

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action you should take, you should consult your independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or otherwise transferred all of your Ordinary Shares please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the agent through whom the sale was effected, for transmission to the purchaser or transferee.

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## **TELECOM PLUS PLC**

*(incorporated and registered in England and Wales with registered number 03263464)*

### **NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of the Company to be held at Network HQ, 333 Edgware Road, London NW9 6TD on Wednesday 13 July 2011 at 12.00 noon is set out at the end of this document.

A Form of Proxy for use at the Annual General Meeting accompanies this document and, to be valid, must be completed and returned to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible but in any event to be received not later than 12.00 noon on Monday 11 July 2011. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the Annual General Meeting in person.

## DEFINITIONS

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

"Companies Act"	the Companies Act 2006, as amended consolidated or re-enacted from time to time
"2012 AGM"	the annual general meeting of the Company to take place in 2012
"Annual General Meeting" or "AGM"	the annual general meeting of the Company convened for 13 July 2011 pursuant to the Notice of AGM
"Articles"	the Company's articles of association as adopted by special resolution passed on 8 July 2009
"Board" or "Directors"	the directors of the Company as at the date of this document
"Company"	Telecom Plus Plc
"Form of Proxy"	the form of proxy accompanying this document for use in connection with the Annual General Meeting
"Networkers and Consultants Share Option Plans"	the Telecom Plus PLC Networkers and Consultants Share Option Scheme and the Telecom Plus PLC 2007 Networkers and Consultants Share Option Plan
"Notice of AGM"	the notice of Annual General Meeting which is set out at the end of this document
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company
"Resolutions"	the resolutions set out in the Notice of AGM
"Shareholders"	holders of Ordinary Shares

**TELECOM PLUS PLC**

*(incorporated and registered in England and Wales with registered number 03263464)*

Network HQ  
333 Edgware Road  
London NW9 6TD

**Directors:**

Charles Francis Wigoder (Executive Chairman)  
Julian Dominic Schild (Non-Executive Deputy Chairman and Senior Independent Director)  
Andrew James Ronald Lindsay, MBE (Chief Executive Officer)  
Christopher Paul Houghton (Finance Director)  
Melvin Anthony Lawson (Non-Executive Director)  
Michael James Pavia (Non-Executive Director)

13 June 2011

*To all Shareholders*

Dear Shareholder

**2011 ANNUAL GENERAL MEETING**

I am writing to you to explain the proposals which Shareholders will be asked to approve at the AGM to be held on Wednesday 13 July 2011 starting at 12.00 noon at Network HQ, 333 Edgware Road, London, NW9 6TD. The Notice of AGM is set out at the end of this document.

**To receive the Annual Report and Accounts (resolution 1)**

The Chairman will present the Annual Report and Accounts for the year ended 31 March 2011, sent to Shareholders with this document.

**Remuneration Report (resolution 2)**

The Companies Act requires listed companies to ask Shareholders to vote on the Directors' Remuneration Report. As the vote is advisory, it does not affect the actual remuneration paid to any individual director. A copy of the Directors' Remuneration Report is set out on pages 31 to 38 of the Annual Report and Accounts. Under Resolution 2 it is proposed that the Directors' Remuneration Report for the year ended 31 March 2011 be approved.

**Final Dividend (resolution 3)**

Resolution 3 is to approve the payment of a final dividend of 14.0 pence per share for the year ended 31 March 2011 to Shareholders on the register at close of business on 15 July 2011.

## **Re-election of Directors (resolutions 4 to 9)**

It is now a requirement under the UK Corporate Governance Code for FTSE 350 companies with accounting periods beginning on or after 29 June 2010 to offer all of their directors for re-election annually. Although the accounting period to which this AGM relates commenced before this date, the Board is of the opinion that the Company should adopt this element of the UK Corporate Governance Code with immediate effect. As a result all directors will offer themselves for re-election at the AGM. Resolutions 4 to 9 deal with the re-election of each of the Directors.

