

# The GAME Group plc

## Notice of Annual General Meeting

### Notice of AGM

The Annual General Meeting of The GAME Group plc will be held on 2 July 2009 at 10.00 a.m. at Unity House, Telford Road, Basingstoke, Hampshire RG21 6YJ.

### Ordinary business

- 1 To receive the Financial Statements of the Company for the year ended 31 January 2009 and the reports of the Directors and Auditors thereon.

*Note: The Directors must present the Financial Statements as well as their report to the meeting. This gives shareholders the opportunity to ask questions on the reports and accounts before they vote on them.*

- 2 To approve the Directors' Remuneration Report for the year ended 31 January 2009.

*Note: The Company must present its Directors' Remuneration Report, which sets out the Company's policy with regard to Directors' remuneration, to the shareholders for approval.*

- 3 To declare a final dividend on the ordinary shares of the Company for the year ended 31 January 2009 of 3.71p per ordinary share.

*Note: Subject to the approval of the resolution, this will give a full year dividend of 5.50p per ordinary share. If so approved, the final dividend will be paid on 17 July 2009 to ordinary shareholders on the register at the close of business on 29 May 2009.*

- 4 To re-elect Peter Lewis as a Director of the Company.

*Note: Mr Lewis is the Chairman of the Company. He is retiring and offering himself for re-election in accordance with provision A.7.2 of the Combined Code, as he has been a Director for more than 9 years.*

- 5 To re-elect Christopher Bell as a Director of the Company.

*Note: Mr Bell is the Senior Non Executive Director and a member of the Audit, Remuneration and Nomination Committees. He is retiring by rotation and offering himself for re-election.*

- 6 To elect Dennis Woodside as a Director of the Company.

*Note: Mr Woodside is a Non Executive Director. He was appointed as a Director by the Board on 3 July 2008, after the Company's last AGM and therefore offers himself for election.*

7 To elect Terry Scicluna as a Director of the Company.

*Note: Mr Scicluna is an Executive Director. He was appointed as a Director by the Board on 13 January 2009, after the Company's last AGM and therefore offers himself for election.*

*Further note: The biographies of the Directors standing for election and re-election at the AGM can be found on page 57 of the Annual Report and Accounts. In addition, Mr David Thomas is retiring as a Director by rotation at the AGM but is not offering himself for re-election.*

8 To re-appoint BDO Stoy Hayward LLP as auditors of the Company.

*Note: The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company. The Company's audit committee has recommended the reappointment of BDO Stoy Hayward LLP.*

9 To authorise the Directors to determine the auditors' remuneration.

*Note: This resolution, if approved, will authorise the Directors to set the level of remuneration payable to the auditor of the Company. Details of the remuneration paid to the auditor during the year ended 31 January 2009 are found in the Annual Report.*

### **Special business**

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

10 That the Directors be authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £5,772,060 and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution, or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the date of the passing of this resolution, save that the Company may before expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

*Note: Under section 80 of the Companies Act 1985, the Directors may allot shares only if authorised to do so and under this resolution, the Directors' general authority to allot ordinary shares in the Company will be renewed up to an aggregate nominal amount of £5,772,060.*

*The authority sought in resolution 10 is in substitution for all existing authorities, granted in the Company's Articles of Association or otherwise, and without prejudice to previous allotments made under such existing authorities. The authority will expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 2 October 2010. Other than in relation to the Company's employee share plans, the Directors have no present intention of exercising this authority but believe that it is in the best interests of the Company to have the authority available so that the Directors have the flexibility to issue securities at short notice and without the need for a general meeting should they determine that it is appropriate to do so.*

**11** That The GAME Group plc Performance Share Plan 2004 be and is hereby amended in accordance with the schedule of amendments provided to the Meeting and for the purpose initialled by the Chairman, the main features of which amendments are summarised in the explanatory note to the resolution.

*Note: It is proposed to amend The GAME Group plc Performance Share Plan 2004 (the **PSP**) in one respect of future grants. As currently drafted, subject to satisfaction of the performance condition, an award may only be exercised in a 6 month period commencing on the third anniversary of the date of grant (with an appropriate extension to that period if the Company is in a prohibited period for part of those six months, to reflect the time the Company is in a prohibited period). It is proposed to amend the PSP so that for future grants awards may be exercised in a 12 month period commencing on the third anniversary of the date of grant (with an appropriate extension to that period if the Company is in a prohibited period for part of those twelve months). It is also proposed to amend the PSP to permit the grant of awards in the six week period following the Annual General Meeting.*

To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

**12** That, subject to the passing of resolution 10, the Directors be authorised pursuant to Section 95 of the Companies Act 1985 (the "Act") to allot equity securities (within the meaning of Section 94 of the Act), for cash, pursuant to the authority conferred by resolution 10 and/or where such allotment constitutes an allotment of equity securities by virtue of section 94 (3A) of the Act, as if sub-section (1) of Section 89 of the Act did not apply to any such allotment, provided that the power conferred by this resolution: (a) shall (unless previously renewed, varied or revoked by the Company in general meeting) expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the date of the passing of this resolution, save that the Company may before expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot securities in pursuance of such an offer or agreement as if the power hereby had not expired; and (b) is limited to:

(i) allotments of equity securities in connection with a rights issue or otherwise in favour of holders of ordinary shares and in favour of all holders of any other class of equity securities in accordance with the rights attached to such class (in each case excluding any shareholder holding shares as treasury shares) where the equity securities offered to such persons are proportionate (as nearly as may be) to the respective existing holdings of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities provided that the Directors may make such arrangements as they consider necessary or expedient to deal with equity securities representing fractional entitlements or legal, practical or regulatory problems in any territory; and

(ii) allotment (otherwise than pursuant to sub paragraph (i) above) of equity securities for cash up to an aggregate nominal amount of £865,809.

