

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent financial advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in ITE Group plc, please forward 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.

**ITE Group plc  
Notice of Annual  
General Meeting 2014**

(Incorporated and registered in England and Wales under number 1927339)





**Registered Office:**

105 Salusbury Road,  
London, NW6 6RG

20 December 2013

To the holders of ordinary shares in ITE Group plc (the “**Company**”)

**Notice of Annual General Meeting**

Dear Shareholder,

The annual general meeting (the “**AGM**”) of the Company is to be held on Thursday, 30 January 2014 at 12 noon at the offices of Olswang LLP, 90 High Holborn, London WC1V 6XX. The formal notice of the AGM follows this letter (the “**Notice**”). As you will see from the Notice, there are a number of items of business to be considered and I am writing to you to explain their purpose.

**Ordinary resolutions**

The following resolutions will be proposed as ordinary resolutions at the AGM. This means that for each of those resolutions to be passed, more than half the votes cast must be in favour of the resolution.

**Resolution 1 (annual report and accounts)**

This resolution is to receive and adopt the Company’s accounts and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company (the “**Auditors**”) for the year ended 30 September 2013 (the “**2013 Annual Report and Accounts**”). Shareholders will have the opportunity to put any questions to the Directors before the resolution is proposed to the meeting.

**Resolution 2 (dividend)**

This resolution is to approve the final dividend for the year ended 30 September 2013 of 4.7p per ordinary share which will be paid to the holders of ordinary shares on the register of members of the Company at the close of business on 10 January 2014

**Resolutions 3 - 9 (retirement and reappointment of Directors)**

The Company’s articles of association provide that one third of the board of Directors (the ‘Board’) are required to retire by rotation each year and that the Directors who are to retire are those who have been Directors for the longest period of time since they were last elected or re-elected by shareholders.

In accordance with the requirements of the Company’s articles of association together with the decision of the Board to adopt the recommendations of the Financial Reporting Council that all Directors of FTSE 350 companies be subject to annual re-election, all of the Directors will offer themselves for re-election at the forthcoming AGM (with the exception of Stephen Puckett who will stand for election for the first time since his appointment by the Board on 1 July 2013 and Michael Hartley who will step down from the Board from the conclusion of the AGM).

A formal evaluation of the Board’s performance and that of each individual Director was carried out during the year, following which the nomination committee confirmed that all the Directors seeking re-election continue to make positive and effective contributions to the Board and the committees they sit on and demonstrate commitment to their roles.

Biographical details of the Directors can be found on pages 42 and 43 of the 2013 Annual Report and Accounts and in Appendix 1 to this document.

**Resolutions 10 and 11 (appointment and remuneration of auditors)**

Resolution 10 seeks shareholder approval to reappoint Deloitte LLP as the Auditors. In accordance with normal practice, Resolution 11 seeks authority for the Directors to fix the Auditors’ remuneration.

**Resolution 12 (remuneration report)**

This resolution seeks approval of the Directors’ remuneration policy which forms part of the Directors’ remuneration report for the financial year ended 30 September 2013 (the “**Directors’ Remuneration Report**”). The policy can be found on pages 57 to 63 of the 2013 Annual Report and Accounts and is proposed to comply with new requirements under the Companies Act 2006 introduced on 1 October 2013.

**Resolution 13 (remuneration report)**

The purpose of Resolution 13 is to seek the approval of the Directors' Remuneration Report (other than the part containing the Directors' remuneration policy) for the financial year ended 30 September 2013. The report is set out on pages 64 to 71 of the 2013 Annual Report and Accounts. This resolution is advisory in nature and no individual Directors' remuneration is dependent on it.

**Resolution 14 - (authority to allot shares)**

The purpose of Resolution 14 is to renew the Directors' power to allot shares.

The authority in paragraph (a)(i) of Resolution 14 will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to an aggregate nominal value of £831,241 which is equivalent to approximately one-third of the total issued ordinary share capital of the Company as at 20 December 2013.

The authority in paragraph (a)(ii) of Resolution 14 will allow the Directors to allot new shares and other relevant securities only in connection with a rights issue up to an aggregate nominal value of £1,662,482 which is equivalent to approximately two-thirds of the total issued ordinary share capital of the Company as at 20 December 2013. If the aggregate actual usage of the authority exceeds one-third, the Directors intend to take note of relevant corporate governance guidelines on the use of such powers.