The biographical details of the Directors standing for re-election are set out below:

**Charles Wigoder** aged 51, Executive Chairman. Charles qualified as a Chartered Accountant with KPMG in 1984 and was subsequently employed by Kleinwort Securities as an investment analyst in the media and communication sectors. Between 1985 and 1988, he was head of corporate finance and development at Carlton Communications Plc and then Quadrant Group PLC. In March 1988, he left Quadrant Group to set up The Peoples Phone Company PLC, which was subsequently purchased by Vodafone in December 1996. He joined the Board in February 1998 and became Executive Chairman in July 2010, when Peter Nutting, the previous Chairman retired.

**Julian Schild** aged 51, Non-Executive Deputy Chairman and Senior Independent Director. Julian is a qualified Chartered Accountant and was previously Chairman of Huntleigh Technology PLC. Following the sale of Huntleigh in 2007 he set up a company investing in start-ups. He actively supports many charitable activities. He is a Director of the Hospital of St. John & Elizabeth in London and of The English Concert and is an Advisory Fellow of Pembroke College, Oxford. He joined the Board in May 2010 as an independent non-executive director and the Board is satisfied that he is an independent director in accordance with the UK Corporate Governance Code.

**Andrew Lindsay** MBE aged 34, Chief Executive Officer. Before joining the Company, Andrew was Managing Director of Ryness, an electrical retail chain based in London in which he has a significant equity stake after performing a Management Buyout in 2006. Prior to buying Ryness, he spent three years as an analyst in the UK Mergers & Acquisition Team at Goldman Sachs. Andrew rowed for Great Britain at the Sydney Olympic Games in 2000 where he won a Gold medal. He joined the Company in April 2007, was appointed to the Board in November 2008 and became Chief Executive Officer in July 2010.

**Christopher Houghton** aged 32, Finance Director. Chris qualified as a Chartered Accountant with PricewaterhouseCoopers in 2003. Prior to qualifying, he worked within the firm's Consumer Products and the TICE-E (Telecoms, Information, Communications, Entertainment and Energy) Audit and Assurance teams. Post qualification, he transferred into the Corporate Finance department where he completed a two year secondment at The Takeover Panel. He joined the Company in September 2008 and was appointed Finance Director in February 2009.

**Melvin Lawson** aged 52, Non-Executive Director. Melvin is the Managing Director of A Beckman PLC, a company formerly listed on the London Stock Exchange which was taken private in 1995. He has interests in a wide range of investments and is a director of Catalyst Media Group PLC and a number of other companies. He joined the Board in September 2006 as a non-executive director and the Board is satisfied that he is an independent director in accordance with the UK Corporate Governance Code.

**Michael Pavia** aged 64, Non-Executive Director. Michael is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), and has significant experience of the energy industry, having served on the Boards of LASMO, SEEBOARD and London Electricity. He is currently a non-

executive director of Thames Water and Salamander Energy PLC, and is a member of the Council of the ICAEW. He joined the Board in December 2006 as a non-executive director and the Board is satisfied that he is an independent director in accordance with the UK Corporate Governance Code.

The Board has confirmed, following a performance review that all Directors standing for re-election, continue to perform effectively and demonstrate commitment to their role.

#### **Reappointment of Auditor (resolutions 10 and 11)**

Under resolution 10, it is proposed that PKF (UK) LLP be reappointed as the Company's auditor to hold office until the conclusion of the 2012 AGM. Resolution 11 authorises the Directors to agree PKF (UK) LLP's remuneration.

#### **Authority for Purchase of Own Shares (resolution 12)**

The Company cannot purchase its own shares unless the purchase has first been authorised by Shareholders in general meeting. The Directors are therefore proposing a resolution to seek such authority under section 701 of the Companies Act in respect of a maximum of 6,960,606 Ordinary Shares (representing approximately 10 per cent of the Company's issued ordinary share capital as at 8 June 2011 (the last practicable date before publication of this document)) and to set minimum and maximum prices. This authority will expire at the conclusion of the 2012 AGM or if earlier, 30 September 2012.

