

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

**If you are in any doubt about the contents of this Circular and/or the action that you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, auditor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares in Sagentia Group plc, please forward this Circular, together with the accompanying form of proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred part of your holding of Ordinary Shares please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This Circular does not constitute a prospectus for the purposes of the Prospectus Rules and has not been, and will not be, approved by or filed with the FSA. Copies of this circular will be available free of charge during normal business hours on any weekday (except Saturdays Sundays and public holidays) at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR from the date of this Circular until the date of Admission and will also be available on the Company's website [group.sagentia.com](http://group.sagentia.com).

Conditional upon the passing of the Resolutions, application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange and it is expected that such dealings will commence on 7 June 2010.

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# **Sagentia Group plc**

*(incorporated and registered in England and Wales under the Companies Act 1985 with number 06536543)*

## **Proposed Placing of up to 20,000,000 New Ordinary Shares at 40p per Ordinary Share**

**and**

## **Notice of General Meeting**

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This Circular should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this Circular and which includes a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

A notice convening a General Meeting of the Company to be held at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR at 9.30 a.m. on 4 June 2010 is set out on pages 10 to 11 of this Circular and the recommendation of the Directors is set out on page 9.

If you are a Shareholder on the register of members maintained by the Company, a Form of Proxy for use at the General Meeting accompanies this Circular. To be valid, any instrument appointing a Proxy must be completed and received by the Company's registrars, at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, in accordance with the instructions printed on it, as soon as possible, and in any event so as to arrive no later than 9.30 a.m. on 2 June 2010. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at the General Meeting should they so wish.

Arbuthnot Securities Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Sagentia Group plc in relation to the transaction referred to herein. Arbuthnot Securities Limited is not acting for, and will not be responsible to, any person other than Sagentia Group plc for providing the protections afforded to customers of Arbuthnot Securities Limited or for advising any other person on the contents of this Circular or any transaction or arrangement referred to herein.

## PLACING STATISTICS

Placing Price	40p
Number of Existing Ordinary Shares	21,723,595
Number of Placing Shares being placed on behalf of the Company	20,000,000
Estimated Placing proceeds receivable by the Company (before expenses)	£8.0 million
Number of Ordinary Shares in issue following Admission	41,723,595
Number of Placing Shares as a percentage of the Enlarged Issued Share Capital	47.9 per cent.

## EXPECTED TIMETABLE OF EVENTS

Date of this Circular	18 May 2010
Latest time and date for receipt of Forms of Proxy	9.30 a.m. on 2 June 2010
General Meeting	9.30 a.m. on 4 June 2010
The results of the General Meeting announced	4 June 2010
Admission and commencement of dealings in the Placing Shares	8.00 a.m. on 7 June 2010
CREST accounts expected to be credited for the Placing Shares	7 June 2010
Where applicable, latest date for the despatch of definitive share certificates for the Placing Shares	14 June 2010

**Note:**

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this Circular are to London time.

## DEFINITIONS

<b>Act</b>	the Companies Act 2006 (as amended);
<b>Admission</b>	the admission of the Placing Shares to trading on AIM becoming effective pursuant to rule 6 of the AIM Rules;
<b>AIM</b>	a market operated by the London Stock Exchange plc;
<b>AIM Rules</b>	the AIM Rules for Companies with a class of securities admitted to AIM, as in force at the date of this Circular;
<b>Annual General Meeting</b>	the annual general meeting of the Company to be held at 9.30 a.m. on 20 May 2010;
<b>Arbuthnot</b>	Arbuthnot Securities Limited which is authorised and regulated in the UK by the FSA and is broker to the Placing;
<b>Articles</b>	the articles of association of the Company as in force from time to time;
<b>Board or Directors</b>	the board of directors of the Company, whose names are set out on page 5 of this Circular;
<b>City Code</b>	The City Code on Takeovers and Mergers;
<b>Company or Sagentia</b>	Sagentia Group plc;
<b>Circular</b>	this circular to Shareholders;
<b>Enlarged Issued Share Capital</b>	41,723,595 Ordinary Shares, being the issued ordinary share capital of the Company as enlarged by and following completion of the Placing (assuming no exercise of any of the existing options over Ordinary Shares);
<b>Existing Ordinary Shares</b>	the 21,723,595 Ordinary Shares in issue at the date of this Circular;
<b>Form of Proxy</b>	the form of proxy for use in connection with the General Meeting accompanying this Circular;
<b>FSA</b>	the UK Financial Services Authority;
<b>General Meeting</b>	the general meeting of the Company convened for 9.30 a.m. on 4 June 2010 (or any adjournment thereof), notice of which is set out at the end of this Circular;
<b>Group</b>	the Company and its subsidiaries and/or any of them;
<b>Ordinary Shares</b>	ordinary shares of one penny each in the capital of the Company;
<b>Placing</b>	the placing of the Placing Shares pursuant to the Placing Agreement;
<b>Placing Agreement</b>	the conditional placing agreement dated the date of this Circular between the Company and Arbuthnot, further details of which are set out in Part 1 of this Circular;
<b>Placing Price</b>	40p per Placing Share;
<b>Placing Shares</b>	the 20,000,000 new Ordinary Shares which have been conditionally placed with institutional and other investors pursuant to the Placing;