Except in relation to the Company's employee share schemes, the Directors have no present intention of using this authority. This authority will expire 15 months from the date of the passing of this resolution or, if earlier, the conclusion of the next AGM.

**Special resolutions**

The following resolutions will be proposed as special resolutions at the AGM. 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.

**Resolution 15 (statutory pre-emption rights)**

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an executive or employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of Resolution 15 is to authorise the Directors to (a) allot new shares of the Company in connection with a rights issue, scrip dividend or other similar issue; and (b) otherwise allot shares of the Company, or sell treasury shares, for cash up to an aggregate nominal value of £124,686 equivalent to 5% of the total issued ordinary share capital of the Company as at 20 December 2013 in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

Except in relation to the Company's employee share schemes, the Directors have no immediate plans to make use of these authorities. In line with best practice, the Company confirms that it has not issued more than 7.5% of its issued share capital on a non pre-emptive basis over the last three years.

These authorities will expire 15 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next AGM.

**Resolution 16 (authority for market purchases of own shares)**

This resolution renews the Directors' current authority to make limited market purchases of the Company's ordinary shares. The power is limited to a maximum aggregate number of 24,937,252 ordinary shares (representing 10% of the issued share capital as at 20 December 2013 and details the minimum and maximum prices that can be paid, exclusive of expenses.

Pursuant to the 2006 Act, companies are allowed 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 20 December 2013, the Company had 529,839 options and share awards outstanding under its various share schemes that could potentially need to be satisfied by new issue of shares. This represented 0.21% 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 0.24%.

The authority conferred by this resolution will expire at the conclusion of the Company's next AGM or 15 months from the passing of this resolution, whichever is the earlier. Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange.

**Resolution 17 (New PSP & Key Contractors' Plan)**

The Remuneration Committee has reviewed the remuneration arrangements in place at the Company and believes that modifications to the Company's long-term incentive arrangements are needed to bring the arrangements into line with developments in market practice since the existing plan was approved by shareholders in 2004.

The Company is seeking shareholder approval to establish a new Performance Share Plan (the principal terms of which are summarised in Part 2 of Appendix 2 to this document) to replace the Company's existing Performance Share Plan which expires in 2014. The Company is also seeking shareholder approval to establish a new Key Contractors' Plan (the principal terms of which are also summarised in Part 2 of Appendix 2). The Key Contractors' Plan will broadly mirror the terms of the new PSP but will also allow awards to be granted to key contractors of the ITE Group. A summary of how the plans are intended to be operated this year is included in Part 1 of Appendix 2 to this document. For the avoidance of doubt, Part 1 of Appendix 2 to this document does not constitute a summary of the legal terms of the plans.

The Remuneration Committee considers the establishment of the new PSP and the Key Contractors' Plan to be in the best interests of the Company and the shareholders as a whole and unanimously recommends that the shareholders vote in favour of the resolution to adopt the new PSP and the Key Contractors' Plan.

**Resolution 18 (notice period for general meetings)**

The Company must pass a special resolution at each AGM to allow it to hold general meetings (other than AGMs) on 14 clear days' notice. Resolution 18 seeks the necessary shareholder approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

**ACTION REQUIRED**

Following this letter is the Notice which includes the resolutions referred to and discussed above (the "Resolutions"), together with a form of proxy ("**Form of Proxy**"). You are requested to complete, sign and return the Form of Proxy whether or not you intend to be present at the AGM as soon as possible and, in any event, so as to reach the Company's Registrar by 12 noon on 28 January 2014. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

**RECOMMENDATION**

Your Directors consider the above proposals to be in the best interests of the Company and its shareholders and recommend shareholders to vote in favour of the Resolutions to be proposed at the AGM.

The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings.

Yours faithfully



**Marco Sodi**  
**Chairman**

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN that the Annual General Meeting of ITE Group plc (the “Company”) will be held at the offices of Olswang LLP, 90 High Holborn, London WC1V 6XX on 30 January 2014 at 12 noon for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions and Special Resolutions as specified below:**

