

# ClearDebt Group plc

*(a company incorporated in England and Wales with company number 02441375)*

## NOTICE OF ANNUAL GENERAL MEETING

*To the holders of Ordinary Shares and, for information purposes only, to the holders of Share Options and Warrants*

Dear Shareholder,

The Company has today announced that it will convene its Annual General Meeting at 12 noon on Monday 1 November 2010 at Nelson House, Park Road, Timperley, Cheshire, WA14 5BZ. The notice of this meeting (the "**Notice**") is enclosed within this document.

The purpose of those resolutions contained within the Notice as Special Business is to maintain the authority and empower the directors of the Company (the "**Directors**") to allot equity securities for the purposes of and pursuant to section 551 and section 561 of the Companies Act 2006. The nominal value of the securities that may be allotted pursuant to the resolutions represents the normal authority levels likely to be required by the Directors for the running of the business of the Company and the Directors recommend that the shareholders vote in favour of those resolutions.

Yours sincerely

Gerry Carey FCIB

Chairman

8 October 2010

# ClearDebt Group plc

*(a company incorporated in England and Wales with company number 02441375)*

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the above named Company will be held at Nelson House, Park Road, Timperley, Cheshire WA14 5BZ on Monday 1 November 2010 at 12.00pm for the following purposes:

### ORDINARY BUSINESS

- 1 To receive the Company's annual accounts for the financial year ended 30 June 2010 together with the last directors' report and the auditors' report on those accounts.
- 2 To re-elect David Mond, who retires by rotation pursuant to article 26.1 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.
- 3 To re-elect Anthony Leon, who retires by rotation pursuant to article 26.1 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.
- 4 To re-elect David Shalom, who was appointed during the year and retires in accordance with article 26.1 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.
- 5 To re-appoint Baker Tilly UK Audit LLP as auditors of the Company and to authorise the directors to fix their remuneration.

### SPECIAL BUSINESS

- 6 To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

**"THAT**, in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 Companies Act 2006 (the "**Act**") to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as "Relevant Securities") up to an aggregate nominal value of £508,762 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company) PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot relevant securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

7 To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

**"THAT**, subject to and conditional upon the passing of the resolution numbered 6 in the notice convening the meeting at which this resolution was proposed and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 6 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £154,170, representing approximately 10% of the current ordinary share capital of the Company,

and shall expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired."

**BY ORDER OF THE BOARD**

D E M MOND FCA FCCA  
Company Secretary

8 October 2010

Registered office:  
Nelson House  
Park Road  
Timperley  
Cheshire  
WA14 5BZ

## **EXPLANATORY NOTES:**

### **Resolution 6 – Directors' power to allot relevant securities**

Under section 551 of the Act, relevant securities may only be issued with the consent of the shareholders, unless the shareholders pass a resolution generally authorising the directors to issue shares without further reference to the shareholders. This resolution authorises the general issue of shares up to an aggregate nominal value of £508,762, which is equal to 33% of the nominal value of the current ordinary share capital of the Company. Such authority will expire at the conclusion of the next annual general meeting of the Company or the date which is 6 months after the next accounting reference date of the Company (whichever is the earlier).

### **Resolution 7 – Disapplication of pre-emption rights on equity issues for cash**

Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. This resolution excludes that statutory procedure as far as rights issues are concerned. It also enables the directors to allot shares up to an aggregate nominal value of £154,170, which is equal to 10% of the nominal value of the current ordinary share capital of the Company, subject to resolution 6 being passed. The directors believe that the limited powers provided by this resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next annual general meeting of the Company or on the date which is 6 months after the next accounting reference date of the Company (whichever is the earlier).

