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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.

ITE Group plc

Notice of Annual General Meeting 2009

Notice is hereby given that the Annual General Meeting of the ITE Group plc (the "Company") will be held at the offices of Olswang, 90 High Holborn, London WC1V 6XX on 27 February 2009 at 12.00 noon for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions (resolution numbers 1-11) and Special Resolutions (resolution numbers 12-16).

Notice of Annual General Meeting

Ordinary Resolutions

1. To receive and adopt the Directors' Report and Accounts and the Auditors' Report for the year ended 30 September 2008.
2. To re-elect Michael Hartley as a Director of the Company.
3. To re-elect Edward Strachan as a Director of the Company.
4. To re- elect Neil England as a Director of the Company.
5. To re-elect Neil Jones as a Director of the Company.
6. To declare a final dividend of 3.7 pence recommended by the Directors for the year ended 30 September 2008 which, if approved, will be paid on 13 March 2009 to shareholders on the register on the close of business on 13 February 2009.
7. To re-appoint Deloitte & Touche LLP as auditors of the Company from the conclusion of the meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
8. To authorise the Directors to agree the remuneration of the Auditors of the Company.
9. To approve the Remuneration report (as set out in the Report and Accounts).
10. That the Directors be, and they are hereby, generally and unconditionally authorised (in substitution for all subsisting authorities) for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £826,359 provided that this authority shall expire fifteen months from the date of this resolution or, if earlier, at the conclusion of the Company's next Annual General Meeting and provided 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 relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired and provided further that this authority shall be in substitution for and shall replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed.
11. That the ITE Group plc 2009 Discretionary Share Option Scheme (the "Discretionary Scheme"), the rules of which are summarised in Appendix B to this Notice and produced to the meeting marked "B" and initialled for identification by the Chairman of the meeting, are hereby approved and the Directors be authorised to:
 - (a) adopt them (subject to any amendments required by HM Revenue & Customs in order to obtain approval to Part A of the Discretionary Scheme under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003); and
 - (b) establish further plans based on the Discretionary Scheme but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Discretionary Scheme.

Special Resolutions

12. That:
 - 12.1 subject to the passing of resolution 10 above, the Directors be, and they are hereby, empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) of the Company for cash, either pursuant to the authority conferred by resolution 10 above or by an allotment of equity securities such as is referred to in section 94(3A) of the Act as if sub-section 89(1) of the Act did not apply to any such allotment;
 - 12.2 this power shall be limited to:
 - (a) the allotment of equity securities in connection with an offer of such securities by way of rights or other pre-emptive offer to holders of ordinary shares of 1 penny each in the capital of the Company ("Ordinary Shares") in proportion (as nearly as may be practicable) to their respective holding of such Ordinary Shares but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements or any legal or practical problems arising under or as a result of the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or the issue and/or transfer and/or holding of any securities in uncertificated form; and

- (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities having, in the case of relevant shares (as defined for the purposes of section 89 of the Act), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate £123,953;
- 12.3 this power shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months from the date of this resolution, whichever is earlier;
- 12.4 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 as if the power conferred hereby had not expired.
13. That the Company be, and it is hereby, generally and unconditionally authorised for the purpose of section 166 of the Act to make one or more market purchases (within the meaning of section 163(3) of the Act) of Ordinary Shares (as defined in resolution 10), provided that:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 24,790,790;
- (b) the minimum price which may be paid for an Ordinary Share is 1 pence (exclusive of expenses);
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than an amount equal to 105% of the average of the closing middle market price for an Ordinary Share as derived from the Official List of the UK Listing Authority for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased;
- (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months from the date of the Annual General Meeting at which this resolution is passed, whichever is the earlier; and
- (e) the Company may make a contract or contracts to purchase Ordinary Shares which would or might be executed wholly or partly after the expiry of the authority hereby conferred and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.
14. That the Articles of Association of the Company be amended by deleting in its entirety the existing Article 95 in the Company's current Articles of Association and replacing it with the new Article titled Directors' Interests, Conflicts And Voting (to be numbered Article 95) set out in Appendix A to this Notice.
15. That:
- (a) the Articles of Association of the Company be amended by deleting the existing first sentence of Article 49.1 and replacing it with the following sentence: "An annual general meeting shall be called by not less than twenty-one clear days' notice in writing and a meeting (other than an annual general meeting) shall be called by not less than fourteen clear days notice in writing.";
- (b) a general meeting other than annual general meeting may be called on not less than 14 clear days notice.
16. Subject to the passing of resolutions 14 and 15 above, that the Company's Articles of Association be altered by making the amendments marked in tracked-changes on the print of the Articles of Association produced to the meeting marked "A" and initialled for identification by the Chairman of the meeting.