## **Ordinary Resolutions**

1. THAT the Company’s accounts, the strategic report and the reports of the Directors of the Company and the Auditors of the Company for the year ended 30 September 2013 be received and adopted.
2. THAT a final dividend of 4.7p per ordinary share be declared.
3. THAT Neil England be re-elected as a Director of the Company.
4. THAT Linda Jensen be re-elected as a Director of the Company.
5. THAT Neil Jones be re-elected as a Director of the Company.
6. THAT following his appointment by the Board on 1 July 2013, Stephen Puckett be elected as a Director of the Company.
7. THAT Marco Sodi be re-elected as a Director of the Company.
8. THAT Edward Strachan be re-elected as a Director of the Company.
9. THAT Russell Taylor be re-elected as a Director of the Company.
10. THAT Deloitte LLP be reappointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company.
11. THAT the Directors be authorised to agree the remuneration of the Company’s Auditors.
12. THAT the Directors’ remuneration policy contained in the Directors’ remuneration report for the year ended 30 September 2013 be approved.
13. THAT the Directors’ remuneration report for the financial year ended 30 September 2013 (other than the part containing the Directors’ remuneration policy) be approved.
14. THAT:
  - (a) the Directors be and they are hereby generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”):
    - (i) up to an aggregate nominal amount of £831,241; and
    - (ii) comprising equity securities (as defined in section 560 of the Companies Act 2006), up to an aggregate nominal amount of £1,662,482 (including within such limit any relevant securities issued under (i) above) in connection with an offer by way of a rights issue to:
      - (x) ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and
      - (y) holders of other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary as permitted by the rights of those securities,

but subject to such exclusions and other arrangements as the Directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter;

- (b) such authorities shall expire (unless previously revoked by the Company) on the earlier of 15 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company and in each case during this period the Company may make an offer or agreement which would or might require relevant securities to be allotted after the authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that this authority has expired; and
- (c) all previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.

### Special Resolutions

#### 15. THAT:

- (a) subject to the passing of Resolution 14, the Directors be and they are hereby empowered under section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash under the authority conferred by Resolution 14 as if section 561 of the Companies Act 2006 did not apply to the allotment and this power shall be limited to:
  - (i) the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (a)(ii) of Resolution 14, by way of a rights issue only) to:
    - (x) ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and
    - (y) holders of other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary as permitted by the rights of those securities,but subject to such exclusions and other arrangements as the Directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
  - (ii) in the case of the authority granted under paragraph (a)(i) of Resolution 14, the allotment of equity securities (otherwise than under paragraph (i) of this Resolution) up to an aggregate nominal amount of £124,686;
- (b) this power shall cease to have effect when the authority given by Resolution 14 is revoked or expires but during this period the Company may make an offer or agreement which would or might require equity securities to be allotted after this authority expires and the Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority has expired; and
- (c) this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Companies Act 2006 as if the words "under the authority conferred by Resolution 14" were omitted from the introductory wording to this resolution.

#### 16. THAT the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 1p each in the capital of the Company upon such terms and in such manner as the Directors of the Company shall determine, provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 24,937,252;
- (b) the minimum price which may be paid for such ordinary shares is 1p per share (exclusive of expenses);
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share cannot be more than an amount equal to the higher of:
  - (i) an amount equal to 105% of the average of the closing middle market price for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; and
  - (ii) the price stipulated by Article 5(1) of Commission Regulation (EC) No 2273/2003 (the Buy-back and Stabilisation Regulation);

- (d) unless previously renewed, varied or revoked, 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 passing of this resolution, whichever is the earlier; and
- (e) the Company may make a contract or contracts to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

17. THAT:

- (a) the ITE Group plc Employees' Performance Share Plan 2014 ('PSP'), the main terms of which are summarised in Part 2 of Appendix 2 to this notice and a copy of the rules for which is now produced to the meeting and initialled by the Chairman for the purposes of identification be hereby approved;
- (b) the ITE Group plc Key Contractors' Performance Share Plan 2014 ('Key Contractors' Plan'), the main terms of which are summarised in Part 2 of Appendix 2 to this notice and a copy of the rules for which is now produced to the meeting and initialled by the Chairman for the purposes of identification be hereby approved; and
- (c) the Directors be authorised to:
  - (i) make such modifications to the draft rules of the PSP and the Key Contractors' Plan ('Plans') as they may consider necessary or desirable to take account of the requirements of the UK Listing Authority or any similar body or successor body, the London Stock Exchange plc and best practice and to adopt the Plans as so modified and to do all acts and things which they consider necessary or expedient for the purposes of implementing and operating the Plans; and
  - (ii) establish such further plans based on the Plans but modified to take account of local tax, exchange control, securities laws or other laws in overseas territories, provided that any shares made available under such Plans are treated as counting against the limits on individual or overall participation in the Plans.

18. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board



**John Price**  
**Company Secretary**  
ITE Group plc

**Registered Office:**  
105 Salusbury Road,  
London, NW6 6RG

Registered in England & Wales under number: 1927339

20 December 2013

# Notes to the Notice of Annual General Meeting

## 1. Copies of 2013 Annual Report and Directors' Remuneration Report

The statutory accounts and the reports of the Directors and the Auditors of the Company for the year ended 30 September 2013 are called the "**2013 Annual Report and Accounts**". The 2013 Directors' remuneration report is contained in the 2013 Annual Report and Accounts. The first, twelfth and thirteenth items of business at the AGM relate to the approval of the 2013 Annual Report and Accounts, the 2013 Directors' remuneration report and the implementation of the 2013 Directors' remuneration policy. Shareholders who have not elected to receive the 2013 Annual Report and Accounts may obtain copies by writing to the Secretary, ITE Group plc, 105 Salusbury Road, London, NW6 6RG. Shareholders who wish to receive the printed statutory reports and accounts (free of charge) in future years should write to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, quoting reference 3475.

## 2. Entitlement to attend and vote and to appoint proxies

Registered holders of fully paid shares or their duly appointed representatives are entitled to attend, speak and vote at the AGM. To be entitled to attend, speak and vote in respect of the number of shares registered in their name, shareholders must be entered on the Register of Members of the Company as at 6.00pm on 28 January 2014, or, if this AGM is adjourned, on the Register of Members at 6.00pm two days prior to the date of any adjourned AGM. Changes to entries on the Register of Members after 6.00pm on 28 January 2014, or, if this AGM is adjourned, changes to entries on the Register of Members after 6.00pm two days prior to the date of any adjourned AGM, will be disregarded in determining the rights of any person to attend or vote at the AGM.

A registered shareholder entitled to vote at the AGM is entitled to appoint a proxy or proxies (who need not be a member of the Company) to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. The appointment of a proxy will not prevent a member from subsequently attending and voting at the AGM in person.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (the "**2006 Act**") ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

If you are such a Nominated Person, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the 2006 Act, writes to you directly for a response.

### A proxy may be appointed by any of the following methods:

- completing and returning the enclosed form of proxy (the "**Form of Proxy**"); or
- electronic proxy appointment by logging onto the Registrars', Equiniti, website [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders will need their Voting ID, Task ID and Shareholder Reference Number printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website.

Alternatively, if you have already registered with the Registrars' on-line portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote. Instructions are given on the website; or

- if you are a member of CREST, by using the CREST electronic appointment service.

**IMPORTANT:** In any case your instructions or Form of Proxy must be received by the Company's Registrars no later than 12 noon on 28 January 2014.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedure described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). 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.

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 & Ireland Limited’s 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 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 issuer’s agent (ID RA19) by 12 noon on 28 January 2014. 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 Applications 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 instruction to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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 takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

### **3. Corporate representatives**

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **4. Issued share capital**

At the time of going to print, the Company’s issued share capital consisted of 249,372,524 ordinary shares, carrying one vote each. Therefore the total number of exercisable voting rights in the Company is 249,372,524.

### **5. Requests under section 527 of the 2006 Act**

Shareholders should note that it is possible that, pursuant to requests made under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to the audit of the Company’s 2013 Annual Report and Accounts (including the Auditor’s Report and the conduct of the audit). The Company may not require the shareholders requesting such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement under section 527 of the 2006 Act, it must forward the statement to the Company’s Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of 2006 Act to publish on a website.

### **6. Shareholders’ right to ask questions**

Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, or (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

### **7. Electronic communications**

A copy of this Notice and other information required by section 311A of the 2006 Act, can be found at [www.ite-exhibitions.com](http://www.ite-exhibitions.com). You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

### **8. Documents available for inspection**

Copies of the following documents will be available for inspection at the Registered Office of the Company during normal business hours, Monday to Friday (public holidays excepted), from the date of this Notice, and at the place of the AGM for 15 minutes prior to and during the AGM until its conclusion:

- (a) copies of the service contracts between the Company and the Executive Directors;
- (b) copies of letters of appointment between the Company and the Non-executive Directors; and
- (c) copies of the new Performance Share Plan and Key Contractors’ Plan being proposed under Resolution 17.