<b>Resolutions</b>	the resolutions set out in the notice of the General Meeting at the end of this Circular;
<b>Scheme Rules</b>	the rules of the Company's Unapproved Share Option Scheme and the rules of the Company's Approved Share Option Plan;
<b>Shareholders</b>	holders of Existing Ordinary Shares;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland; and
<b>US or United States</b>	the United States of America, its territories and possessions and the District of Columbia.

## PART 1

### LETTER FROM THE CHAIRMAN

# Sagentia Group plc

*(incorporated and registered in England and Wales under the Companies Act 1985 with number 06536543)*

#### *Directors:*

Martyn Ratcliffe	<i>Chairman</i>
Brent Hudson	<i>Chief Executive Officer</i>
Guy McCarthy	<i>Finance Director and Company Secretary</i>
David Courtley	<i>Non-Executive Director</i>

#### *Registered Office:*

Harston Mill  
Royston Road  
Harston  
Cambridge  
CB22 7GG

18 May 2010

*To the holders of Existing Ordinary Shares and, for information only, to the holders of options over Ordinary Shares*

Dear Shareholder,

**Proposed placing of up to 20,000,000 new Ordinary Shares at 40p per Ordinary Share  
to raise £8.0 million before expenses  
and  
Notice of General Meeting**

#### **Introduction**

The Board of Sagentia announced earlier today that the Company has raised, subject to certain conditions, £8.0 million (before expenses) by way of a placing of new Ordinary Shares, which is intended to strengthen the Company's balance sheet and enable it to invest in acquisition opportunities as and when they become available. All of the Placing Shares have been conditionally placed firm with certain new and existing Shareholders at 40 pence per share.

The Placing is conditional, *inter alia*, upon the passing of the Resolutions by Shareholders to authorise the Directors to allot additional Ordinary Shares for cash on a non-pre-emptive basis. Accordingly, the General Meeting is being convened for the purpose of considering the Resolutions to approve these authorities. Further details of the Resolutions are set out below.

**The purpose of this Circular is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this Circular.**

#### **Recent events**

On 5 October 2009, Brent Hudson started as Chief Executive Officer and has subsequently continued the restructuring of the Group's operations which had commenced earlier in 2009. This restructuring included organisational changes following the transfer of the Vodafone money transfer service to a global IT organisation in September 2009, the closure of the operations in Germany, the disposal of Sagentia Catella AB in Sweden, the disposal of Sagentia Public Sector Limited and a reduction in the Group's cost base.

On 23 March 2010, I announced that I had acquired 10,512,080 Ordinary Shares at a price of 23.8 pence per share, equivalent to approximately 48.4 per cent. of the issued share capital of the Company. As a result, it

was necessary for me to make a mandatory cash offer under Rule 9 of the City Code at the same price. This offer did not become unconditional and lapsed on 15 April 2010, at which time I was appointed Chairman of Sagentia, David Courtley was appointed a non-executive Director on the same date and Dr Christopher Masters, Mr Lars Kylberg and Mr Staffan Ahlberg resigned from the Board. The Group intends to appoint an additional non-executive Director in due course.