By order of the Board

Neil Netto

Company Secretary
26 January 2009

Registered Office:
105 Salusbury Road, London NW6 6RG
Registered In England and Wales with Registered Number: 01927339

The Directors of the Company consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions.

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice or has been sent to you separately, or is available online on www.capitaregistrars.com/shareholders. Instructions for use are shown on the form.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time appointed for holding the meeting.
3. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
4. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system 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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
5. You can submit your Form of Proxy via the internet by accessing www.capitaregistrars.com/shareholders. You will need your Investor Code (which appears on your share certificate) to log in. Before you can submit your proxy you will be asked to agree certain terms and conditions. You will be issued with confirmation of your voting once the process is complete. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received less than 48 hours before the time appointed for holding the meeting. Please note that any electronic communication found to contain a computer virus will not be accepted.
6. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 3 above) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
9. As at 26 January 2009 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consists of 247,907,902 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 26 January 2009 are 247,907,902.
10. Copies of the Directors' service contracts, non-executive Directors' letters of appointment, the proposed and current Articles of Association and the proposed ITE Group plc 2009 Discretionary Share Option Scheme will be available for inspection at Olswang, 90 High Holborn, WC1V 6XX on weekdays (Saturdays and public holidays excepted) during business hours from the date of this Notice until the date of the AGM, when they will be available for inspection at the place of the meeting from 11.45 a.m. until the conclusion of the meeting.
11. The Company specifies pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 that only those members registered in the register of members of the Company as at 6.00 pm on 25 February 2009 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjournment meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the register after 6.00 pm on 25 February 2009 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of the adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the meeting.
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
13. 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.
14. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so using the following means: (1) by writing to the Company Secretary at the Registered Office address; or (2) by writing to the Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent. BR3 4TU. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this Notice of AGM or any related documents (including the proxy form).
15. You may, if you wish, appoint more than one proxy, but each proxy must be appointed in respect of a specified number of shares within your holding. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name (if you wish to appoint someone other than the Chairman of the meeting) and the number of shares in relation to which they are authorised to act as proxy (which, in aggregate, should not exceed the number of shares held by you) and indicating how you wish each proxy to vote or abstain from voting. Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned in the same envelope.
16. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder 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 of the other corporate representatives for that shareholder 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 (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder 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. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

Explanatory notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1-11 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 12-16 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolutions 2-5:

In accordance with the Company's Articles of Association any Director newly appointed by the Board is required to retire and submit himself for re-appointment at the first Annual General Meeting following his appointment. In addition at every Annual General Meeting a certain number of Directors must retire by rotation. Messrs Hartley and Strachan are retiring by rotation and resolutions 2 and 3 seek approval for their re-election. Resolutions 4 and 5 seek approval to re-appoint each of Neil Jones and Neil England (who have both been appointed to the Board since the last Annual General Meeting) as a Director of the Company. Biographical details for the Directors are set out on pages 32 and 33 of the Report and Accounts.

Resolution 10:

This resolution authorises the Directors to allot shares in the capital of the Company up to an aggregate nominal amount of £826,359 being approximately one third of the Company's issued share capital as at 26 January 2009, this being the latest practicable date prior to the publication of this document. This authority will expire 15 months from the date of this resolution or, if earlier, at the conclusion of the next Annual General Meeting. Except in relation to the Company's employee share schemes, the Directors have no present intention of using this authority.

Resolution 11:

Please see Appendix B below for a summary of the proposed ITE Group plc 2009 Share Option Scheme.

Resolution 12:

This resolution empowers the Directors to allot shares in the capital of the Company (including shares which may be held in treasury) as if the pre-emption provisions of Section 89 of the Companies Act 1985 did not apply, provided that such power of the Directors is limited to the allotment of shares up to an aggregate nominal value of £123,953, being 5% of the Company's issued share capital as at 26 January 2009 being the latest practicable date prior to the publication of this document. This power will expire 15 months from the date of this resolution or, if earlier, at the conclusion of the next Annual General Meeting.

Resolution 13:

This resolution renews the Company's general authority to repurchase up to 24,790,790 of its own shares in the market (being 10% of the Company's issued share capital as at 26 January 2009), being the latest practicable date prior to the publication of this document, at or between the maximum and minimum prices specified in the resolution giving the authority.