# Appendix 1

## Biographies of Directors Seeking Re-election

**Neil England (age 59)*****Non-executive Director***

Neil England was appointed a Non-executive Director of the Company in March 2008 and is currently Chairman of the Remuneration Committee. He has a breadth of sales and marketing experience and an extensive knowledge of ITE's key geographic markets. He was formerly Vice President for Mars Incorporated with responsibility for all the CIS countries and he built a market-leading business there. More recently, he was Group Commercial Director on the main board of Gallaher Group Plc. He is currently Non-executive Chairman of four companies including the BlackRock Emerging Europe Plc, an emerging market trust investing in Eastern Europe. Neil is a Fellow of the Chartered Institute of Marketing.

**Linda Jensen (age 49)*****Non-executive Director***

Linda Jensen was appointed a Non-executive Director of the Company on 7 July 2011. She is CEO of HBO Europe, a position she has held since February 2005, and is responsible for all business operations of the HBO channels in the European region, currently covering 14 markets. From 2000 to early 2005, she was the President of MTV Russia, based in Moscow. Prior to MTV Russia, she gained valuable experience in the central European region as the Director of Development at Central European Media Enterprises (CME). Fluent in Russian, she holds a Masters degree in Political Science from Columbia University.

**Neil Jones (age 47)*****Finance Director***

Neil Jones was appointed as Finance Director in November 2008. He has held senior financial positions within the exhibitions industry for over 15 years. He was formerly Finance Director at Tarsus Group plc, which specialises in the organisation of trade exhibitions in Europe, America, UAE and Asia. Prior to that, he was European Finance Director for Advanstar Communications, one of the largest US media groups. Neil is a member of the Institute of Chartered Accountants of England & Wales, qualifying with Price Waterhouse in 1990.

**Stephen Puckett (age 52)*****Non-executive Director***

Stephen Puckett was appointed a Non-executive Director of the Company on 1 July 2013. He is a Chartered Accountant with over twenty years experience as finance director of quoted companies. In 2012 he retired from the Board of Michael Page International plc after more than 11 years as Group Finance Director, during which time he oversaw a period of significant overseas expansion and growth. Stephen is also currently a Non-Executive Director of Hydrogen Group plc and chairs its Audit Committee.

**Marco Sodi (age 55)*****Non-executive Chairman***

Marco Sodi was appointed a Non-executive Director on 1 February 2012 and took over as Chairman of ITE on 23 March 2012. He was a Non-executive Director of ITE from 2003 to 2006 and has extensive experience of the media sector, and the exhibitions sector in particular. He left the Private Equity firm Veronis Suhler Stevenson in March 2010 after 23 successful years as both a General Partner and Investment Committee member. He is currently a Non-executive Director of EuroTaxGlass's Int'l A.G, European Directories S.A and Data Centrum Communications and Advisory Board Member of the Antenna Group. Previously he has served on the Boards of Hemscott plc, Centaur Communications plc, Pepcom GmbH, Berliner Verlag A.G., CSC Media Group plc, Granada Learning plc and Clarion plc.

**Edward Strachan (age 49)*****Executive Director***

Edward Strachan joined ITE Group in 1993 when he launched the ITE Group's local business in Kazakhstan. Since then he has opened and managed ITE Group's operations in St Petersburg, Turkey, Kazakhstan, Uzbekistan and Azerbaijan as well as the agency operations in China and the Gulf region. He currently lives abroad. He became a main Board Director in July 2003 and brings to the Board his extensive experience of the exhibition industry in Russia and the CIS regions.

**Russell Taylor (age 55)*****Chief Executive Officer***

Russell Taylor was appointed Chief Executive in May 2008 having joined ITE in March 2003 as Finance Director. He has extensive experience of all sectors of the exhibition industry, having earlier in his career spent seven years at Earls Court Olympia Group, as Group Finance Director and subsequently Managing Director of Earls Court & Olympia Halls. He is a qualified Chartered Accountant, having trained at Touche Ross & Co, where he became a Manager in their Corporate Finance Department. He holds a BA in Economics.

# Appendix 2

## Part 1 – Introduction to the Performance Share Plan 2014

During the year the Committee reviewed the remuneration arrangements in place at ITE Group to ensure they remain aligned with our business strategy, help reinforce the Company's continued success and provide strong alignment with the delivery of value to shareholders. As a result of the review and following consultation with institutional shareholders holding c.60% of the Company's issued share capital and shareholder representative bodies, the Board proposes the introduction of the Performance Share Plan 2014 (the "PSP") to replace the Performance Share Plan which expires on 26 February 2014. The Board also proposes the introduction of a Key Contractors' Plan which will broadly mirror the terms of the PSP but will also allow awards to be granted to key contractors of the ITE Group.