The Directors have no present intention of exercising the authority to purchase the Company's Ordinary Shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding requirements. This authority will only be exercised by the Directors if and when, in the light of market conditions prevailing at that time, the Directors believe that such purchases would increase earnings per share and would be for the benefit of Shareholders generally. The effect of any such purchase will clearly depend on the price at which it is made. Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange.

In accordance with the Companies Act, the Company may purchase and hold shares as treasury shares, rather than cancelling them. The Directors will decide at the time of purchase whether to hold shares in treasury or to cancel them immediately. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.

As at 8 June 2011 (the last practicable date before publication of this document), there were outstanding options to subscribe for shares both currently exercisable and yet to be exercisable, granted under all share option schemes operated by the Company, in respect of a total of 2,043,808 Ordinary Shares of the Company which, if all were eventually exercised, would represent approximately 2.9 per cent of the issued share capital of the Company. In the unlikely event that the authority now being sought together with the existing authority to purchase shares granted at last year's AGM were exercised in full, such options, if exercised, would represent approximately 3.5 per cent of the issued share capital of the Company.

#### **Authority to allot shares (resolution 13)**

In accordance with the provisions of section 549 of the Companies Act, the Directors are prevented from exercising the Company's powers to allot shares without an authority in terms of the Companies Act contained either in the articles of association or in a resolution of the Shareholders in general

meeting. Such authority was given by Shareholders at the AGM of the Company held on 14 July 2010, for a period expiring on the conclusion of this AGM.

Resolution 13 therefore proposes to renew this general authority for the period expiring at the conclusion of the 2012 AGM or, if earlier, 30 September 2012. The authority being sought is to allot Ordinary Shares up to a maximum nominal amount of £1,160,101 representing approximately one-third of the issued share capital as at 8 June 2011 (being the latest practicable date before publication of this document). The Directors have no current intention of using this authority, if granted, save in respect of the issue of shares pursuant to the exercise of options granted under the Networkers and Consultants Share Option Plans. Shares issued pursuant to employee share plans are exempt from this authority.

In addition, the Association of British Insurers (ABI) has said that it will now consider as routine a resolution to authorise the allotment of a further one-third of share capital for use in connection with a rights issue. Your Board considers it appropriate to seek this additional allotment authority at this year's AGM in order to take advantage of the flexibility it offers. However, the Board has no present intention of exercising this authority.

Passing this resolution will provide the Directors with additional flexibility, acting in the best interests of the Company and Shareholders, so that when opportunities that benefit the Company arise, the Directors can issue new shares without the need to incur the cost and delay of a general meeting of the Company to seek specific authority for each allotment.

As at 8 June 2011 (being the latest practicable date before publication of this document), there were no shares held in treasury by the Company.

#### **Authority to allot shares to npower Limited at nominal value (resolution 14)**

The Company announced on 25 May 2011 that it had reached agreement with npower Limited ("npower") that, subject to shareholder approval, npower would be issued with new Ordinary Shares in the Company having a total market value of £3 million.

Due to the substantial benefits expected to accrue to the Company from the variations npower have agreed to make to the supply agreement, including the opportunity for the Company to pay a lower price in the future to the applicable npower subsidiaries for the energy supplied by them to the Company's customers (subject to the achievement by the Company of certain agreed growth targets), the removal of the letter of credit requirement, the protection provided to the Company from the seasonal swings in working capital associated with customers who pay for their energy using a budget plan, and the provision of marketing support to the Company by npower, it was agreed that the new Ordinary Shares would be issued to npower at nominal value. Npower would expect to benefit over the medium term through a more rapid increase in the volume of business between us than would have been likely to occur in the absence of such changes.

