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If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

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

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# **IMMERSION TECHNOLOGIES INTERNATIONAL PLC**

(incorporated and registered in England and Wales under number 5542880)

## **NOTICE OF ANNUAL GENERAL MEETING**

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**IMMERSION TECHNOLOGIES INTERNATIONAL PLC**  
**(Registered in England No. 5542880)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that a Annual General Meeting of the above-named Company will be held at Level 5, 22 Arlington Street, London SW1A 1RD at 9.30am on 6<sup>th</sup> February 2009 for the purpose of considering and if thought fit passing the following Resolutions:

**Ordinary Business**

*Resolution 1*

To receive and adopt the report of the directors and the financial statements for the period ended 30th June 2008 and the report of the auditors thereon.

*Resolution 2*

To re-appoint, as a director of the Company, Mr David Anthony Lenigas who retires in accordance with Article 133 of the Company's Articles of Association and offers himself for re-election.

*Resolution 3*

To appoint Chapman Davis LLP as auditors and to authorise the directors to determine their remuneration.

**Special Business**

*Resolution 4*

1. That, each existing issued and unissued ordinary share of 0.7 pence each in the share capital of the Company ("Existing Ordinary Shares") be sub-divided into one ordinary share of 0.01 pence each ("New Ordinary Share") and one deferred share of 0.69 pence each ("Deferred Share").
  
2. The authorised share capital of the Company be and is hereby reclassified (and, if necessary, increased) such that, following the passing and implementation of this resolution, the authorised share capital of the Company shall be £7,000,000 comprising 1,000,000,000 New Ordinary Shares and 1,000,000,000 Deferred Shares, having the

rights and privileges and being subject to the restrictions contained in the Articles of Association of the Company (as amended from time to time).

**3. That the Articles of Association of the Company be amended as follows:**

(i) The insertion of the following new definition:

“Deferred Share” the deferred shares of 0.69 pence each in the capital of the Company

(ii) The existing definition of “Ordinary Shares” be amended to:

“Ordinary Shares” the ordinary shares of 0.01 pence each in the capital of the Company

(iii) The deletion of the existing Article 3 in its entirety and by the substitution in its place of the following new Article:

“The authorised share capital of the Company is £7,000,000 comprising 1,000,000,000 Ordinary Shares, and 1,000,000,000 Deferred Shares.”

(iv) The insertion of a new Article 5A as follows:

5A. The rights and restrictions attaching to the Deferred Shares are as follows:

As regards income

5A.1 The Deferred Shares shall carry no right to receive any dividend or other distribution in respect of any financial year or other period of the Company.

As regards capital

5A.2 On any return of capital whether on a winding up or reduction of capital or otherwise, the holders of the Deferred Shares shall be entitled to receive the amount paid up or credited as paid up on their respective holdings of Deferred Shares but only after there has been paid on each Ordinary Share the nominal amount paid up on such share plus a further sum of £1,000,000 per share, but the holders of the Deferred Shares shall not be

entitled to participate further in any distribution of the assets or the capital of the Company.

As regards voting

5A.3 The holders of the Deferred Shares shall have no right to receive notice of or to attend or to vote or to speak either in person or by proxy at any general meeting or class meeting of the Company.

As regards transfer

5A.4 Notwithstanding Articles 37 - 44, the holders of the Deferred Shares shall have no right to transfer any Deferred Shares except to the Company or to such persons as the Company may determine. The creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at that time or at any time thereafter to:

5A.4.1 register such shares in the name of such person or persons as the Company may determine as custodian thereof; and/or

5A.4.2 appoint any person to execute on behalf of any holder or holders of such shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holder thereof, to such person or persons as the Company may determine as custodian thereof;

and to cancel such shares (in accordance with the provisions of the Act) without making any payment to or obtaining the sanction of the holder or holders thereof and pending such transfer and/or cancellation to retain the certificate, if any, for such shares and to do all things necessary or desirable to give effect to such transfer or cancellation.

As regards purchase or redemption

5A.5 The Company may purchase or redeem all or any of the Deferred Shares then in issue, at a price not exceeding 0.69 pence in the case of each Deferred Share, so purchased or redeemed. Any payment due on purchase or redemption of the Deferred Shares shall be paid on the date of such purchase or redemption.

As regards certificates

5A.6 Notwithstanding articles 12 – 16 inclusive, the holders of the Deferred Shares shall have no right to receive a certificate in respect of their holding.

As regards modification of rights

5A.7 Neither the passing by the Company of any special resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the court nor the obtaining by the Company nor the making by the court of any order confirming any such reduction of capital nor the making effective of such order shall constitute a modification, variation or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction in capital effected in accordance with the Act without sanction on the part of the holders of the Deferred Shares.

The Company may from time to time create, allot and issue further shares, whether ranking paripassu with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose.”

*Resolution 5*

To consider, and if thought fit, to pass the following Resolution which is proposed as an Ordinary Resolution:-

THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (“the Act”), in substitution for all previous powers granted to them, to exercise all the powers of the Company to allot and make offers to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £77,177; such authority shall, unless previously revoked or varied by the Company in general meeting, expire on the conclusion of the Annual General Meeting of the Company to be held in 2009 provided that the Company may, at any time before such expiry, make an offer or enter into an agreement 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 hereby had not expired.

*Resolution 6*

To consider, and if thought fit, to pass the following Resolution which is proposed as a Special Resolution:-

THAT the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) pursuant to the authority conferred by Resolution 5 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to the said Section 95 and shall be limited to:-

the allotment of equity securities in connection with an issue in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as nearly as may be practicable) to the respective number of Ordinary Shares in the capital of the Company held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange, in any territory; and the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities up to an aggregate nominal amount of £77,177;

provided that the power in this Resolution 7 shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted otherwise than in accordance with Section 89 of the said Act after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD



Kiran Morzaria  
Company Secretary

14 January 2009

## Notes

1. A member entitled to attend and vote at the meeting convened by the Notice set out above may appoint one or more proxies to attend and, on a show of hands and on a poll, vote instead of him/her. A proxy need not be a member of the Company. A proxy form is enclosed. To be effective a form of proxy must be delivered to the Company's registrar, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL not later than 48 hours before the time appointed for the meeting or any adjournment thereof, together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed. Appointment of a proxy will not preclude a shareholder from attending and voting in person.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders registered in the register of members of the Company 48 hours before the time fixed for the meeting shall be entitled to attend or vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
3. The Register of Directors' interests in shares in the Company and copies of all Directors' service contracts are available for inspection at the registered office of the Company during normal business hours on any weekday, except Saturdays and Public Holidays, and will be available at the place of the meeting from 15 minutes prior to the meeting until its conclusion.
4. As at 14<sup>th</sup> January 2009, the Company's issued share capital comprised ordinary 246,724,634 shares of 0.7p each. Each share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 14<sup>th</sup> January 2008 is 246,724,634.
5. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:
  - 5.1 if a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Meeting, then, on a poll, those corporate representatives will give voting

directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and

- 5.2 if more than one corporate representative for the same corporate member attends the Meeting but the corporate member has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.