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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying documents, at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Existing Ordinary Shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

WOODSPEEN TRAINING GROUP PLC

(incorporated in England and Wales with registered number 6434555)

NOTICE OF ANNUAL GENERAL MEETING, CAPITAL REORGANISATION AND REDUCTION OF SHARE CAPITAL

The Annual General Meeting to consider the Resolutions will be held at 10.00 a.m. on 11 December 2012 at the offices of Memery Crystal LLP, 44 Southampton Buildings London WC2A 1AP. The notice convening the Annual General Meeting is set out on pages 10 to 14 of this document. The action to be taken in respect of the Annual General Meeting is set out in the letter from the Chairman of Woodspeen Training Group Plc contained in Part 2 of this document. Whether or not you intend to be present at the meeting, it is important that you complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's registrars, Capita Registrars Limited at PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible but, in any event, so as to arrive no later than 10.00 a.m. on 7 December 2012. The completion and return of the Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person should you wish to do so.

If you have any questions about this document or the Annual General Meeting, or are in any doubt as to how to complete the Form of Proxy, please call Capita Registrars Limited on 0871 664 0300 between 9.00 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) or, if calling from overseas on +44 20 8639 3399. Calls to 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service providers network extras whilst calls to the overseas helpline from outside the UK will be charged at international rates as the case may be. Please note that calls may be monitored or recorded and Capita Registrars Limited cannot provide financial advice or advice on the merits of the Resolutions.

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Expected timetable for the Capital Reorganisation and Reduction of Share Capital

Publication of this document	Monday 12 November 2012
Latest time and date for receipt of Forms of Proxy	Friday 7 December 2012 at 10 a.m.
Annual General Meeting	Tuesday 11 December 2012 at 10 a.m.
Record Date for implementation of the Capital Reorganisation	Tuesday 11 December 2012

Each of the dates in the above timetable is subject to change without further notice and at the absolute discretion of the Company.

Share Capital

Share Capital prior to Capital Reorganisation

Issued

Existing Ordinary Shares of 10 pence each	35,786,204
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Authorised

Existing Ordinary Shares of 10 pence each	100,000,000
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Share Capital post Capital Reorganisation

Issued

New Ordinary Shares of 1 pence each	35,786,204
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Deferred Shares of 9 pence each	35,786,204
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Authorised

New Ordinary Shares of 1 pence each	677,924,164
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Deferred Shares of 9 pence each	35,786,204
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Share Capital post Capital Reduction

Issued

New Ordinary Shares of 1 pence each	35,786,204
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Authorised

New Ordinary Shares of 1 pence each	677,924,164
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Part 1

Definitions

The following definitions apply throughout this document, unless the context requires otherwise:-

“2006 Act”	the Companies Act 2006 (as amended)
“Annual General Meeting”	the Annual General Meeting of the Company, convened for 10.00 a.m. on 11 December 2012 at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP or any adjournment thereof, notice of which is set out at the end of this document
“Articles”	the articles of association of the Company as at the date of this document
“the Board” or “the Directors”	the directors of the Company as at the date of this document
“Capital Reorganisation”	the proposed subdivision of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share
“Company”	Woodspeen Training Group Plc
“Deferred Shares”	the deferred shares of 9 pence each in the capital of the Company created pursuant to the Capital Reorganisation
“EMI Scheme”	the Company’s Enterprise Management Incentive Scheme (adopted by the Board on 15 April 2008 and as amended on 23 August 2010)
“Existing Ordinary Shares”	the existing issued and unissued ordinary shares of 10 pence each in the capital of the Company
“Form of Proxy”	the form of proxy for use at the Annual General Meeting
“ISDX”	ICAP Securities & Derivatives Exchange Limited
“ISDX Growth Market”	the market of that name operated by ISDX
“New Ordinary Shares”	the new ordinary shares of 1 pence each in the capital of the Company created pursuant to the Capital Reorganisation
“Notice”	the notice convening the Annual General Meeting which is set out at the end of this document
“Reduction of Capital”	the proposed cancellation of the Deferred Shares and the cancellation of the Company’s share premium account
“Registrars” or “Capita”	Capita Registrars Limited of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Resolutions”	the resolutions to be proposed at the Annual General Meeting as set out in the Notice at the end of this document
“Shareholders”	holders of Existing Ordinary Shares