The £3 million market value referred to above (and hence the number of shares to be issued to npower) will be calculated based on the average share price over a 20 working day period prior to the date on which any such shares are issued. It is expected that the shares will be issued to npower in two tranches in August 2011 and January 2012, with each tranche consisting of shares with a market value of £1.5 million. In the event that this resolution is not approved by shareholders, the Company will not receive the agreed marketing support and this would result in lower profitability for the current year than the Company would otherwise have reported.

As a result of this arrangement, resolution 14 therefore proposes to grant, in addition to the authority sought under resolution 13, authority to issue Ordinary Shares in the Company at nominal value. The precise number of shares to be issued cannot yet be ascertained as it is dependent on the Company share price over the relevant periods. However, based on the share price as at 8 June 2011 (being the latest practicable date before publication of this document), the total number of shares issued to npower in accordance with the terms of the agreement with them would amount to 515,907 new Ordinary Shares, representing approximately 0.7 per cent of the issued share capital of the Company.

Under the UK Listing Rules, shareholder approval is required where it is proposed that new shares in a listed company be issued at a discount of more than 10 per cent to the middle market price of such shares. Resolution 14 is therefore also seeking such approval in relation to the issue of shares to npower.

#### **Authority to disapply statutory pre-emption rights (resolution 15)**

The Companies Act requires that an allotment of shares for cash may only be made if the shares are first offered to existing shareholders on a pre-emptive basis. In accordance with general practice, the Directors propose that advantage be taken of the provisions of section 570 of the Companies Act to disapply the Companies Act's pre-emption requirements in relation to certain share issues.

Resolution 15 will empower the directors to allot Ordinary Shares for cash on a non-pre-emptive basis:

1. in connection with a rights issue or other pro-rata offer to existing Shareholders.
2. (otherwise than in connection with a rights issue and the issue of shares to npower) up to a maximum nominal value of £174,015, representing approximately five per cent of the issued ordinary share capital of the Company as at 8 June 2011 (the latest practicable date before publication of this document).
3. in connection with the agreement entered into between the Company and npower as referred to in Resolution 14.

In proposing this resolution, the Directors consider that it is in the best interests of the Company and Shareholders that the Directors retain their flexibility to allot some shares without having to offer them to Shareholders first.

#### **Political donations (resolution 16)**

Resolution 16 is designed to deal with the rules on political donations contained in the Companies Act. Political donations to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by Shareholders in advance. What constitutes a political donation, a political party, a political organisation, or political expenditure is not always easy to decide, as the legislation is capable of wide interpretation. Sponsorship, advertising, marketing activities, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward resolution 16. This will allow the Company to support the community and put forward its views to wider business and Government interests without running the

risk of being in breach of the law. As permitted under the Companies Act, resolution 16 has also been extended to cover any political donations made or political expenditure incurred, by any subsidiaries of the Company. The authority which the Board is requesting is similar to the authority given by shareholders at the AGM in 2010.

#### **Notice period for general meetings (resolution 17)**

It is proposed in resolution 17 that Shareholders should approve the continued ability of the Company to hold general meetings other than the annual general meeting on 14 clear days' notice.

This resolution relates to section 307A of the Companies Act. Under that section, a listed company which wishes to be able to call general meetings (other than an AGM) on 14 days' clear notice must obtain shareholders' approval. Resolution 17 seeks such approval.

The resolution is valid up to the next AGM and so will need to be renewed annually. The Company will also need to meet the requirements for electronic voting under section 307A of the Companies Act before it can call a general meeting on 14 days' notice.

In accordance with the guidance issued by the National Association of Pension Funds, the shorter notice period will not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the Shareholders as a whole.

#### **Action to be taken**

Shareholders will find a Form of Proxy enclosed for use at the AGM. Whether you propose to attend the AGM or not, the Form of Proxy should be completed and returned to the Company's registrars in the prepaid envelope provided as soon as possible and in any event, as so to be received by the Company's registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU by not later than 48 hours before the time of the AGM. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

#### **Recommendation**

The Board considers the Resolutions are likely to promote the success of the Company and are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you to vote in favour of the Resolutions as they intend to do so in respect of their own shareholdings which amount in aggregate to 18,285,506 Ordinary Shares (representing approximately 26.3 per cent. of the issued Ordinary Shares).

