stv group plc

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If you have sold or otherwise transferred all of your STV Group plc shares, please send this document at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected. However, such documents should not 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 otherwise transferred only part you of your registered holding of STV Group plc shares, please consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read in whole and in conjunction with the Form of Proxy.

Notice of General Meeting of

STV Group plc

(incorporated under the Companies Act 1985 and registered in Scotland with registered number SC203873)

to consider and approve a new executive long-term incentive plan

Circular to STV Group plc shareholders and General Meeting

A letter from the Remuneration Committee Chairman of STV Group plc, including a unanimous recommendation by the STV Group plc Board to vote in favour of the resolution to be proposed at the General Meeting, is set out in this document.

A notice convening a general meeting of STV Group plc which will be held at Pacific Quay, Glasgow, G5 1PQ on 22 April 2009 is set out at the end of this document.

Remuneration Committee's Chairman's Letter

STV Group plc
(incorporated in Scotland with registered number SC203873)
Pacific Quay
Glasgow
G2 1PQ

To: Shareholders and, for information only, to option holders

Dear Shareholder,

New Executive Long-Term Incentive Plan

Introduction
The Company is proposing to introduce a new incentive arrangement, the STV Group plc 2009 Executive Long-Term Incentive Plan (the "2009 LTIP"). The Company has determined to put the 2009 LTIP to shareholder approval at an General Meeting which is being convened immediately following the Annual General Meeting on 22 April 2009. This letter and attached Appendices sets out the background to, and reasons for, as well as details of, the 2009 LTIP and why the Remuneration Committee, believes its introduction to be in the best interests of shareholders.

Executive Summary
The key features of the 2009 LTIP are:-
- the benefit is capped at the potential benefit the participant would have received under "The STV Group plc 2005 Long-Term Incentive Plan" (the "2005 LTIP"); in practice it is likely that for the same performance the 2009 LTIP will deliver significantly less benefit;
- no benefit is provided at all unless the share price is greater than 70p. A pool is created on a tiered basis by aggregating 3% of any value created above 70p, 5% of any value created above 100p and 7.5% of any value created above 150p;
- even where there is a pool of value created this will only be converted into nil-cost share options if the total shareholder return ("TSR") and Return on Capital Employed ("ROCE") performance conditions (which are the same as for the 2005 LTIP" – see below) have been satisfied over the three year performance period.

The 2009 LTIP will operate by granting participants an award of units which have no value on the date of grant but have the potential to convert into nil-cost options at the end of a three year performance period depending on the achievement of the following conditions:-
- the maximum aggregate value of the units granted will be equivalent to tiered percentages of the increase in the share price of the Company above 70p, 100p and 150p (the Threshold Prices);
- the units will only convert into nil-cost options if the TSR and ROCE targets used in conjunction with the 2005 LTIP are satisfied; and
- the value of units converting is subject to a cap on the value equivalent to the value that would have been delivered if participants had been granted an award under the 2005 LTIP.

See Appendix 1 for further details.

Remuneration Policy
The guiding principles behind the remuneration policy of the Company are:-
- to ensure that it maintains a competitive package of total compensation commensurate with comparable packages available with other similar companies operating in similar sectors;
- to make a significant percentage of potential maximum reward conditional on long-term performance;
- to ensure that the interests of executives are closely aligned with those of the Company's shareholders through the provision of equity incentives;
- to link reward to the satisfaction of the targeted objectives which are the main drivers of shareholder value; and
- to be sensitive in determining executives' remuneration to the current economic climate.

In line with the above remuneration philosophy, the Remuneration Committee strongly believes that executives should participate in an equity-based incentive which supports the Company's overall business strategy and objectives. This has been achieved historically through an annual grant of conditional share awards under the 2005 LTIP.

The following observations were made in relation to its operation:-
- the current market capitalisation of the Company means that even with a substantially reduced award level, an award under the 2005 LTIP to key executives would have an unacceptable impact on the dilution limits agreed with shareholders;
- there is no lock-in for the current management team given that the probability of payout from any outstanding options or awards under the 2005 LTIP or other Company plans is negligible; and
- there is a risk with the current design that executives could achieve the ROCE and TSR conditions attached to awards granted under the 2005 LTIP without delivering substantial returns to shareholders. The Remuneration Committee feels that this risk is inappropriate given the current climate and the recent share price losses incurred by shareholders.