Letter from the Chairman

WOODSPEEN TRAINING GROUP PLC

(incorporated in England and Wales with registered number 6434555)

Directors

Charles Prior (*Chairman*)

Si Hussain (*Chief Executive*)

Lynn Chandler (*Finance Director*)

Compton Hellyer (*Non-executive Director*)

Registered Office

32 Wingate Road

Hammersmith

London

W6 0UR

www.woodspeentraining.com

12 November 2012

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING, CAPITAL REORGANISATION AND REDUCTION OF SHARE CAPITAL

Introduction

The Company today announced its audited results for the 16 months ended 31 July 2012 and that its Annual General Meeting will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP at 10 a.m. on 11 December 2012, formal Notice of which is set out at the end of this document. At the Annual General Meeting, in addition to the ordinary business of the meeting, the Company will propose the Capital Reorganisation to subdivide its ordinary shares into New Ordinary Shares of 1p rather than 10p nominal value and will propose a resolution to approve the Reduction of Capital.

An explanation of the background to and reasons for the proposed Resolutions and why the Directors consider such Resolutions to be in the best interests of the Company and its Shareholders as a whole is set out below. Accompanying this document is a copy of the Company's Annual Report and Accounts for the 16 month period ended 31 July 2012.

The contents of this document are important and I would urge you to read it carefully and to sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible.

Capital Reorganisation

In recent months the price of the Existing Ordinary Shares on the ISDX Growth Market has decreased to the point that they are trading at a discount to their nominal value. The closing mid market price for one Existing Ordinary Share on Thursday 8 November 2012 (the latest practicable date before the publication of this document) was 6p. The Company is prohibited under the 2006 Act from issuing shares at a discount to their nominal value.

The Board believes it is appropriate to propose the Capital Reorganisation for the following reasons:-

- (a) the Board would like to grant further options to the Company's Directors and senior management following the Annual General Meeting. However, the rules of the EMI Scheme prohibits the Company from granting options over shares at an exercise price which is less than nominal value. Therefore, given the current share price is at a discount to nominal value, the Company would, in the absence of the Capital Reorganisation, be required to grant options at a price in excess of their market value; and
- (b) the Board is seeking to renew the Company's authority to undertake market purchases of its own shares (Resolution 7). However given that the current market price is at a discount to nominal value, the Board would be unable to exercise its rights pursuant to this authority, as it is against market practice to

purchase shares at less than nominal value.

Under the proposed Capital Reorganisation each issued Existing Ordinary Share of 10p nominal value will be sub-divided into one New Ordinary Share of 1p and one Deferred Share of 9p and each authorised but unissued Existing Ordinary Share will be sub-divided into ten New Ordinary Shares of 1p each.

The New Ordinary Shares will carry the same rights in all respects as the Existing Ordinary Shares, including voting rights and right to participate in dividends of the Company, and will be transferable in the same manner as the Existing Ordinary Shares. Existing share certificates for the Existing Ordinary Shares will remain valid. The Deferred Shares are effectively valueless as they will not carry any rights to vote or dividend rights and they will only be entitled to a payment on a return of capital on a winding up of the Company or otherwise after each New Ordinary Share has received the amount paid up on such shares and a payment of £10,000,000. The Deferred Shares will not be listed or traded on the ISDX Growth Market and will not be transferable without the written consent of the Company. No certificates will be issued in respect of the Deferred Shares.