The proposed changes for future long-term incentive cycles are designed to bring the arrangements more into line with developments in market and best practice since the current plans were approved by shareholders in 2004, and to further strengthen alignment with our shareholders. The key change is the introduction of an element linked to total shareholder return ("TSR") for the CEO which will help provide a balanced and progressive relationship between the CEO's pay and Company performance. It is proposed that the first awards will be made in January 2014 following the Annual General Meeting.

Long-term incentive awards for Executive Directors will continue to be structured as annual awards of conditional shares (in the form of nominal-cost options) vesting on performance measured over three years.

### Performance conditions

For the first grant of awards under the new Plans (and for subsequent awards unless the Committee decides otherwise), the awards will be subject to a target based on the Company's cumulative headline diluted earnings per share over the three consecutive financial years commencing with the financial year in which the award is granted ("Performance Period"). The Committee continues to believe headline EPS is a good measure of success for ITE and provides good line of sight to participants. Performance will continue to be measured on a cumulative basis to encourage management to focus on sustained growth in headline EPS over the medium to long term.

Following shareholder feedback, the Committee toughened the three-year EPS performance requirement range applying to the first grant of Awards to be equivalent to 7% per annum to 12% per annum. The Committee believes the resulting three-year cumulative headline diluted EPS 2014-2016 performance zone (Threshold to Stretch) of 63p to 69p is appropriately stretching. 20% of maximum will vest if performance is in line with Threshold of 63p for the CEO (30% of maximum for other participants), rising on a straight-line basis to full vesting (of awards up to 100% of salary) if performance meets or exceeds Stretch of 69p.

If three-year cumulative headline diluted EPS is at least 63p, the proposed award to the CEO will also be subject to a comparison of the Company's total shareholder return ("TSR") over the Performance Period to the TSR of the FTSE 250 Index (as comprised at the start of the Performance Period). There will be no vesting uplift if Company TSR is median or below, rising on a straight-line basis to a maximum vesting uplift of 50% if Company TSR is upper quartile or above. For the avoidance of doubt, there will be no vesting for TSR unless three-year cumulative headline diluted EPS is at least 63p. The Committee believes the introduction of relative TSR helps ensure strong alignment with shareholders and is particularly appropriate for the CEO. The Committee will confirm the choice of benchmark prior to the start of each new PSP cycle to ensure it remains appropriate.

Additionally, for any vesting uplift on TSR to be applied, the Committee will need to be satisfied that the recorded TSR is a fair reflection of underlying business performance over the Performance Period. When assessing this, the Committee will consider factors including, but not limited to, underlying profit growth and cashflow.

For the purposes of applying the TSR target, the starting and finishing TSR value for the Company and the applicable index shall be calculated by reference to an average share price over the dealing days in the immediately preceding three month period.

In exceptional circumstances, the Committee has the ability to exercise discretion to override the formulaic PSP outcome within the Plan limits to ensure alignment of pay with the underlying performance of the business during the performance period.

**Limits on individual awards**

For the first grant of awards under the new PSP (and for subsequent awards unless the Committee decides otherwise), the award to the CEO will be up to 150% of the CEO's base salary at the date of grant (after taking into account the total shareholder return performance target described) and awards to other Executive Directors of the Company will be up to 100% of their base salary at the date of grant.

The proposed CEO PSP opportunity of up to 150% of salary is around median for companies of similar size, although the proposed concurrent combination is tougher than the more typical additive structure. The proposal provides a progressive relationship between pay and performance.

**Share ownership guidelines**

The Committee believes a three-year performance period continues to be appropriate for ITE to assist the Company in recruiting senior executive talent in the markets and geographies in which it operates. To further encourage executive share ownership, and in recognition of the proposed increase in PSP grant size, the Committee proposes to increase the share ownership guideline for the CEO from 100% to 150% of salary.

## **Part 2 – Summary of the principal terms of the ITE Group plc Employees’ Performance Share Plan 2014 (“PSP”) and the ITE Group plc Key Contractors’ Performance Share Plan 2014 (“KCP”)**

### **General**

The new PSP and the new KCP are discretionary share plans that will be administered by the remuneration committee (“Committee”).

With the exception of the persons to whom Awards may be granted (see “Eligibility” below), the commercial terms of the KCP broadly mirror those of the PSP. Where the terms differ, the difference is explained below.