*Note: This resolution, if approved, will allow the Company to disapply pre-emption rights on allotments for cash up to 5 per cent. of the current issued share capital. Following the introduction of The Companies (Acquisitions of Own Shares) (Treasury Shares) Regulations 2003, companies are now able to hold shares acquired by way of market purchase in treasury, rather than cancelling them. The Company*

*may consider holding any of its own shares which it purchases pursuant to the authority conferred by the relevant resolution as treasury shares. This would allow the Company to sell shares out of treasury, providing the Company with the ability to replenish its distributable reserves. No dividends will be paid on any shares held in treasury and no voting rights will attach to such shares. It will also be possible for the Company to transfer shares out of treasury pursuant to an employee share scheme. If any shares are so used then the Company will count them towards the limits in such employees' share schemes on the number of new shares which may be issued under them. As at 28 May 2009, the Company held no shares in treasury. The Company does not intend to issue more than 7.5 per cent of its issued share capital on a non pre-emptive basis in any rolling three-year period.*

**13** That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 5p in the capital of the Company ("**ordinary shares**") provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 34,632,365 (representing 10 per cent of the current issued ordinary share capital);
- (b) the minimum price which may be paid for an ordinary share is 5p;
- (c) the maximum price which may be paid for an ordinary share is the higher of (i) an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased (exclusive of expenses) and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No.2273/2003);
- (d) the authority conferred by this resolution shall, unless renewed, expire on the date falling 15 months after the date of the passing of this resolution, or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the date of the passing of this resolution; and
- (e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of ordinary shares in pursuance of any such contract.

*Note: This resolution sets out the maximum and minimum price at which ordinary shares may be purchased. Purchases will only be made if the effect would be expected to improve earnings per share and the Directors consider that it would be in the best interests of the Company to do so. The resolution caps the maximum number of shares to be purchased at 10 per cent of the current issued share capital. In the financial year ended 31 January 2009, the Company purchased 500,000 of its own shares, representing 0.14 per cent of the current issued share capital.*

**14** That a general meeting (other than Annual General Meetings) may be called on 14 clear days' notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

*Note: The Shareholders' Rights Directive is to come into force on 3 August 2009. One of the provisions of the Directive is that general meetings must be held on 21 days' notice unless shareholders consent to a shorter period; this will override the current Companies Act 2006 provisions which allow general meetings (other than Annual General Meetings) to be held on 14 clear days' notice. This resolution is proposed to allow the Company to continue to hold general meetings (other than Annual General Meetings) at 14 clear days' notice.*

**15** That with effect from 1 October 2009:

- (a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles of Association.
- (b) the draft regulations produced to the meeting and, for the purposes of identification, initialled by the Chairman be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

*Note: Please see the explanatory note below on the proposed changes.*

#### **Recommendation**

The Directors believe that the proposals contained in resolutions 1-15 are in the best interests of the Company and the shareholders as a whole and accordingly they recommend that you vote in favour of the resolutions.

By order of the Board

**Vivienne Hemming ACIS**  
Company Secretary

29 May 2009

Registered Office:  
Unity House  
Telford Road  
Basingstoke  
Hampshire RG21 6YJ

## **Explanatory notes on principal changes to the Company's Articles of Association (Resolution 15)**

### **1 The Company's objects**

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and Articles of Association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's Articles of Association but the company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's Articles of Association as of 1 October 2009. Resolution 15(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the new Articles of Association also contain an express statement regarding the limited liability of the shareholders.

### **2 Change of name**

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the new Articles of Association enable the Directors to pass a resolution to change the Company's name.

### **3 Authorised share capital and unissued shares**

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the new Articles of Association reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employees' share schemes.

#### **4 Redeemable shares**

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables Directors to determine such matters instead provided they are so authorised by the articles. The new Articles of Association contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

#### **5 Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital**

Under the law currently in force a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The current articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the new Articles of Association.

#### **6 Suspension of registration of share transfers**

The current Articles of Association permit the Directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the current Articles of Association to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the new Articles of Association.

## Notes

- 1 A member of the Company is entitled to appoint a proxy to exercise all or any of his rights to attend, speak and vote at a general meeting of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares.
- 2 A person who is not a member of the Company, but has been nominated by a member of the Company (the "relevant member") to enjoy information rights (the "nominated person") does not have a right to appoint any proxies under note 1 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the meeting. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights.
- 3 To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited with the Company's registrars not less than 48 hours before the time fixed for the meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
- 4 To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by **10 a.m. on 30 June 2009**. 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's registrars no later than **10 a.m. on 30 June 2009**.
- 5 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the relevant register of members of the Company as at 6.00 p.m. on 30 June 2009 shall 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 relevant register of members after 6.00 p.m. on 30 June 2009 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 6 The register referred to in the note to resolution 3 means the issuer register of members and the Operator register of members maintained in accordance with Regulation 20 of the Uncertificated Securities Regulations 2001.
- 7 At 28 May 2009 (being the last business day prior to the publication of this notice) the issued share capital of the Company consists of 346,333,657 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 28 May 2009 are 346,333,657.
- 8 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.
- 9 Copies of the Executive Directors' service contracts, the Terms of Appointment of the Non Executive Directors, the Rules of The GAME Group plc Performance Share Plan 2004 and the schedule of proposed amendments to those Rules are available for inspection at the registered office of the Company during usual business hours and from 9.45 a.m. on 2 July 2009 until the close of the Annual General Meeting.