Based on these observations the Remuneration Committee believes that it is no longer appropriate to make further share awards under the 2005 LTIP. As such the Board is proposing the 2009 LTIP to address the above issues and tie into its guiding principles.

The 2009 LTIP is designed to ensure that:-
- executives only receive rewards when there is significant value created for shareholders;
- executives will only receive rewards if the key value drivers are met;
- participants are appropriately rewarded for the levels of value generated to shareholders;
- key value drivers are locked in and focussed on driving shareholder value during the Company's current stage of development; and
- there is a strong recruitment tool in place to attract candidates of a calibre required to drive shareholder value.

The Company believes that the new remuneration policy is optimally structured to support the delivery of substantial value to shareholders in these unusually challenging times.

Recommendation
The Directors consider the proposal contained in this document to be in the best interests of shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to be proposed at the Meeting, as they intend to do in respect of their own beneficial holdings amounting (as at 3 April 2009, being the latest practicable date prior to the posting of this document) to an aggregate of 3,892,529 shares, representing approximately 10.8 per cent. of the Company's current issued share capital.

Yours faithfully

Vasa Babic
Chairman of the Remuneration Committee

Appendix 1
Background to the 2009 LTIP

Rationale
The aim of the 2009 LTIP is to support the strategy of generating significant value for shareholders by linking the rewards to the executives with the value created for shareholders and thereby aligning the interests of key executives with those of shareholders.

Operation
The Remuneration Committee (the "Committee") the members of which are non-executive directors, will supervise the operation of the 2009 LTIP in respect of participants. It is intended that the Chief Executive Officer and other key executives will participate in the 2009 LTIP. Non-executive directors are not eligible to participate in the 2009 LTIP.

Participants in the 2009 LTIP will be granted awards of units which have no value on the date of grant but have the potential to convert in to nil-cost options at the end of a three year performance period depending on the achievement of the following conditions:-

- no benefit is provided at all unless the share price is greater than 70p. At this point a percentage of the additional value created is used to create a pool in line with the following table:

Threshold Prices	Incentive Value
Up to 70p	0%
70p to 100p	3% of excess of 70p
100p to 150p	3% of 70p-100p + 5% of excess of 100p
Greater than 150p	3% of 70p-100p + 5% of 100p-150p + 7.5% of excess of 150p

- the units will only convert into nil-cost options if the comparative total shareholder return ("TSR) and Return on Capital Employed ("ROCE") targets used in conjunction with the 2005 LTIP are satisfied; and
- the value of units converting is subject to a cap to the value that would have been delivered if participants had been granted an award under the 2005 LTIP.

Mechanics
Step 1 – Percentages of any value created above the Threshold Prices are multiplied by the number of shares in issue at the end of the three year performance period, to give a maximum total incentive value (the "Maximum Incentive Value") in respect of the total pot of units awarded to participants.

Step 2 – the Maximum Incentive Value is then adjusted by applying a vesting percentage to take into account the extent to which the ROCE and TSR targets are achieved to give the actual incentive value (the "Actual Incentive Value"). In practice the Actual Incentive Value could range from 0% to 100% of the Maximum Incentive Value as described below. The Actual Incentive Value will be capped at the equivalent value that the participant would have received had he been granted an award under the 2005 LTIP.

Step 3 – the Actual Incentive Value (assuming it is greater than zero) will be divided by the total number of units awarded to calculate the value of a unit. The aggregate value of a participant's units is calculated by multiplying the value of a unit by the number of units subject to their award. This value is then divided by the share price on conversion at the end of the three year performance period to determine the number of shares subject to the participant's nil-cost option.

Performance Conditions
The Maximum Incentive Value will be adjusted to reflect the extent to which the TSR and ROCE targets have been achieved.

