

# Notice of AGM

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your Ordinary Shares in The GAME Group plc, please forward this document as soon as possible, together with the accompanying documents to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The GAME Group plc will be held on 15 June 2011 at 10.00 a.m. at Unity House, Telford Road, Basingstoke, Hampshire RG21 6YJ to transact the following business:

## Ordinary business

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

- 1 To receive the audited accounts of the Company for the year ended 31 January 2011 and the reports of the Directors and Auditors thereon.

*Note: The Directors are required by UK companies legislation to present the audited accounts and the Directors' and Auditors' reports thereon to the Annual General Meeting. This gives shareholders the opportunity to ask questions on the report and accounts before they vote on them.*

- 2 To approve the Directors' Remuneration Report for the year ended 31 January 2011.

*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 2011 of 3.90p per ordinary share.

*Note: Subject to the approval of the resolution, this will give a full year dividend of 5.78p per ordinary share. If so approved, the final dividend will be paid on 15 July 2011 to ordinary shareholders on the register at the close of business on 24 June 2011.*

- 4 To elect Ian Shepherd as a Director of the Company.

*Note: Mr Shepherd is the Chief Executive. He was appointed as a Director by the Board on 28 June 2010, after the Company's last AGM and therefore offers himself for election.*

To re-elect the following Directors retiring annually in accordance with the Board's decision to adopt a policy of annual re-election for all Directors who, being eligible, offer themselves for re-election:

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

*Note: From the conclusion of the Annual General Meeting, Mr Bell will become the Non Executive Chairman of the Company.*

6 To re-elect Ben White as a Director of the Company.

*Note: Mr White is the Group Finance Director and a member of the Corporate Responsibility Committee.*

7 To re-elect Dana Dunne as a Director of the Company.

*Note: Mr Dunne is a Non Executive Director and a member of the Audit, Remuneration and Nomination Committees.*

8 To re-elect Ishbel Macpherson as a Director of the Company.

*Note: Ms Macpherson is a Non Executive Director and Chair of the Audit Committee and a member of the Remuneration and Nomination Committees.*

9 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.*

10 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 auditors of the Company. Details of the remuneration paid to the auditors during the year ended 31 January 2011 are found in the Annual Report.*

## **Special business**

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

11 That the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act"), and in substitution for any existing authorities previously given, to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

(A) up to an aggregate nominal amount of £5,791,023 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of £5,791,023); and

(B) comprising equity securities (as defined in Section 560(1) of the Act) up to an aggregate nominal amount of £11,582,046 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue to:

- i. ordinary shareholders in proportion as nearly as may be practicable to their existing holdings; and
- ii. 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, 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 shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

*Note: Under section 551 of the Companies Act 2006, the Directors may allot shares only if authorised to do so. Paragraph (A) of this resolution would give the directors the authority to allot ordinary shares up to an aggregate nominal amount equal to £5,791,023 (representing 115,820,460 ordinary shares). This amount represents approximately one-third of the Company's current issued share capital.*

*In line with guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the Directors authority to allot ordinary shares if applied to a fully pre-emptive rights issue up to an aggregate nominal amount equal to £11,582,046 (representing 231,640,920 ordinary shares) as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution.*

*Accordingly, resolution 11 proposes that the Directors be granted authority to allot shares in the capital of the Company up to an aggregate nominal amount of £11,582,046 representing the guideline limit of approximately two-thirds of the Company's issued Ordinary Share capital as at 10 May 2011, the latest practical date prior to publication of the Notice of AGM. Of this amount 115,820,460 ordinary shares (representing approximately one-third of the Company's current issued Ordinary Share capital) can only be allotted pursuant to a rights issue.*

*The authorities sought under paragraphs (A) and (B) of resolution 11 are 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 authorities sought will expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 15 September 2012. Other than in relation to the Company's employee share plans, the Directors have no present intention of exercising the 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.*

**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 11 and in substitution for any existing authorities granted, the Directors be empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act), for cash, pursuant to the authority conferred by resolution 11 and/or by way of a sale of treasury shares as if sub-section (1) of Section 561 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) allotments (otherwise than pursuant to sub paragraph (i) above) of equity securities for cash up to an aggregate nominal amount of £868,653.

*Note: This resolution, if approved, will allow the Company to disapply pre-emption rights on allotments pursuant to the authority in resolution 11 for cash in connection with a fully pre-emptive offer or rights issue or otherwise 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 employees' 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 10 May 2011 the Company held no shares in treasury. Other than in relation to the Company's employee share plans, the Directors have no present intention of exercising the 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 in the management of the Company's capital resources. 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 693(4) of the Companies Act 2006) 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 34,746,138 (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(l) 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.

The Company has options outstanding over 1.19m ordinary shares, representing 0.34 per cent of the Company's issued ordinary share capital as at 10 May 2011, the latest practical date before the publication of this notice. If the authority given by resolution 13 were to be fully used, these would represent 0.43 per cent of the Company's ordinary share capital in issue at that date.

*Note: This resolution sets out the maximum and minimum price at which ordinary shares may be purchased by the Company. 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% of the current issued share capital. In the financial year ended 31 January 2011, the Company did not purchase any of its own shares.*

14 That a general meeting (other than an Annual General Meeting) 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: Due to changes in the law brought into effect by the Companies (Shareholders' Rights) Regulations 2009, listed companies must call general meetings on 21 days' notice unless (i) shareholders consent annually to a shorter period and (ii) the facility to vote by electronic means is accessible for all shareholders. This resolution is proposed to allow the Company to hold general meetings (other than Annual General Meetings) on 14 clear days' notice so long as both conditions are met.*

### **Recommendation**

The Directors believe that the proposals contained in resolutions 1-14 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

16 May 2011

Registered Office:

Unity House

Telford Road

Basingstoke

Hampshire RG21 6YJ

## 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 Under section 146 of the Companies Act 2006, 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 (excluding any part of a day that is not a working day). 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 **10am on 13 June 2011**. 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 on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). 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 not later than **10am on 13 June 2011**.
- 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 6pm on 13 June 2011 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 6pm on 13 June 2011 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 10 May 2011 (being the last practical day prior to the publication of this notice) the issued share capital of the Company consists of 347,461,388 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 10 May 2011 are 347,461,388.
- 8 A corporate member may authorise a person or persons to act as its representative(s) at the Annual General Meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder in the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a corporate representative.
- 9 Under section 527 of the Companies Act 2006, the Company may be required by members meeting the threshold set out in that section to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the audit report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with the auditor of the Company ceasing to hold office since the previous meeting at which annual report and accounts were laid in accordance with section 437 of the Companies Act 2006 which they intend to raise at the meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 10 Any member attending the meeting has a right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information, (b) the answer has already been given on the 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 meeting that the question be answered.
- 11 Copies of the Executive Directors' service contracts and the Terms of Appointment of the Non Executive Directors are available for inspection at the registered office of the Company during usual business hours and from 9.45 a.m. on 15 June 2011 until the close of the Annual General Meeting.
- 12 A copy of this Notice, and other information required by section 311A of the Companies Act 2006 can be found at [www.gamegroup.plc.uk](http://www.gamegroup.plc.uk).