Following the Capital Reorganisation (and prior to any Reduction of Capital becoming effective) there will be 35,786,204 New Ordinary Shares of 1p each and 35,786,204 Deferred Shares of 9p each in issue.

The Capital Reorganisation is essentially a restructuring exercise to alter the nominal value of the Existing Ordinary Shares and should have no effect on the value of each individual Shareholder's shareholding.

Enterprise Management Incentive Scheme

In accordance with the rules of the EMI Scheme, the Board will make appropriate adjustments to all outstanding options, to take account of the Capital Reorganisation, subject to the prior confirmation from the Company's auditors (or other share valuers) that such adjustment is fair and reasonable. Optionholders will be notified of the adjustment in due course.

Reduction of Capital

The balance sheet of the Company for the 16 months ended 31 July 2012 shows that the Company has a deficit on Retained Earnings of £1,896,126 due to the cumulative write down of the carrying value of the cost of investments in the Company's subsidiary undertakings, of £2,975,000.

The Directors consider that the size of the Company's accumulated losses is to the detriment of the Company and its Shareholders as the Company is unable to purchase its own shares or pay dividends until it has distributable reserves. The Directors consider that it would therefore be advantageous following the Capital Reorganisation, to cancel the Deferred Shares, which will be effectively worthless in the hands of the holders and will represent a capital reserve of £3,220,758.36, and to cancel the amount standing in the share premium account. As at 31 July 2012 the amount of the share premium account was £2,997,636.61. This sum has arisen as the Company has issued shares at a premium to their nominal value from time to time.

The purpose of the proposed Reduction of Capital involving the cancellation of the Deferred Shares and the cancellation of the share premium account, will be to eliminate the accumulated deficit on the Company's profit and loss account and (subject to any undertakings that the Company may be required to give to the Court for the protection of creditors) to create distributable reserves. Based on the balance sheet as at 31 July 2012, this could result in distributable reserves of £4,322,268.97.

The Reduction of Capital will not involve any distribution or repayment to Shareholders. The principal effect will be to place the Company in a position where (subject to any undertakings that the Company may be required to give to the Court — as detailed below) it can lawfully use distributable profits which may arise in the future (including the surplus arising on the Reduction of Capital when it becomes distributable) to purchase its own shares and/or pay dividends.

The proposed cancellation of the Deferred Shares and the cancellation of the share premium account requires the approval of Shareholders by a special resolution and the subsequent approval of the Court. Accordingly, Resolution 9 is to be proposed at the Annual General Meeting to approve the Reduction of Capital. If Resolution 9 is approved by Shareholders at the Annual General Meeting it is expected that an application will be made in due course by the Company for a court order confirming the proposed Reduction of Capital. The reduction will be effective when the order of the court confirming the Reduction of Capital has been registered at Companies House (together with a Statement of Capital showing the Company's capital as altered by the Reduction of Capital) (the "Effective Date"). An

announcement will be made by the Company upon the court order being made. It is important to note that if Resolution 9 is passed at the Annual General Meeting the Company is not obliged to proceed with the Reduction of Capital and it will not do so if it is not considered to be in the best interests of the Company.

Notwithstanding the approval by Shareholders of the Reduction of Capital, the Directors will determine the question of future distributions to Shareholders in accordance with the best interests of the Company at the relevant time and the approval of the proposed Reduction of Capital by the Court shall not oblige the Directors to make such distributions and/or purchase the Company's shares.

The Court, in considering the proposed Reduction of Capital, is likely to require the Company to take steps to protect the position of its creditors as at the Effective Date and the Company is likely to be required to give an undertaking to the Court for this purpose. This may include an undertaking to treat the surplus arising after the elimination of the Company's accumulated losses as non-distributable until all non-consenting creditors of the Company as at the Effective Date have been discharged or other appropriate steps taken for their protection. The exact form of creditor protection is for the Court to determine and the Company will offer such protection as its lawyers advise is appropriate.