Part 1 – 50% of the Maximum Incentive Value may be adjusted based on the extent to which the TSR targets are achieved over the three year performance period as set out below:-

TSR Performance of the Company against Comparator Group	Maximum Incentive Value Vesting Percentage
<Median	0%
Median	12.5%*
Upper Quartile	50%*

*Straight line vesting between points

The following companies make up the Comparator Group:-

Bloomsbury Publishing Plc
Centaur Media PLC
Chrysalis Group PLC
Daily Mail & General Trust
Entertainment Rights Plc
Eros International PLC
Euromoney Institutional Investor Plc
Future PLC
Informa plc
ITV plc
Johnston Press PLC
Mecom Group PLC
Pinewood Shepperton Plc
Trinity Mirror Plc
United Business Media PLC
Wilmington Group Plc

Part 2 – the remaining 50% of the Maximum Incentive Value may be adjusted based on the extent to which the ROCE targets are achieved over the three year performance period:-

Group ROCE Performance	Maximum Incentive Value Vesting Percentage
<10%	0%
10%	5%*
20%	25%*
30%	50%*

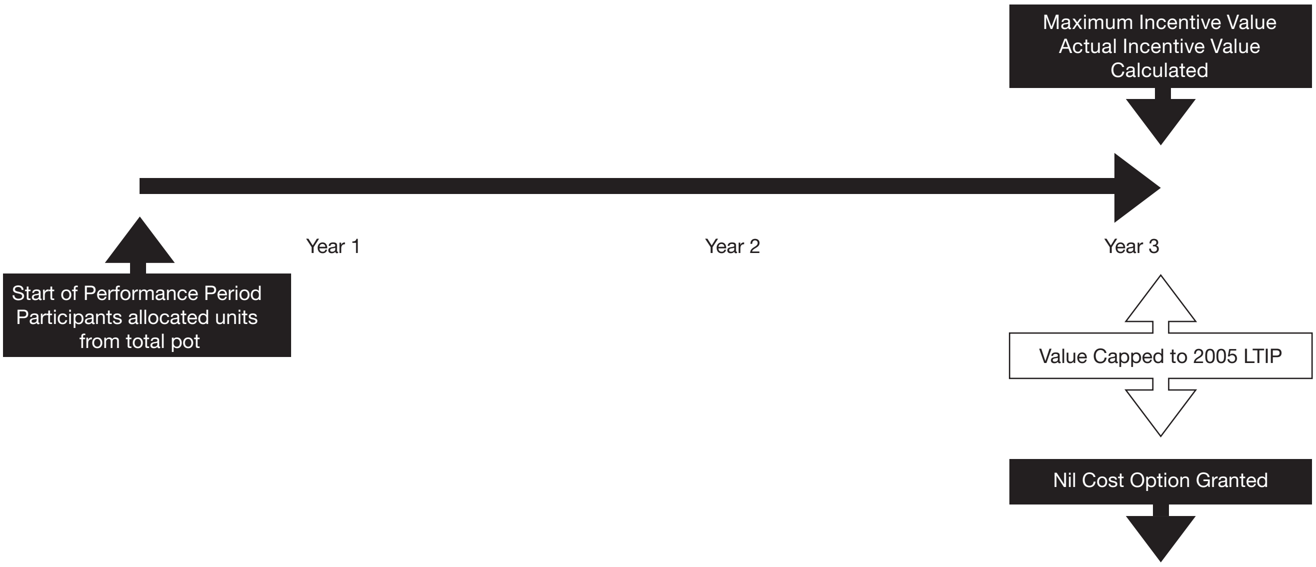
*Straight line vesting between points

The ROCE targets will be set and measured excluding the onerous contract with Vue as this contract expires in 2010 which would be during the performance period which could distort the result.

Example
So if the Company's TSR performance was at the median (12.5% vesting) and the Group ROCE performance was 20% (25% vesting), the Actual Incentive Value would be 37.5% of the Maximum Incentive Value.

Shareholding Requirement
It will be a requirement that participants will retain 50% of any post-tax gains under the 2009 LTIP until they build a shareholding of at least one times salary.