Current legislation allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Directors may use the authority to purchase shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with legislation) rather than cancel them, subject to institutional guidelines applicable at the time. Shares will only be purchased if to do so would result in an increase in earnings per share and is in the best interests of shareholders generally. The Board has previously indicated its intention to continue to return surplus cash to shareholders via on-market purchase of its own shares where it is not required to finance the organic expansion of the business, acquisitions and dividend payments.

On 26 January 2009, being the latest practicable date prior to publication of this document, the Company had 963,347 options and share awards outstanding under its various share schemes that could potentially need to be satisfied by new issue of shares. This represented 0.39% of the issued share capital of the Company. If the Company were to purchase and cancel shares up to the maximum permitted by the resolution set out above, that percentage would increase to 0.43%.

Resolution 14:

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under this legislation, since 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The new article proposed under resolution 14 gives the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position. Please see Appendix A below for full text of proposed new Article.

Resolution 15:

Under the Companies Act 2006, an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice, whereas previously 21 days' notice was required. Part (a) of this proposed resolution is to amend the existing Articles of Association to allow the Company to take advantage of this shorter notice period.

Part (b) of this proposed resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive. The regulation implementing this Directive will increase the notice period for general meetings of the Company to 21 days. Once part (a) of this resolution is passed, the Company will be able to call general meetings (other than an AGM) on 14 clear days' notice and in order to preserve this ability after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Part (b) of this proposed resolution seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

Resolution 16:

The proposed amendments to the Articles of Association (other than the addition of the new Article pursuant to resolution 14 and the amendment proposed pursuant to resolution 15) are to update cross referencing, to correct certain historical typographical errors and ensure consistency of definitions throughout in light of the new Article being inserted pursuant to resolution 14.

APPENDIX A

New article 95 – Directors' interests, conflicts and voting

95. Directors' interests, conflicts and voting

95.1 Directors' permitted interests

- 95.1.1 A director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with the Company or any transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors to the extent required by, and in accordance with, the Companies Acts.
- 95.1.2 A director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with a subsidiary undertaking of the Company or any transaction or arrangement that has been entered into by a subsidiary undertaking of the Company shall declare the nature and extent of his interest to the other directors of the Company to the same extent, at the same time and in the same way as Article 95.1.1 would require if the transaction or arrangement were with the Company.
- 95.1.3 To the extent permitted by the Companies Acts and the Listing Rules, and provided that he has declared the nature and extent of his interest to the other directors in accordance with Article 95.1.1 or 95.1.2:
- 95.1.3.1 a director may, notwithstanding his office, enter into, or otherwise be interested in, any transaction or arrangement with the Company (or any of its subsidiary undertakings) or in which the Company (or any of its subsidiary undertakings) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as vendor, purchaser or otherwise;
- 95.1.3.2 a director may, notwithstanding his office, hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the Statutes) and upon such terms as the board may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board may decide, either in addition to or in lieu of any remuneration under any provision of these Articles; and
- 95.1.3.3 a director, notwithstanding his office, may act by himself or by his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director
- and no director shall, by reason of his holding office as director (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this Article 95.1.3 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest permitted by this Article 95.1.3.
- 95.1.4 For the purposes of Articles 95.1.1 to 95.1.2 inclusive, an interest of a person who is connected with a director (within the meaning of section 252 of the Companies Act 2006) shall be treated as an interest of the director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has.

95.2 Authorisation of conflicts of interest by the directors

- 95.2.1 Any matter (a "Relevant Matter") which would otherwise constitute or give rise to a breach by a director of his duty under section 175 of the Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as director) may be authorised by the directors to the fullest extent permitted by law in accordance with this Article. In particular (but without limitation), subject to any authorisation required under this Article 95.2, a director may be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company is interested.
- 95.2.2 Any director may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the directors (or in such other manner as the directors may approve) in accordance with these Articles, except that no authorisation shall be effective unless the requirements of section 175(6) of the Companies Act 2006 have been complied with.
- 95.2.3 Any authorisation of a matter under this Article 95.2 shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors may terminate or vary any authorisation at any time. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors in accordance with this Article.
- 95.2.4 Unless otherwise specified by the directors at any time, the terms and conditions on which a Relevant Matter has been authorised shall be deemed to include authority for the director concerned, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006:
- 95.2.4.1 to exclude himself from participation in discussion (whether at meetings of the board or otherwise), or receipt of documents or information, relating to the Relevant Matter and/or to arrange for documents or information relating to the Relevant Matter to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information; and/or
- 95.2.4.2 not to disclose to the Company, or use in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to the Relevant Matter and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.
- This Article 95.2.4 is without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information as referred to in Articles 95.2.4.1 and 95.2.4.2.
- 95.2.5 The directors may specify, as a term of authorisation of any Relevant Matter, that a director is entitled to accept benefits from third parties in relation to the Relevant Matter without breaching section 176 of the Companies Act 2006.
- 95.2.6 No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the directors in accordance with this Article 95.2. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.
- 95.2.7 For the purposes of Article 95.2, references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