The proposed Reduction of Capital will not change the number of New Ordinary Shares in issue or the rights attaching to those shares. The Company's shares will continue to be traded on the ISDX Growth Market. Additionally, the Reduction of Capital will not affect the future trading prospects of the Company and its net assets will not be reduced as a consequence of the Reduction of Capital.

Annual General Meeting

The Annual General Meeting will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 11 December 2012 at 10.00 a.m. A Form of Proxy for use at the Annual General Meeting is enclosed with this document.

Shareholders have the right to attend and vote at the Annual General Meeting (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register of Members at 10.00 a.m. on 9 December 2012 ("**Voting Record Time**"). Changes to entries in the Register of Members after the Voting Record Time will be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting. If the Annual General Meeting is adjourned, only those Shareholders on the Register of Members at 10.00 a.m. on the day which is two days before the date of the adjourned Annual General Meeting will be entitled to attend, speak and vote or to appoint a proxy.

The number of Existing Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes that Shareholder or his/her proxy will have in the event of a poll.

Explanation of the Resolutions to be proposed at the Annual General Meeting

The notice convening the Annual General Meeting sets out the Resolutions to be proposed at the Annual General Meeting. An explanation of these Resolutions is set out below:

To Receive and Adopt the Directors' Report and Accounts (Resolution 1)

This resolution is to receive and adopt the Directors' Report and Accounts for the 16 month period ended 31 July 2012, which accompany this document.

Reappointment of Director (Resolution 2)

This resolution is to approve the re-appointment of Compton Hellyer as a director who retires from office and stands for reappointment in accordance with Article 23.2 of the Articles.

Re-appointment of Auditors (Resolution 3)

This is a resolution to re-appoint BDO LLP as auditors of the Company for the financial year ending 31 July 2013, and to authorise the Directors to fix their remuneration.

To approve the Capital Reorganisation of Existing Ordinary Shares (Resolution 4)

The Directors need the authority of Shareholders to implement the Capital Reorganisation. Subject to the requisite

Shareholder approval, the Capital Reorganisation is expected to be effective from the date of the Annual General Meeting.

Authority to allot shares (Resolution 5)

The Directors may allot unissued shares only if the Directors are authorised to do so by the Shareholders. Resolution 5 will be proposed as an ordinary resolution to grant new authorities to allot relevant securities up to the aggregate nominal amount of the authorised but unissued ordinary share capital of the Company, such authority, if granted, lasting until the date falling 15 months after the Annual General Meeting or, if earlier, until the next Annual General Meeting of the Company (unless renewed, varied or extended by the Company in general meeting).

The Directors have no present intention of issuing shares pursuant to this authority.

Disapplication of pre-emption Rights (Resolution 6)

Section 561 of the 2006 Act requires that, on an allotment of "equity securities" for cash, such equity securities must first be offered to existing Shareholders in proportion to the number of ordinary shares they each hold at that time. This is known as a shareholder's pre-emption right. If the authority is granted pursuant to this Resolution, the Directors will be able to allot New Ordinary Shares for cash on a non pre-emptive basis, up to the aggregate nominal amount of the authorised but unissued ordinary share capital of the Company. The authority to allot New Ordinary Shares for cash on a non pre-emptive basis will last until the date falling 15 months after the Annual General Meeting or, if earlier, until the next Annual General Meeting of the Company (unless renewed, varied or extended by the Company in general meeting).

Authority to undertake market purchases of own shares (Resolution 7)

Authority is sought for the Company to purchase up to 10 per cent. of its issued New Ordinary Shares (excluding any treasury shares).

The Directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The Directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per shares of the Company.

New Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any New Ordinary Shares the Company may purchase as treasury shares. The Company currently has no ordinary shares in treasury. The minimum price, exclusive of expenses, which may be paid for a New Ordinary Share is its nominal value of 1p. The maximum price, exclusive of expenses, which may be paid for a New Ordinary Share is the highest of (i) an amount equal to 5% above the average market value for a New Ordinary Share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The authority will expire on the date falling 15 months after the Annual General Meeting or, if earlier, the next Annual General Meeting of the Company.