The schematic below outlines the operation of the 2009 LTIP:-



Example
The following table sets out illustrative return scenarios under the 2009 LTIP for attaining a share price of 70 pence, 100 pence, 150 pence and 200 pence.

Table 1

	Example 1	Example 2	Example 3	Example 4
Share Price at Grant	45p	45p	45p	45p
Company Share Price	70p	100p	150p	200p
Shareholder Return	56%	122%	233%	344%
Shareholder Return in Total	**£9,004,891**	**£19,810,761**	**£37,820,543**	**£55,830,326**
Maximum Incentive Value	£0	£324,176	£1,224,665	£2,575,399
Vesting according to TSR Part	15%	35%	50%	50%
Vesting according to ROCE Part	15%	35%	50%	50%
Actual Incentive Value	**£0**	**£226,923**	**£1,224,665**	**£2,575,399**

It is the intention of the Remuneration Committee that the Chief Executive Officer and Chief Financial Officer will be awarded a 33% and 19% share of the total number of units respectively with the remainder of the units allocated to other key value drivers within the business.

In the following table we have set out the monetary value of the potential share awards to the Chief Executive Officer and Chief Financial Officer based on the same assumptions as those used above:-

Table 2

	Example 1	Example 2	Example 3	Example 4
Chief Executive Officer Chief Financial Officer	£0 £0	£74,885 £43,115	£404,140 £232,686	£849,882 £489,326

In all cases the benefits to individuals will be additionally limited by what the potential benefits would have been had they received their typical annual award under the 2005 LTIP.

Appendix 2
Terms and Conditions of The STV Group plc 2009 Executive Long-Term Incentive Plan

The following table sets out the meaning of terms used in this Appendix 2:-

Term	Meaning
"Close Period"	any time when employees of the Company are prohibited from dealing in Shares by the appendix to Chapter 16 of the Listing Rules of the Financial Services authority, a Company code or any other regulation which prohibits dealing in Shares.
"Committee"	the Remuneration Committee of the Company.
"Control"	the meaning of control set out in Section 995 of the Income Tax Act 1997.
"Participant"	an eligible employee approved by the Committee and granted an LTIP award.
"Rules"	the rules of the 2009 LTIP setting out the terms and conditions relating to participation.
"Shares"	ordinary shares of the Company.
"2005 LTIP"	the STV Group plc 2005 Long-Term Incentive Plan (originally adopted on 3 June 2005 as amended on 15 June 2007 and 23 September 2008).

Operation
The Committee the members of which are non-executive directors supervise the operation of the 2009 LTIP in respect of Participants.

Participation
Any employee of the Company selected by the Committee is eligible to participate. It is currently intended that the Chief Executive Officer and other key executives will participate. Non-executive directors are not eligible to participate in the 2009 LTIP.

Grant of Awards
Awards will normally be granted to each Participant within a 42 day period following the date of publication of the interim or annual results of the Company. No awards will be granted during a Close Period.

Delivery Mechanism
Awards of Units
Under Part A of the 2009 LTIP, Participants will be granted awards in the form of a conditional entitlement to a specified number of units from a total pot. Awards of units have no value on grant but subject to the satisfaction of performance targets can convert and give Participants the right to be granted a nil-cost option at the end of a three year performance period.

Nil-Cost Options
Under Part B of the 2009 LTIP, nil-cost options will be granted to Participants following conversion of the corresponding award of units. The number of shares subject to a nil-cost option will be based on the value of a Participant's units on conversion.

Performance Conditions
Awards of units will convert at the end of the three year performance period to nil-cost options subject to:-
- the achievement of a share price of at least 70p; and
- the satisfaction of the performance targets, namely ROCE and TSR.

The share price used to calculate the number of shares subject to nil-cost options will be the average share price over the 30 day period prior to the end of the performance period.

Conversion of Awards
The conversion of awards of units is based on each unit having a value calculated at the end of the three year performance period as described below.