95.3 Directors' powers to vote

- 95.3.1 A director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying the terms of appointment), or the termination of his own appointment, as the director of, or the holder of any other office or place of profit with, the Company or any undertaking in which the Company is interested but, where proposals for such resolutions relate to two or more directors, those proposals may be divided and a resolution may be put in relation to each director separately and in such case each of the directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning him.
- 95.3.2 Subject to Article 95.3.1 and except as otherwise provided in these Articles, a director shall not vote (or be counted in the quorum) in respect of any transaction or arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him, within the meaning of section 252 of the Companies Act 2006) may reasonably be regarded as likely to give rise to a conflict of interest and, if he purports to do so, his vote shall not be counted.
- 95.3.3 The prohibition in Articles 95.3.1 and 95.3.2 shall not apply and a director may (unless otherwise prohibited under these Articles) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- 95.3.3.1 any transaction, arrangement or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- 95.3.3.2 the giving of any guarantee, security or indemnity in respect of:
- (i) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or
 - (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- 95.3.3.3 any arrangement, transaction or proposal concerning the issue or offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
- 95.3.3.4 any transaction, arrangement or proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him, within the meaning of section 252 of the Companies Act 2006) does not hold an interest (as that term is used in Part 22 of the Companies Act 2006) representing 1% or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;
- 95.3.3.5 any transaction or arrangement for the benefit of employees of or consultants to the Company or of any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees or consultants to whom the transaction or arrangement relates;
- 95.3.3.6 the purchase or maintenance of insurance either for or for the benefit of any director or persons who include directors;

- 95.3.3.7 the giving of any indemnity against liability incurred by him in connection with his duties, powers or office in relation to the Company or any of its subsidiary undertakings, where all other directors are also offered indemnities on substantially the same terms; and
- 95.3.3.8 any transaction, arrangement or proposal relating to the funding of expenditure incurred by him in defending proceedings in connection with his duties, powers or office in relation to the Company or any of its subsidiary undertakings (or enabling him to avoid incurring such expenditure), where all other directors are also offered a transaction, arrangement or proposal on substantially the same terms.
- 95.3.4 Subject to the Statutes, the Company may by ordinary resolution suspend or relax the restrictions in Articles 95.3.1 or 95.3.2 to any extent or ratify any transaction or other arrangement not duly authorised by reason of a contravention of those Articles.
- 95.3.5 If any question arises at any meeting as to whether an interest of a director may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting) and his ruling in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and conclusive, except insofar as the nature or extent of the interest of the director concerned, so far as known to him, has not been declared to the directors.
- 95.3.6 For the purposes of this Article 95.3:
- 95.3.6.1 an interest of a person who is connected with a director (within the meaning of section 252 of the Companies Act 2006) shall be treated as an interest of the director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has;
- 95.3.6.2 references to a conflict of interest include a conflict of interest and duty and a conflict of duties;
- 95.3.6.3 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 95.3.6.4 references to a transaction or arrangement include a proposed transaction and a proposed arrangement and references to an arrangement include a contract or any other form of arrangement.

APPENDIX B

Summary of the ITE Group plc 2009 discretionary share option scheme

General

The Discretionary Scheme is divided into two parts, Part A and Part B, and provides for the grant of HM Revenue & Customs approved options (which are granted under Part A) and unapproved options (which are granted under Part B). Approval for Part A will be sought from HM Revenue & Customs. Save to the extent required in order to obtain and retain HM Revenue & Customs approval of Part A, the provisions of Parts A and B are identical in all material respects. The Discretionary Scheme is administered by the Remuneration Committee of the Company's board of directors and will last for 10 years following adoption.

Eligibility

Options may be granted to employees and directors (who must be full-time directors for the purposes of options granted under Part A) of the Company or any of its subsidiaries selected at the absolute discretion of the Remuneration Committee. It is not, however, intended that executive directors of the Company will normally be granted options under the Discretionary Scheme.

Grant of options

Options are rights to acquire ordinary shares in the Company, and, other than in exceptional circumstances, may only be granted within 42 days after the adoption of the Discretionary Scheme or the announcement of the Company's financial results. Options may not be granted during a close period of the Company.