Amendment to the Articles of Association (Resolution 8)

This resolution is to approve amendments to the Articles to amend the authorised share capital to reflect the Capital Reorganisation and establish the rights that the Deferred Shares will carry.

Reduction of share capital (Resolution 9)

The Directors require the approval of Shareholders to proceed with the proposed cancellation of Deferred Shares and the cancellation of the Company's share premium account.

Action to be taken

You will find enclosed a Form of Proxy for use at the Annual General Meeting. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the enclosed Form of Proxy as soon as possible. To be valid, the Form of Proxy must be completed in accordance with the instructions printed on it and

lodged with Capita at PXS, 34 Beckenham Road, Beckenham, BR3 4TU, as soon as possible, but in any event so as to arrive by not later than 10.00 a.m. on 7 December 2012 (or such later time as the Directors may determine).

If you have any queries relating to the completion of the enclosed Form of Proxy, please contact Capita on 0871 664 0300 between 9.00 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) or, if calling from overseas on +44 20 8639 3399. Calls to 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service providers network extras whilst calls to the overseas helpline from outside the UK will be charged at international rates as the case may be. Capita can only provide information regarding the completion of the enclosed Form of Proxy and cannot provide you with investment or tax advice.

The lodging of a Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person if you so wish.

Recommendation

The Directors believe the Resolutions to be in the best interests of the Company and the Shareholders taken as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the Annual General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 6,443,856 Existing Ordinary Shares, representing 18.01 per cent. of the Company's issued share capital.

Yours faithfully

Charles Prior

Chairman

WOODSPEEN TRAINING GROUP PLC

(incorporated in England and Wales with registered number 06434555)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Woodspeen Training Group Plc ("**the Company**") will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 11 December 2012 at 10.00 a.m. for the following purposes:

To consider, and if thought fit pass, the following resolutions of which resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and resolutions 6 to 9 (inclusive) as special resolutions.

ORDINARY RESOLUTIONS

1. To receive and adopt the accounts for the 16 month period ended 31 July 2012 together with the reports of the directors and the auditors of the Company thereon.
2. To re-elect Compton Hellyer, who retires by rotation, as a director of the Company.
3. To re-appoint Messrs BDO LLP as auditors to act as such until the conclusion of the next annual general meeting of the Company at which the requirements of section 437 of the Companies Act 2006 ("**the 2006 Act**") are complied with and to authorise the directors of the Company ("**the Directors**") to fix their remuneration.
4. THAT in accordance with section 618 of the 2006 Act the existing ordinary share capital of the Company be re-organised as follows:-
 - (a) each issued ordinary share of 10 pence each in the share capital of the Company be sub-divided into 1 new ordinary share of 1 pence each in the capital of the Company ("**New Ordinary Share**") and 1 deferred share of 9 pence each in the capital of the Company ("**Deferred Share**") with each class of shares having the rights set out in the articles of association of the Company as amended pursuant to Resolution 8; and
 - (b) each authorised but unissued ordinary share of 10 pence each in the capital of the Company be sub-divided into 10 New Ordinary Shares.
5. THAT the Directors be and are generally and unconditionally authorised, in accordance with section 551 of the 2006 Act, to allot Relevant Securities (as defined in the notes to these resolutions) up to the aggregate nominal amount of the authorised but unissued ordinary share capital of the Company provided that this authority shall (unless renewed, varied or extended by the Company in general meeting) expire on the date which is 15 months after the date on which this resolution is passed or, if earlier, on the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry, and the Directors may allot such Relevant Securities in pursuance of such offer or agreement as if this authority had not expired. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot Relevant Securities as if section 551 of the 2006 Act did not apply provided that such substitution shall not have retrospective effect.