Yours sincerely

**Charles Wigoder**  
**Executive Chairman**



## TELECOM PLUS PLC

("the Company")

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Network HQ, 333 Edgware Road, London NW9 6TD on Wednesday 13 July 2011 at 12.00 noon for the purpose of considering, and if thought fit, passing the following resolutions. Resolutions 1 to 11, 13, 14 and 16 will be proposed as ordinary resolutions and resolutions 12, 15 and 17 will be proposed as special resolutions.

#### As ordinary business:

1. To receive the reports of the directors and the auditors and the accounts of the Company for the year ended 31 March 2011.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2011.
3. To declare a final dividend for the year ended 31 March 2011 of 14.0p on each of the ordinary shares of 5p and the directors be and are hereby authorised to pay such dividend to those persons registered as holders of shares in the capital of the company at the close of business on 15 July 2011.
4. To re-elect Charles Wigoder as a director of the Company.
5. To re-elect Julian Schild as a director of the Company.
6. To re-elect Andrew Lindsay as a director of the Company.
7. To re-elect Christopher Houghton as a director of the Company.
8. To re-elect Melvin Lawson as a director of the Company.
9. To re-elect Michael Pavia as a director of the Company.
10. To re-appoint PKF (UK) LLP as auditor of the Company from the conclusion of the Annual General Meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid before the Company.
11. To authorise the directors to determine the auditor's remuneration.

#### As special business:

12. That the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ("**Companies Act**") to make one or more market purchases (within the meaning of section 693(4) of the Companies Act) on the London Stock Exchange of its own fully paid ordinary shares of 5p each in the capital of the Company ("**Ordinary Shares**") on such terms and in such manner as the Directors may from time to time determine provided that:
  - 12.1 the maximum aggregate number of Ordinary Shares which may be purchased is 6,960,606 , being approximately 10 per cent of the issued Ordinary Share capital as at 8 June 2011;

- 12.2 the minimum price which may be paid for an Ordinary Share is 5p (exclusive of expenses payable by the Company);
- 12.3 the maximum price which may be paid for an Ordinary Shares (exclusive of expenses payable by the Company) cannot be more than the higher of:
- 12.3.1 105 per cent. of the average market value of an Ordinary Share for the five business days prior to the day on which the Ordinary Share is contracted to be purchased; and
- 12.3.2 the value of an Ordinary Share calculated on the basis of the higher of:
- (a) the last independent trade of; or
- (b) the highest current independent bid for,
- any number of Ordinary Shares on the trading venue where the market purchase by the Company will be carried out; and
- 12.3.3 the authority conferred shall expire at the conclusion of the next annual general meeting of the Company or, if earlier 30 September 2012, except that the Company may before such expiry make a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.
13. That the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act in substitution for all existing authorities:
- 13.1 to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together "**Relevant Securities**") up to an aggregate nominal amount of £1,160,101; and
- 13.2 to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act) up to an additional aggregate nominal amount of £1,160,101 provided that this authority may only be used in connection with a rights issue in favour of holders of Ordinary Shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever,

provided that the authorities in **paragraphs** 13.1 and 13.2 above shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, 30 September 2012, except that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities or equity securities as the case may be to be allotted after such expiry and the directors may allot Relevant Securities or equity securities in pursuance of any such offer or agreement as if the authority in question had not expired.