Options are not pensionable and no payment is required for the grant of an option. Options are personal to the participant and may not be transferred, except on death.

Option price

The acquisition price payable on the exercise of an option will be the mid-market quotation for an ordinary share on the Official List at the close of business on the dealing day immediately preceding the date of grant, or if the Remuneration Committee so determines, the average of such quotations at the close of business on the three dealing days immediately preceding the date of grant.

Overall limits

In any 10 year period, the Company may not issue more than 10% of the issued ordinary share capital of the Company under the Discretionary Scheme and any other share incentive scheme operated by the Company. The use of newly issued shares and treasury shares will count towards this limit.

Like certain other companies listed on the London Stock Exchange, the Company needs to be able to operate the Discretionary Scheme within this level (rather than being limited to 5% in any 10 year period) as it does not operate any form of share incentive on an all-employee basis and instead intends to extend the Discretionary Scheme widely to its employees.

Individual limits

The Remuneration Committee will be responsible for specifying the limit above which ordinary shares may not be put under option. No option shall be granted to an employee in excess of this limit without the prior approval of the Remuneration Committee. The Remuneration Committee has determined initially that individual option grants will not normally exceed two times annual salary.

An option may not be granted to an individual under Part A of the Discretionary Scheme if, or to the extent that, it would cause the total market value of ordinary shares under options granted to that individual under Part A of the Discretionary Scheme and any other approved share option scheme established by the Company, a group company or any associated company to exceed £30,000 or such other limit as may be imposed by statute.

Exercise of options

When granting an option, the Remuneration Committee will specify the date from which the option may be exercised. Generally this will be 3 years from the date of grant, although the Remuneration Committee may specify a longer period (and, if appropriate, more demanding performance targets) where it intends to grant a more stretching form of incentive. Options will normally only become exercisable if and to the extent that any performance targets, set at grant, have been satisfied.

It is intended that the performance target which will normally apply to the exercise of options will be either based upon the Company's total shareholder return relative to a peer group or the Company's earnings per share performance.

To the extent that it has not previously been exercised, an option will cease to be exercisable and will lapse 10 years after its date of grant.

Leaving the Group

If a participant ceases employment with the group, his options will generally lapse immediately unless he ceases employment in circumstances such as death, injury, disability or redundancy or if his employing company or business is sold or transferred out of the group, or in certain other circumstances at the discretion of the Remuneration Committee. If any of these circumstances arise, his options will become exercisable immediately to the extent determined by the Remuneration Committee, but will normally be subject to pro-rating for time and performance.

General offer or scheme of arrangement

If there is a change of control of the Company, options can be permitted to be exercised in full within the following six month period, although the Remuneration Committee will have discretion to take into account such factors it believes to be relevant in determining the extent to which options will be exercisable in these circumstances, including performance targets applying to the options. Alternatively, with the agreement of the acquiring company, the participants may exchange their options for equivalent options to acquire shares in the acquiring company or its parent company.

Rights attaching to ordinary shares

Until options are exercised, participants have no voting or dividend rights in respect of the ordinary shares which are the subject of their options. Shares acquired under the Discretionary Scheme following the exercise of an option will rank equally in all respects with the then existing ordinary shares.

Adjustment of options

If there is a variation in the share capital of the Company, options may be adjusted to reflect that variation (subject to HM Revenue & Customs approval in the case of options granted under Part A).

Alteration of the Discretionary Scheme

The Remuneration Committee may at any time amend the Discretionary Scheme in any respect provided that no amendment to the advantage of participants may be made to the provisions relating to:

- who can be a participant;
- the limits on the number of shares which can be issued under the Discretionary Scheme;
- the basis for determining a participant's entitlement to shares and the terms on which they can be acquired; and
- any adjustment in the event of a variation in the Company's share capital

without the prior approval of the shareholders in general meeting unless the amendment is minor and made to benefit the administration of the Discretionary Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Any amendment which adversely affects the subsisting rights of the participants cannot be made unless the participants give their consent as required under the Company's articles of association. Any amendment to a key feature of Part A of the Share Option Scheme must also be agreed in advance with HM Revenue & Customs.

Overseas jurisdictions

Additional schedules to the rules can be incorporated to operate the Discretionary Scheme outside the UK. These schedules can vary the rules of the Discretionary Scheme to take account of any securities, exchange control or taxation laws or regulations. The shares issued for these purposes will count towards the overall limit of shares issued under the Discretionary Scheme.