SPECIAL RESOLUTIONS

6. THAT subject to and conditional upon the passing of Resolution 5 above, the Directors be generally empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) for cash as if section 561(1) of the 2006 Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 5 above PROVIDED THAT such power shall be limited to:-
 - (a) the allotment of equity securities in connection with a rights issue or any other offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the

Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to the aggregate nominal amount of the authorised but unissued ordinary share capital of the Company,

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the Directors pursuant to section 570 of the 2006 Act and shall expire on whichever is the earlier of the conclusion of the next annual general meeting of the Company or the date falling 15 months from the date of the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

7. THAT subject to and conditional upon the passing of Resolution 4 above, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the 2006 Act) of New Ordinary Shares provided that:-

- (a) the maximum number of New Ordinary Shares authorised to be purchased is 3,578,620;
- (b) the minimum price (excluding expenses) which may be paid for a New Ordinary Share is 1 pence;
- (c) the maximum price (excluding expenses) which may be paid for a New Ordinary Share is not more than the higher of:-
- (i) 105% of the average market value of a New Ordinary Share for the five business days prior to the date the purchase is made; and
- (ii) the value of a New Ordinary Share calculated on the basis of the higher of the price quoted for:
- the last independent trade of; and
 - the highest current independent bid for,
- any number of the New Ordinary Shares on the trading venue where the purchase is carried out;
- (d) the authority hereby conferred shall expire on the earlier of the date falling fifteen months after the date on which this resolution is passed or the conclusion of the next annual general meeting of the Company; and
- (e) the Company may make a contract to purchase its New Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such contract.

8. THAT subject to and conditional upon the passing of Resolution 4 above, the articles of association of the Company be amended in the manner set out below:

- (a) that the definition of "shares" be deleted and the following definitions be inserted in Article 1.1:
- "deferred shares" deferred shares of 9 pence each in the capital of the Company;
- "ordinary shares" ordinary shares of 1 pence each in the capital of the Company;
- "shares" shares in the Company other than the deferred shares;
- (b) Article 54 be deleted in its entirety and be substituted in its place by the following new Article 54:
- "The share capital of the Company is £10,000,000 divided into 677,924,164 ordinary shares of 1 pence each and 35,786,204 deferred shares of 9 pence each."

(c) the following new Article 54A shall be inserted immediately following Article 54:-

“54A. Deferred Shares

(a) Notwithstanding anything contained within these Articles, the deferred shares shall have no rights, powers or benefits attached to them whatsoever and, without limitation, shall not confer on the holders of deferred shares any right:

- (i) to receive notice of any general meeting of the Company; or
- (ii) to be able to attend, speak or vote at any general meeting; or
- (iii) to share in a dividend or other distribution declared by the Company; or
- (iv) to participate in any way in the income or profits of the Company; or
- (v) to appoint a director,

save that on a return of capital on a winding-up or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repayment to the holders of the ordinary shares of the amount paid up on such ordinary shares together with a premium of £10,000,000 per ordinary share, second in repayment to the holders of the deferred shares of the amount paid up on such deferred shares and the balance of such assets shall be distributed among the holders of the ordinary shares. Save as aforesaid, the holders of deferred shares shall have no interest or right to participate in the assets of the Company.

(b) The deferred shares will not be listed on any stock exchange and no share certificates will be issued for the deferred shares.

(c) The Company may reduce the share capital paid up or treated as paid up on the deferred shares in any way (in accordance with the Companies Act 2006). Any such reduction will be in accordance with the rights attaching to the deferred shares and will not involve a variation of those rights. The Company may reduce its capital (in accordance with the Companies Act 2006) at any time without the consent of the holders of the deferred shares.

(d) 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 share capital shall not constitute a modification or abrogation of the rights or privileges attaching to the deferred shares and accordingly the deferred shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Companies Act 2006 without any such sanction on the part of the holders of the deferred shares.