14. That:
- 14.1 the directors, in addition to the authority granted by Resolution 13, be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares to npower Limited (in accordance with the agreement entered into between the Company and npower Limited dated 24 May 2011) up to an aggregate nominal amount of £40,000, provided that such authority shall expire on 31 May 2012; and
- 14.2 the issue of shares in accordance with this resolution 14 at nominal value is also hereby approved pursuant to LR 9.5.10 of the UK Listing Rules.
15. That the directors be and they are hereby empowered, pursuant to section 570 of the Companies Act, to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the authorities conferred by resolution numbers 13 and 14 or by way of a sale of treasury shares as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:
- 15.1 the allotment of equity securities in connection with a rights issue or other pro rata offer (but, in the case of the authority granted conferred by paragraph 13.2, by way of a rights issue only) in favour of holders of Ordinary Shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities, subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever;
- 15.2 the allotment (otherwise than pursuant to **paragraph** 15.1 above or **paragraph** 15.3 below) of equity securities up to an aggregate nominal amount of £174,015; and
- 15.3 the allotment of equity securities to npower Limited in accordance with Resolution 14,
- and shall expire upon the expiry of the general authority conferred by resolution 13 above, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or shares held by the Company in treasury to be sold or transferred after such expiry and the directors may allot equity securities or sell or transfer shares held by the Company in treasury in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.
16. That in accordance with sections 366 and 367 of the Companies Act the Company and all companies which are subsidiaries of the Company at the date on which this resolution 16 is passed or during the period when this resolution 16 has effect are authorised to:
- 16.1 make political donations to political parties or independent election candidates, as defined in the Companies Act, not exceeding £50,000 in total;
- 16.2 make political donations to political organisations other than political parties, as defined in the Companies Act, not exceeding £50,000 in total; and
- 16.3 incur political expenditure, as defined in the Companies Act, not exceeding £50,000 in total,

during that period beginning with the date of the passing of this resolution and ending on the conclusion of the next annual general meeting of the Company provided that the authorised sums referred to in **paragraphs** 16.1, 16.7 and 16.3 above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter), or, if earlier, on the day on which the Company enters into any contract or undertaking in relating to the same.

17. That the Company is authorised to call any general meeting of the Company other than the annual general meeting by notice of at least 14 clear days during the period beginning on the date of the passing of this resolution and ending on the conclusion of the next annual general meeting of the Company.

*By Order of the Board*

David Baxter

**Secretary**

Dated 13 June 2011

*Registered Office:*

Network HQ

333 Edgware Road

London NW9 6TD

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attaching to different shares held by the member. A proxy need not be a member of the Company.
2. A form of proxy is provided with this notice and instructions for use are shown on the form. To be valid, completed proxies must be received (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) by Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU not later than 48 hours before the time fixed for the meeting and no account shall be taken of a day that is not a working day. Deposit of a completed form of proxy does not preclude a member from subsequently attending or voting at such meeting.
3. The Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that only those Shareholders whose names are entered in the register of members of the Company as at 6 p.m. on 11 July 2011 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.
5. In order for a proxy appointment or instruction made using a CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointment specified in note 2 above.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal systems timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting Capita Registrars or you may photocopy the proxy form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
7. In accordance with section 325 of the Companies Act, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act, persons nominated to receive information rights under section 146 of the Companies Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with section 149(2) of the Companies Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
8. A corporate shareholder may authorise a person or persons to act as its representative(s) at the AGM. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder in the Company, provided that he or she does not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
9. You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
10. A copy of this Notice, and other information required by section 311A of the Companies Act, can be found at [www.utilitywarehouse.co.uk](http://www.utilitywarehouse.co.uk).
11. As at 8 June 2011 (being the last business day before the publication of this Notice), the Company's issued share capital consisted of 69,606,069 Ordinary Shares carrying one vote each, there being no shares held in treasury. Therefore the total voting rights in the Company are 69,606,069.
12. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:
  - (a) 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; or
  - (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting.

The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

13. Any member attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. The following documents are available for inspection at the registered office of the Company (Network HQ, 333 Edgware Road, London, NW9 6TD) during normal business hours on each weekday (public holidays excluded) and at the place of the annual general meeting (Network HQ, 333 Edgware Road London NW9 6TD) for 15 minutes prior to and during the meeting:
  - (a) copies of the executive directors' service contracts with the Company; and
  - (b) copies of letters of appointment of each of the non-executive directors.