

# Gresham Computing plc

(Incorporated and registered in England and Wales under number 1072032)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Gresham Computing plc (the "**Company**") will be held at the offices of Singer Capital Markets Limited of One Hanover Street, London W1S 1YZ at 11.00 a.m. on Tuesday 8 May 2012 for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as special resolutions:

### Ordinary resolutions

1. To consider and, if thought appropriate, to approve the Company's financial statements and the reports of the directors and auditors for the year ended 31 December 2011.
2. To consider and, if thought appropriate, to approve the directors' remuneration report for the year ended 31 December 2011.
3. To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before members and to authorise the directors to fix their remuneration.
4. To approve an amendment to each of the Gresham Computing plc Enterprise Management Incentive Plan 2010; the Gresham Computing plc Unapproved Share Option Plan 2010 and the Gresham Computing plc Non Employee Share Option Plan 2010 (together, the "**Share Option Plans**"), the principal features of which were summarised in a circular to shareholders dated 4 December 2010, to the effect that, in any ten year period ending on the relevant date of grant, the maximum number of ordinary shares of 5 pence each in the capital of the Company which may be issued or are issuable under the Share Option Plans shall not exceed 12 per cent. of the issued ordinary share capital of the Company in issue immediately prior to that date.
5. In substitution for and to the exclusion of the existing authority conferred by an ordinary resolution of the Company passed on 30 December 2010 but without prejudice to any grant of rights to subscribe for or to convert any security into shares already made pursuant thereto, to generally and unconditionally authorise the directors for the purposes of section 551 of the Companies Act 2006 (the "**Act**") to allot shares (or to grant rights to subscribe for or to convert any security into shares) in the Company up to an aggregate nominal amount of £348,816. Such authority, unless previously renewed, extended, varied or revoked by the Company in general meeting, shall expire on the day immediately preceding the fifth anniversary of the date on which this resolution is passed, provided that the Company may, prior to the expiry of such period, make an offer or agreement which would or might require shares in the Company to be allotted after such expiry and the directors may allot shares pursuant to such offer or agreement notwithstanding the expiry of the authority given by this resolution.
6. In addition to the authority conferred by resolution 5 above, to generally and unconditionally authorise the directors for the purposes of section 551 of the Act to allot shares (or to grant rights to subscribe for or to convert any security into shares) in the Company up to an aggregate nominal amount of £968,933. Such authority, unless previously renewed, extended, varied or revoked by the Company in general meeting, shall expire on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2013, provided that the Company may, prior to the expiry of such period, make an offer or agreement which would or might require shares in the Company to be allotted after such expiry and the directors may allot shares pursuant to such offer or agreement notwithstanding the expiry of the authority given by this resolution.

### Special resolutions

7. In substitution for and to the exclusion of the existing authority conferred by a special

resolution of the Company passed on 30 December 2010 but without prejudice to any grant of rights to subscribe for or to convert any security into shares already made pursuant thereto, to empower the directors in accordance with section 571 of the Act to allot equity securities (as defined in section 560(1) of the Act) which are the subject of the authority granted by resolution 5 above for cash, as if section 561(1) of the Act did not apply to any such allotment, pursuant to any of the Share Option Plans up to an aggregate nominal amount of £348,816, provided that the power conferred hereby shall, unless previously renewed, extended, varied or revoked by special resolution of the Company in general meeting, expire on the day immediately preceding the fifth anniversary of the date on which this resolution is passed, save that the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require shares in the Company to be allotted after the expiry thereof and the directors may allot shares in the Company in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution.

8. In addition to the authority conferred by resolution 7 above, to empower the directors in accordance with section 570 of the Act to allot equity securities (as defined in section 560(1) of the Act) which are the subject of the authority granted by resolution 6 above for cash, as if section 561(1) of the Act did not apply to any such allotment, provided that:
- (a) the power conferred hereby shall, unless previously renewed, extended, varied or revoked by special resolution of the Company in general meeting, expire on the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2013;
  - (b) the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require shares in the Company to be allotted after the expiry thereof and the directors may allot shares in the Company in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution; and
  - (c) such authority is limited to:
    - (i) the allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of shares but subject to the directors having a right to make such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with equity securities representing fractional entitlements and/or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; or
    - (ii) the allotment of equity securities up to an aggregate nominal amount of £145,340 for cash otherwise than pursuant to resolution 7 and paragraph (c)(i) above.

*By order of the Board*  
**R Grubb**  
Company Secretary  
21 March 2012

*Registered Office:*  
Sopwith House  
Brook Avenue  
Warsash  
Southampton  
SO31 9ZA

**THIS SECTION OF THE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser in your own jurisdiction.

- (a) If you have recently sold or otherwise transferred all of your ordinary shares in Gresham Computing plc, please pass this document together with the accompanying form of proxy 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 as soon as possible.

