated into 1 ordinary share of 5p in the capital of the Company and the Directors are hereby authorised to deal with fractional entitlements arising out of such consolidation at their discretion in accordance with the Company's articles of association.
9. THAT, conditional upon the passing of resolution 8 above and in substitution for all existing authorities, the Directors be generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 ("the Act") to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) of the Company provided that such power shall be limited to:
  - 9.1 the allotment of up to 4,000,000 new ordinary shares of 5p each on the conversion of the £1,000,000 7.5% secured convertible loan note (the "Convertible Loan Note") issued to Ravensworth (International) Limited on 14th March 2005 (pursuant to the terms of a loan note instrument approved by the Company at the Extraordinary General Meeting held on 13th March 2005) into ordinary shares in the capital of the Company, credited as fully paid;
  - 9.2 the allotment of relevant securities (other than pursuant to 9.1 above) up to an aggregate nominal amount of £205,204.33 to such persons and on such terms as they think fit;such authority to expire at the earlier of the date which is 15 months from the passing of this resolution and the conclusion of the annual general meeting of the Company in 2007 and the Company to be and is hereby authorised to make, prior to the expiry of such authority any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors shall be permitted to allot such securities pursuant to such offer or agreement as if such authority has not expired.
10. THAT, conditional upon the passing of resolutions 8 and 9 above and in substitution for all existing authorities, the Directors be and are hereby generally empowered to allot equity securities (as defined in Section 94(2) of the Act) pursuant to Section 95 of the Act for cash pursuant to the authority conferred upon them by Resolution 9 above as if Section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:

- 10.1 the allotment of up to 4,000,000 new ordinary shares of 5p each on the conversion of the Convertible Loan Note into ordinary shares in the capital of the Company, credited as fully paid;
- 10.2 the allotment of relevant securities in connection with a rights issue, open offer or equivalent offer in favour of the holders of ordinary shares and such other equity securities of the Company as the Directors may determine in which such holders are offered the right to participate in proportion (as nearly as may be) to their respective holdings or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws of any territory, or of the requirements of any generally recognised regulatory body or stock exchange in any territory;
- 10.3 the allotment of relevant securities (other than pursuant to paragraph 10.1 and 10.2 above) up to an aggregate nominal amount of £88,401.44 to such persons and on such terms as they think fit;
- and shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months after the date of the passing of this resolution if earlier save that the Company may at any time 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 in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board  
**Michael Harrison**  
Company Secretary

Registered office:  
Satellite House  
City Park  
Welwyn Garden City  
Hertfordshire AL7 1LY

Dated: 27th March, 2006

#### Notes

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him
- (2) A Form of Proxy is enclosed for your use, if desired. The instrument appointing a proxy must reach the Company's Registrars, Capita Registrars (Proxies), PO Box 25, Beckenham, Kent BR3 4BR, not less than 48 hours before the time of holding of the meeting.
- (3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register at 10 a.m. on 19th May 2006 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (4) A copy of the register of Directors' interests in shares in the Company and copies of the Directors' service contracts of more than one year's duration will be available for inspection at the registered office of the Company during office hours only on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

#### Consolidation of Share Capital

Your Board is aware that, due to the large number of shares in issue and low unit price per share, the Company's shares have traded at a relatively wide bid-offer spread compared to other companies of similar size. Your Board believes that consolidating the share capital of the Company will reduce trading costs for shareholders without having an adverse effect on liquidity, and will result in a more appropriate number of shares in issue.

Consequently, your approval is sought by the proposal of resolution number 8 in the notice of the AGM for a consolidation of the issued and unissued ordinary shares of 0.1p each, such that all shareholders will receive one new ordinary share of 5p each for every 50 ordinary shares of 0.1p. Subject to the passing of resolution number 8 in the notice of the AGM, fractions of new ordinary shares resulting from the consolidation will not be issued to shareholders: the Board may decide that any fractions shall be consolidated into consolidated shares which the Board may sell for the best price that can be reasonably obtained. The net proceeds of any such sale after deduction of expenses will be distributed in due proportion among holders of fractional entitlements (except that any amount due which is less than £3 may be retained for the benefit of the Company). Based on the shareholdings at the date of this letter, it is not expected that any fractional entitlements will be above £3 and so it is not expected that any distribution will be made to shareholders in relation to fractional entitlements.

Except in relation to fractional entitlements, the proportion of each shareholder's interest in the Company will remain the same, and except for the increase in nominal value, the new ordinary shares will be identical in all respects to the ordinary shares. The new ordinary shares will rank *pari passu* in respect of dividends.