The maximum incentive value is calculated by aggregating 3% of any value created above 70p, 5% of any value created above 100p and 7.5% of any value created above 150p multiplied by the number of shares in issue at the end of the three year performance period. This value is then adjusted to take into account the extent to which the ROCE and TSR targets are achieved to give the actual incentive value (See Appendix 1 for details of the vesting schedule for the ROCE and TSR targets).

The actual incentive value figure will be divided by the total number of units awarded to calculate the value of a unit. The aggregate value of a Participant's units is calculated by multiplying the value of a unit by the number of units subject to their award. This value is then divided by the share price on conversion to determine the number of shares subject to the Participant's linked nil-cost option. It should be noted that the number of shares which can be granted under a nil-cost option each year is capped by an individual participation limit which links to the 2005 LTIP (see Limits section below).

Any units which do not convert at the end of the performance period will lapse.

Exercise of Nil-Cost Options
Nil-cost options are exercisable immediately and may be exercised within a period of up to a maximum of seven years from the date of grant as determined by the Committee.

Nil-cost options will have a notional exercise price payable per share subject to option or for each exercise as determined by the Committee in its discretion.

The exercise of nil-cost options is conditional upon the participant paying any taxes due as a result of the exercise. It is the current intention that the Company will pay employers' National Insurance contributions.

Cessation of Employment
Awards of Units
If a Participant leaves employment prior to the conversion of units into nil-cost options they will normally lapse unless the Committee in its absolute discretion decides otherwise.

If a Participant's cessation of employment is the result of specified events, for example injury, disability, ill health, retirement, redundancy or death, the Committee may determine that part or all of that Participant's awards may be converted into nil-cost options.

In applying this discretion, the Committee shall pro-rate the number of units subject to the award capable of conversion upon the proportion of the relevant three year performance period completed on the date of cessation. Further, units shall only be converted if the attached performance conditions are satisfied. The Remuneration Committee will have discretion as to whether there will be a new performance measurement date on cessation or whether performance will be measured at the end of the three year holding period applying to the relevant award.

Nil-Cost Options
Any outstanding nil-cost options will be exercisable for a period following the date of cessation as determined by the Remuneration Committee.

Change of Control
Awards of Units
In the event of a takeover, reconstruction, amalgamation or winding up of the Company the three year performance period will end at the date of the change of control.

Awards of units may convert into nil-cost options granted immediately prior to the change of control, based on the maximum incentive value and the satisfaction of the ROCE and TSR targets to give the actual incentive value capable of conversion into nil-cost options.

The share price used to calculate the maximum incentive value will be based on the offer price per share rather than the 30 day closing average share price prior to the change of control. The Remuneration Committee has the discretion to consider whether it is appropriate to adjust the number of units which convert to reflect the time elapsed from the date of grant to the occurrence of the event.

It should be noted that awards of units will not convert where the change of control does not amount to a proper change of control of the Company i.e. new ownership of the Company.

Nil-Cost Options
On a change of control any outstanding nil-cost options or nil-cost options granted in connection with the change of control will be exercisable for a period of time set by the Committee in its discretion.

Limits
Overall Plan Limits
Dilution will be determined based on the issued share capital at the point of conversion of awards of units to nil-cost options. The Company may issue up to 10% of its issued share capital within a ten year period to satisfy awards to Participants under the 2009 LTIP and any other share plan operated by the Company under which shares are issued.

The new issue limits above will also apply to treasury shares if they are used by the Company for the purposes of the 2009 LTIP.

Individual Limits
The maximum number of shares subject to nil-cost options granted to a Participant in any year under the 2009 LTIP shall not exceed the individual annual award limit in the 2005 LTIP of 200% of a Participant's salary. The limit will be calculated based on the Participant's salary at the date of grant and the Company's share price at the date of conversion of units to linked grants of nil-cost options.

Details of how the Company intends to operate the limit in practice is set out in Appendix 2.

Allotment and Transfer of Ordinary Shares
Ordinary shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the ordinary shares are acquired but will otherwise rank pari passu with existing ordinary shares.

Application will be made for the admission of the new ordinary shares to be issued to the Official List of, and to trading on, the London Stock Exchange's markets for listed securities following the exercise of a nil-cost option.