- (b) Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at the meeting and at any adjournment of it. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to different shares held by that shareholder. A proxy need not be a member of the Company. A proxy form for appointing a proxy and giving proxy instructions accompanies this notice. Members may only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. To appoint more than one proxy, please contact the Company Secretary at the Company's registered office. Please indicate the proxy holder's names and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you).
- (c) To be valid, any proxy form should be completed and returned (together with the power of attorney or other authority, if any, under which it is signed or a duly certified copy of such power or authority) so as to reach the Company Secretary, Sopwith House, Brook Avenue, Warsash, Southampton SO31 9ZA no later than 48 hours before the time fixed for the meeting (the "**Specified Time**"). Completion and return of a proxy form does not preclude a member from subsequently attending the meeting and voting in person. If a shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members (the "**Register**") in respect of the joint holding (the first-named being the most senior).
- (d) Any person to whom this notice is sent who is a person nominated under section 146 of the Act 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 meeting. If a Nominated Person has no proxy appointment right or has such right but 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. The statement of the rights of shareholders in relation to the appointment of proxies in note (b) does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.
- (e) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those members entered on the Register at the Specified Time will be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in such notice.
- (f) As at 21 March 2012 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 58,135,978 ordinary shares of 5 pence each. Each ordinary share carries one vote and the total voting rights in the Company as at 21 March 2012 are, therefore, 58,135,978.
- (g) The directors' service agreements and letters of appointment are available for inspection at the Company's registered office during normal office hours until the day of the meeting, when they will be available at One Hanover Street, London W1S 1YZ from fifteen minutes prior to the meeting until its conclusion.
- (h) Information regarding the meeting, including the information required by section 311A of the Act, is available from [www.gresham-computing.com](http://www.gresham-computing.com).
- (i) Under section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (j) Pursuant to sections 527 to 531 of the Act, where requested by a member or members meeting the qualification criteria set out at note (k) below, the Company must publish on its website a statement setting out any matter that such member(s) propose to raise at the meeting relating to 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.

Where the Company is required to publish such a statement on its website:

- it may not require the member(s) making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the meeting.

The request:

- may be in hard copy form or in electronic form (see note (l) below);

- must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
  - must be authenticated by the person or persons making it (see note (l) below); and
  - must be received by the Company at least one week before the meeting.
- (k) In order to be able to exercise the members' right to require the Company to publish audit concerns, the relevant request must be made by:
- a member or members having a right to vote at the meeting and holding at least 5% of the total voting rights of the Company; or
  - at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital.
- (l) Where a member or members wish to request the Company to publish audit concerns, such request must be made in one of the following ways:
- a hard copy request which is signed by the member, states his full name and address and is sent to the Company Secretary at the address provided above;
  - a request which is signed by the member, states his full name and address and is sent by fax to 01489 555 560 marked for the attention of the Company Secretary; or
  - a request which states the full name and address of the member and is sent to rgrubb@gresham-computing.com. Please state "AGM" in the subject line of the e-mail.

## EXPLANATORY NOTES TO CERTAIN RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

### *Resolution 4: Proposed amendment to Share Option Plans*

In its circular dated 4 December 2010, the Company informed shareholders that it was the Remuneration Committee's intention to grant options under the Share Option Plans over up to 10 per cent. of the Company's issued share capital. However, because of recent senior appointments within the Group, the Remuneration Committee now considers it appropriate that it have the ability to grant such options in accordance with the relevant rules over up to 6,976,320 ordinary shares, representing 12 per cent. of the Company's existing issued share capital. This could potentially lead to a further dilution of the relative shareholdings of other members. Resolution 4 seeks the approval of shareholders which is required by the rules of each plan.

### *Resolutions 5 and 6: Director's general authority to allot shares*

Resolutions 5 and 6 seek to give the directors general authority to allot ordinary shares in the Company having a maximum nominal value (in respect of resolution 5) of up to £348,816 (being approximately 12 per cent. of the Company's existing issued share capital) and (in respect of resolution 6) of up to £968,933 (being one third of the Company's existing issued share capital). These authorities are being sought respectively for periods of up to five years (in respect of resolution 5) and 15 months (in respect of resolution 6) and are, given the additional specific authority being sought in relation to the grant of share options by resolution 5, contrary to guidelines issued by the Association of British Insurers.

### *Resolutions 7 and 8: Director's specific authority to allot shares*

Resolutions 7 and 8 set out details of how the general authorities would potentially be used. Resolution 7 seeks to provide the directors with the necessary increased authority to allot ordinary shares in respect of the grant of share options being sought by resolution 5. This authority will expire on the date falling immediately prior to the fifth anniversary of the date on which the resolution is passed.

In addition, the directors may wish to exercise the authority given to them under resolution 6 in respect of a proportionate rights issue or open offer to holders of equity securities. Such an issue would present certain practical issues in respect of (for example) fractional entitlements. This resolution would enable the directors to resolve these issues. If the directors wish to exercise their authority under resolution 6 and allot unissued ordinary shares for cash, the Companies Act 2006 stipulates that they can only do so if such an issue is made on a pre-emptive basis or to the extent that shareholders have given specific authority for the waiver of statutory pre-emption rights which provide that new shares must first be offered to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new ordinary shares, or to grant rights over such shares, for cash without first offering them to existing shareholders. For example, the directors may wish to implement a further placing of new equity securities. Resolution 8 seeks to provide the directors with authority to allot ordinary shares for such a purpose until the earlier of the date falling 15 months after the AGM and the conclusion of the Annual General Meeting of the Company to be held in 2013. The authority sought is limited to the issue of shares having a nominal value of up to £145,340, representing 5% of the total issued share capital of the Company as at 21 March 2012 (being the latest practicable date prior to the publication of the AGM notice).

While the directors have no present intention, other than in respect of the grant of further share options, to exercise the authorities proposed to be conferred by resolutions 5, 6, 7 and 8, they believe that the granting of such authorities will preserve the Board's flexibility to take advantage of further opportunities if and when they arise.

**The directors consider the passing of the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole and most likely to promote the success of the Company for the benefit of those shareholders. Accordingly, the directors unanimously recommend that you vote in favour of those resolutions as they intend to do in respect of their own beneficial shareholdings representing, in aggregate, approximately 7.4% of the Company's existing issued share capital.**