Awards granted under the new Plans (“Awards”) may take the form of options with a nil or nominal exercise price. In general, it is intended that Awards will be in the form of nominal cost options. Awards may be satisfied from newly issued shares, treasury shares and, in the context of the PSP, shares transferred from the ITE Group Employees’ Share Trust (“ESOT”) (whether such shares are acquired by the ESOT from new issue or from market purchase). It is intended that the new PSP will be operated in conjunction with the ESOT.

No Award can be made after the tenth anniversary of the date on which the new Plans are approved by the shareholders.

### **Eligibility**

Employees (including Executive Directors) of the Company and its subsidiaries may be granted Awards under the new PSP. The PSP is intended to be the only long-term incentive arrangement in which Executive Directors of the Company participate.

Contractors and other non employees of the Company and its subsidiaries may be granted Awards under the new KCP.

### **Grant of Awards**

The Committee will have absolute discretion to select the persons to whom Awards may be granted and, subject to the limits set out below, in determining the number of shares to be subject to each Award.

Awards may be granted during the period of 42 days commencing on: (a) the date on which the new Plans are approved by the shareholders; (b) the date of the preliminary announcement of the Company’s annual results or the announcement of its half-yearly results in any year; or (c) any other time fixed by the Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of Awards. If the grant of an Award during any such 42 day period would be prohibited by the Model Code, or by any statute, order, regulation or government directive, such Award may be granted during the 42 day period commencing at the time that such prohibition shall cease to have effect.

### **Plan limits**

On a given date, the total number of shares issued or transferred from treasury (or capable of issue or transfer from treasury) in respect of Awards granted under the new Plans and in respect of options, awards or other rights granted in under any other share plans operated by the Company (whether for employees or consultants) in the preceding ten-year period shall not exceed 10% of the ordinary share capital of the Company in issue at that time.

In addition to the limit described above, the total number of shares issued or transferred from treasury (or capable of issue or transfer from treasury) in respect of Awards granted under the new Plans and in respect of options, awards or other rights granted in under any other discretionary share plans operated by the Company (as opposed to an all-employee share plan) in the preceding ten-year period shall not exceed 5% of the ordinary share capital of the Company in issue at that time.

For the avoidance of doubt, options, awards or other rights that are satisfied, or which are intended to be satisfied, from shares purchased in the market (including shares transferred from the ESOT that were originally acquired from the market) shall not be taken into account for the purposes of applying these limits.

### **Individual limits**

In general, each individual’s participation is limited so that, in any one financial year of the Company, the aggregate market value of shares subject to all Awards (calculated as at the date of grant of each Award) granted to the individual under the new Plans in that financial year and all options or awards granted to the individual under any other discretionary share plan operated by the Company in that financial year, will not exceed 150% of the individual’s base salary (or, in the case of the KCP, the individual’s base annual service fee) at the date of grant. This individual limit can be exceeded (up to an absolute limit of 200% of the individual’s base salary) in circumstances that the Committee considers to be exceptional.

**Vesting**

The Committee will have discretion at the time of grant of an Award to determine the basis on which an Award will vest and become exercisable. Ordinarily, an Award will not be capable of being exercised before the third anniversary of its date of grant.

**Performance target**

Vesting of Awards granted under the new PSP will be made conditional upon the achievement of an objective performance target (or targets) set at the time of grant and measured over a period of at least three years. After an Award has been granted, the Committee may vary a performance target if anything happens which causes the Committee to consider it appropriate to do so provided that any amended target is not materially more difficult and is no less challenging to satisfy than the original performance target was intended to be when set.

The performance targets for the first grant of Awards under the new Plans are summarised in Part 1 of this Appendix.

**Settlement of Awards**

On vesting, an Award shall become exercisable. On exercise of an Award, the Company will issue or arrange the transfer of the appropriate number of Shares upon payment of the aggregate nominal exercise price (if any). The Committee may determine in exceptional circumstances, with the consent of the Award holder, to settle any vested Award in cash (the amount of which will relate to the market value of the Shares as at the date of exercise).

If during the vesting period of an Award the Company pays any dividends then, on the vesting of the Award and at the discretion of the Committee, either:

- (a) the Award shall vest as to a number of additional shares that have a value equal to total value of the dividends that would have been paid during the vesting period on the shares in respect of which the Award vests; or
- (b) the Award holder shall, on the date of exercise of the Award, be entitled to receive a cash payment equal to the value of the dividends that would have been paid during the vesting period on the shares in respect of which the Award vests.