## **NOTES:**

- 1 A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
- 2 A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. To appoint a proxy, a member may complete, sign and date the enclosed proxy form and deposit it at the office of the Company's Registrars, Neville Registrars, at 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by 12.00pm on 29 October 2010. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
- 3 In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Registrars, Neville Registrars, at 18 Laurel Lane, Halesowen, West Midlands, B63 3DA the time of the meeting.
- 4 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's registrars, Neville Registrars (whose CREST ID is R023) by the latest time for receipt of proxy appointments specified in note 2 above. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. 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.
- 5 Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.
- 6 The right to vote at the meeting shall be determined by reference to the register of members of the company. Only those persons whose names are entered on the register of members of the Company at 6pm on 29 October 2010 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

# ClearDebt Group plc

## PROXY FOR USE AT ANNUAL GENERAL MEETING

Please insert I/We.....

full name (Please use block letters)

and address of.....

being member(s) of ClearDebt Group plc ("**Company**"), hereby appoint the chairman of the annual general meeting (the "**AGM**" or "**Meeting**") or (see note 1)

as my/our proxy to attend and, on a poll, vote for me/us and on my/our behalf at the AGM of the Company to be held at Nelson House, Park Road, Timperley, Cheshire, WA14 5BZ on Monday 1 November 2010 at 12 noon and at any adjournment thereof.

Please mark this box to indicate that this proxy appointment is one of multiple appointments being made (see note 2).

I/we request such proxy to vote on the following resolutions as mentioned below (see note 2).

<b>ORDINARY BUSINESS</b>		<b>For</b>	<b>Against</b>	<b>Withheld</b>
1	To receive the Company's annual accounts for the financial year ended 30 June 2010 together with the last directors' report and the auditors' report on those accounts.			
2	To re-elect David Mond, who retires by rotation pursuant to article 26.1 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.			
3	To re-elect Anthony Leon, who retires by rotation pursuant to article 26.1 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.			
4	To re-elect David Shalom, who was appointed during the year and retires in accordance with article 26.1 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.			
5	To re-appoint Baker Tilly UK Audit LLP as auditors of the Company and to authorise the directors to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
6	To authorise the directors of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company in the circumstances as set out in the notice of the Meeting.			
7	To authorise the directors of the Company to allot equity securities for cash otherwise than on a pre-emptive basis in the circumstances as set out in the notice of the meeting.			

Signature..... (see note 4) Dated this ..... day of .....2010

Joint holders (if any) (see note (6))

Name..... Name.....

- 1 If you wish to appoint someone other than the chairman as your proxy, please insert his/her name and address, and strike out and initial the words "the chairman of the annual general meeting or". A proxy need not be a member of the Company. Appointing a proxy will not preclude you from personally attending and voting at the meeting (in substitution for your proxy vote) if you subsequently decide to do so. If no name is entered on this form, the return of this form, duly signed, will authorise the chairman of the meeting to act as your proxy.
- 2 You may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please return a separate form in relation to each proxy, clearly indicating next to the name of each proxy the number and class of shares in respect of which he is appointed. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 3 To direct your proxy how to vote on the resolutions, please mark the appropriate box next to each resolution with an "X". If no voting instruction is given, your proxy will vote or abstain from voting as he sees fit in his absolute discretion in relation to each resolution and any other matter which is put before the meeting.
- 4 In the case of:
  - 4.1 an individual, this proxy form must be signed by the relevant member appointing the proxy or a duly appointed attorney on behalf of such member; and
  - 4.2 a corporation, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company.
- 5 To appoint a proxy using this form, the form must be:
  - 5.1 completed and signed;
  - 5.2 sent or delivered to the Company's Registrars, Neville Registrars, at 18 Laurel Lane, Halesowen, West Midlands, B63 3DA; and
  - 5.3 received by the Registrars no later than 48 hours (excluding non-working days) before the time appointed for the Meeting, or adjourned meeting, at which it is to be used.
- 6 Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- 7 Any alteration to this proxy form must be initialled by the person in whose hand it is signed or executed.
- 8 If, after returning a duly completed proxy form, you wish to revoke your proxy appointment you must sign and date a notice clearly stating your intention to revoke that proxy appointment and deposit it at the registered office of the Company before the time appointed for the meeting.
- 9 In the case of joint holders:
  - 9.1 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; and
  - 9.2 the vote of the most senior holder who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of all other joint holders.  
Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 10 The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at 6.00pm on 29 October 2010 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.