(e) This Article 54A shall remain in force until there are no longer any deferred shares in existence, notwithstanding any provision in these Articles to the contrary. Thereafter Article 54A shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 54A are referred to in other Articles) and shall be deleted and replaced with the wording "Article 54A has been deleted", and the separate register for the holders of deferred shares shall no longer be required to be maintained by the Company; but the validity if anything done under Article 54A before that date shall not otherwise be effected and any actions taken under Article 54A before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

(f) The Company shall have an irrevocable authority at any time after the adoption of this Article:

- (i) to appoint any person on behalf of any holder of deferred shares to enter into an agreement to transfer and to execute a transfer of the deferred shares to such person as the Directors may determine and to execute any other

documents which such person may consider necessary or desirable to effect such transfer or to give instructions to transfer any deferred shares held in uncertificated form to such person as the Directors may determine, in each case without obtaining the sanction of the holder(s) of them and without any payment being made in respect of that transfer;

- (ii) to acquire all or any of the deferred shares (in accordance with the provisions of the Companies Act 2006) and in connection with any such acquisition to appoint any person on behalf of any holder of deferred shares to enter into any agreement to transfer and to execute a transfer of the deferred shares in favour of the Company and to execute any other documents which such person may consider necessary or desirable to effect such transfer or to give instructions to transfer any deferred shares held in uncertificated form to the Company, in each case without obtaining the sanction of holder(s) of them and for the payment of not more than £1.00 for all of the deferred shares which are the subject of such acquisition, and to cancel the same, without any payment to the holders thereof; or
- (iii) to cancel all or any of the deferred shares for no consideration by means of a reduction in capital effected in accordance with the provisions of the Companies Act 2006 or to create or issue further shares in the capital of the Company which rank equally or in priority to the deferred shares, without sanction on the part of the holders of the deferred shares or otherwise in accordance with the Companies Act 2006; and
- (iv) pending any such transfer or cancellation or acquisition to retain the certificate (if any) for any deferred shares held in certificated form.”

9. That subject to Resolution 4 above being passed and becoming effective and the confirmation of the Court:
- (a) the share capital of the Company be reduced by cancelling and extinguishing all the issued Deferred Shares of 9 pence each; and
 - (b) contingent upon the cancellation of the Deferred Shares referred to in paragraph (a) above of this Resolution becoming effective, Article 54 of the Company’s Articles of Association shall be deleted in its entirety and be substituted in its place by the following new Article 54:

“The share capital of the Company is £6,779,241.64 divided into 677,924,164 ordinary shares of 1 pence each.”; and
 - (c) the balance standing to the credit of the Company’s share premium account be cancelled.

Registered Office
32 Wingate Road
Hammersmith
London
W6 0UR

By Order of the Board
Lynn Chandler
Company Secretary

12 November 2012

Notes:

1. "Relevant Securities" means:
 - (a) shares in the Company other than shares allotted pursuant to:
 - (i) an employee share scheme (as defined by section 1166 of the 2006 Act);
 - (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
 - (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security;
 - (b) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - (a) 10.00 a.m. on 9 December 2012; or
 - (a) if this Annual General Meeting is adjourned, at 10.00 a.m. on the day two days prior to the adjourned meeting , shall be entitled to attend and vote at the meeting.
3. If you are a member of the Company at the time set out in note 2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
4. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 6.
6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
To appoint a proxy using the proxy form, the form must be:
 - (a) completed and signed;
 - (b) sent or delivered to Capita Registrars Limited at PXS, 34 Beckenham Road, Beckenham BR3 4TU; and
 - (c) received by Capita Registrars Limited no later than 10.00 a.m. on 7 December 2012.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. As at 5.00 p.m. on the day immediately prior to the date of posting of this notice of Annual General Meeting, the Company's issued share capital comprised 35,786,204 Ordinary Shares. Each Ordinary Share carries the right to one vote at an Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 5 pm on the day immediately prior to the date of posting of this notice of Annual General Meeting is 35,786,204.