**Cessation of employment**

An Award will normally lapse upon an Award holder ceasing to be employed by the Company or by one of its subsidiaries. If, however, an Award holder's employment ceases:

- (a) due to injury, ill-health or disability (in each case evidenced to the satisfaction of the Committee); or
- (b) in the case of Awards granted pursuant to the PSP, due to redundancy, in circumstances considered by the Committee in its discretion to be retirement or upon the transfer out of the Group of a company or business by which the Award holder is employed; or
- (c) in any other circumstance determined by the Committee to be one in which the Award should not automatically lapse,

an Award held by that individual will not lapse. Instead, the Award will vest depending on:

- (a) the extent to which the performance targets are met; and
- (b) unless the Committee in its discretion determines otherwise, the length of time from the start of the applicable period over which the performance target is measured to the date of cessation of employment.

Where the employment ends before a performance target has been assessed, vesting will usually be deferred until the end of the applicable period over which the performance target is measured. Alternatively, and in appropriate circumstances, the Committee may determine that an Award shall vest before the end of such period. In which case, the performance targets shall be assessed on such modified basis as the Committee determines to be appropriate to reflect the shorter performance period. In either case, the Award must be exercised within 12 months of vesting.

If an Award holder's employment ceases due to death, an Award held by that individual will vest and may, subject to the satisfaction of the applicable performance target assessed up to the date of death (assessed on such modified basis as the Committee determines to be appropriate to reflect the shorter performance period), be capable of exercise for a period of 12 months from the date of the death. Unless the Committee in its discretion determines otherwise, the number of shares in respect of which the Award may be exercised will depend on the length of time from the start of the applicable period over which the performance target is measured to the date of the Award holder's death.

#### **Takeover events**

In the event of a takeover, scheme of arrangement or winding-up of the Company, Awards will vest early depending on:

- (a) the extent to which the performance targets have been met as at the date of the takeover, scheme of arrangement or winding-up of the Company in question (assessed on such modified basis as the Committee determines to be appropriate to reflect the shorter performance period); and
- (b) unless the Committee in its discretion determines otherwise, the length of time from the start of the applicable period over which the performance target is measured to the date of the takeover, scheme of arrangement or winding-up of the Company in question.

#### **Other Award terms**

Awards are not capable of transfer or assignment. Benefits obtained under the new PSP are not pensionable.

Before exercise of an Award, Award holders have no voting or other rights in relation to the shares subject to those Awards. Shares transferred on the exercise of an Award shall be transferred without the benefit of any rights attaching to the shares by reference to a record date preceding the date of exercise.

#### **Adjustment of Awards**

The number of shares under Award, their nominal value and the exercise price of an Award may be adjusted by the Committee in the event of any alteration to the share capital of the Company, a rights issue, a demerger or a special dividend.

#### **Claw-back**

The rules of the new Plans include 'claw-back' provisions that apply where it is discovered before the later of the first anniversary of the vesting date of an Award and completion of the next audit of the Company's accounts after such date that there has been a material misstatement in the financial results of the Company or a fraud is discovered, and such misstatement or fraud has resulted in an Award under the new Plans vesting to a greater extent than it otherwise should have done ("Excessive Award"). In these circumstances, the Committee may:

- (a) make reductions (up to the value of the Excessive Award) to other Awards held by the Award holder in question which would otherwise vest under the new Plans; and/or
- (b) make reductions (up to the value of the Excessive Award) to other options or awards or the amount of any cash award granted to the Award holder in question which would otherwise vest under any other incentive plan operated by any member of the Group (including discretionary cash bonus plans); and/or
- (c) require the Award holder in question to pay an amount equal to the value of the Excessive Award which has not otherwise been recovered (after taking into account any income tax and social security paid by the Award holder in relation to the Excessive Award).

**Administration and amendment**

The Committee may amend the provisions of the new Plans. The rules of the new Plans which relate to:

- (a) the persons to whom Awards may be made;
- (b) the limits on the number of shares which may be issued;
- (c) the maximum entitlement of any Award holder; and
- (d) the basis for determining an Award holder's entitlement to shares or Awards and for the adjustment thereof following any increase or variation in the share capital of the Company,

cannot be amended to the advantage of any Award holder or potential Award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the new Plans, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award holders, the Company or any subsidiary of the Company.







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