Adjustments
On a variation of the capital of the Company, the threshold share prices in relation to awards of units and the number of ordinary shares subject to a nil-cost option may be adjusted in such manner as the Committee determines and the advisors of the Company confirm to be fair and reasonable.

Duration
The 2009 LTIP will operate over a five year period from the date of approval by shareholders. The Committee may not grant awards under the 2009 LTIP more than five years after its approval.

Amendments
Amendments to the Rules may be made at the discretion of the Committee. However, the provisions governing eligibility requirements, limits and individual participation limits cannot be altered to the advantage of Participants without prior shareholder approval, except for minor amendments to benefit the administration of the 2009 LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Group.

The Committee may add to, vary or amend the Rules of the 2009 LTIP by way of a separate schedule in order that the 2009 LTIP may operate to take account of local legislative and regulatory treatment for Participants or the relevant Group Company, provided that the parameters of these arrangements will provide no greater benefits than the Rules of the 2009 LTIP as summarised above.

Subject to the safeguards noted above, the Committee may amend the 2009 LTIP (including by the addition of one or more sub-plans relating to shares in a group company) in such manner as may be necessary to obtain approval of the 2009 LTIP (or one or more sub-plans) by HM Revenue & Customs as a company share option plan under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003.

General
Awards and any other rights granted pursuant to the 2009 LTIP are non-pensionable.

Non-Transferability of Awards
Awards of units and nil-cost options are not transferable except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant.

Note: This Appendix 2 summarises the main features of the 2009 LTIP but does not form part of it and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the Rules. Copies of the Rules will be available for inspection at the registered office of the Company, Pacific Quay, Glasgow G51 1PQ during usual office hours (Saturdays, Sundays and bank holidays excepted) from the date of despatch of the Chairman's letter up to and including the date of the General Meeting and at the meeting itself. The Directors reserve the right, up to the time of the Meeting, to make such amendments and additions to the Rules as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix 2.

NOTICE OF GENERAL MEETING
Notice is hereby given that an General Meeting of the Company will be held at Pacific Quay, Glasgow G51 1PQ on Wednesday 22 April 2009 at 11.30am (or as soon thereafter as the Annual General Meeting shall have concluded or have been adjourned) for the purpose of considering the resolution below.

Resolution 1 will be proposed as an ordinary resolution.

Ordinary Resolution

1. **THAT,** "The STV Group plc 2009 Executive Long-Term Incentive Plan" (the "2009 LTIP"), the main features of which are summarised in Appendix 2 and a copy of the rules of which are produced to this meeting and signed by the Chairman for the purpose of identification, be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to carry the same into effect **(Resolution 1)**.

   By order of the Board

   Jane E A Tames
   Secretary
   STV Group plc
   Pacific Quay
   Glasgow G51 1PQ
   3 April 2009

Notes

1 A copy of the rules of The STV Group plc 2009 Executive Long-Term Incentive Plan will be available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the meeting.

2 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 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. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0300 or ssd@capitaregistrars.com (calls cost 10p per minute plus network extras). Alternatively, you may appoint a proxy electronically at www.capitaregistrars.com. Please see the notes to the form of proxy for further details.

3 To be valid any proxy form or other instrument appointing a proxy must be received by post or online or (during normal business hours only) by hand at Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4BR no later than 11.30 am on 20 April 2009 or 48 hours before the time of any adjournment of the meeting.

4 The return of a completed proxy form, in writing or online or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.

5 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 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.

6 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.

7 To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6pm on the date two days before the meeting (or, in the event of any adjournment, at 6pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8 As at 3 April 2009 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 36,019,135 ordinary shares of 50p each, carrying one vote each. Therefore, the total voting rights in the Company as at 3 April 2009 are 36,019,135.

9 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.

10 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 ("EUI") specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Registrars, Capita Registrars (IDRA10) by 11.30am on 20 April 2009 or 48 hours before the time of any adjournment of the 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 issuer'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.

11 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 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

12 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.

13 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 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 appointment letter if the Chairman is being appointed as described in (i) above.