### **Trading Update**

Trading for the first three months of the current financial year is ahead of the Board's expectations with the core consultancy revenue growing by approximately 20 per cent. over the comparable figures for the same period last year, excluding the discontinued activities associated with the Vodafone M-PESA project, disposed businesses and recharged expenses. For the year ended 31 December 2009, the core consultancy revenue was £14.2 million. The Group is trading profitably and ahead of the Board's expectations. The Directors believe this improvement in performance is a result of the actions taken in 2009 to reduce costs and reposition the Group. To complete this restructuring there are a number of further activities in progress including: consolidation of all US operations into a facility in Boston, Ma; alignment of organisational and financial management reporting and completion of the corporate/legal restructuring of the Group following the redomiciliation in 2008.

At 31 March 2010, the Group had free cash of £3.7 million (31 December 2009: £4.2 million) and debt of £5.9 million (31 December 2009: £6.9 million). At 31 December 2009, Sagentia had Shareholder funds of £12.7 million, equivalent to approximately 58.7 pence per Ordinary Share, including freehold land and property of £14.1 million and equity investments of £1.4 million. The Group's banking facilities are currently being renegotiated and the Board is seeking to limit the security granted in respect of this debt to the Group's freehold property or corporate entity. At 31 December 2009, the Group's reported tax losses were £56.3 million, of which £29.4 million were related to UK activities, £2.1 million were related to US activities and the balance was in jurisdictions where the Group no longer carries on business.

Whilst for the past three years the Group's core consultancy operations have been profitable, its other activities, including write-downs in the value of certain investments, have resulted in the Group reporting operating losses throughout this period. With regard to the Group's legacy investments, the Board does not intend to make any follow-on investment in these companies and intends to exit these at the earliest opportunity. Whilst there have been no events since 31 December 2009 to materially change the book value of these investments, the realisable value may or may not reflect the book value.

### **Reasons for the Placing**

The then holding company of the Group was listed on the main market of the London Stock Exchange plc in 2000 as Generics Group AG. Subsequently, the Group redomiciled when the Company was admitted to trading on the AIM market in July 2008. Throughout this period, a single Shareholder has held a large shareholding, sufficient, in the Directors' opinion, to have been a deterrent to new investors and which has had the effect of reducing liquidity for Shareholders.

Following the acquisition of my shareholding in March this year and my subsequent appointment as Chairman in April, together with the improved operating performance of the core consulting operations in the first three months of the current financial year, a review by the Board of the strategy of the Group has determined that Sagentia could benefit from an increase in the scale of its operations. This strategy could potentially include evaluating acquisition opportunities. Such acquisition opportunities could include businesses which have the potential to accelerate growth in an existing Sagentia business sector or could enable the Group to enter a new business sector or market that is complementary to the Group's current operations. Whilst the Group is financially stable and trading profitably, it does not currently have the cash resources necessary to pursue such opportunities.

After considering various options, the Board considers that the Placing is the most effective method of establishing the cash resources to enable the Group to pursue this element of its strategy. The Placing with primarily institutional Shareholders would seek to establish a foundation for the Group from which Sagentia can pursue acquisition opportunities. The Directors believe that the proceeds of the Placing will provide the

Company a competitive advantage in bid processes, increase its leverage in negotiations and offer the ability to move quickly once a deal has been reached in principle.

I have conditionally agreed to participate in the Placing in respect of 2,000,826 Ordinary Shares. The effect of this participation would be to dilute my shareholding to below 30 per cent. of the Enlarged Issued Share Capital. Details of the Placing are set out below.

## **Details of the Placing**

### ***Overview***

The Company proposes to raise £8.0 million before expenses through the issue of the Placing Shares at the Placing Price of 40p. The Placing Price represents a premium of approximately 3.2 per cent. to the closing middle market price of 38.75p on 17 May 2010, being the last practicable dealing day prior to the date of this Circular. The Placing Shares will represent approximately 47.9 per cent. of the Enlarged Issued Share Capital.

### ***The Placing Agreement***

Pursuant to the terms of the Placing Agreement, Arbuthnot has agreed to use its reasonable endeavours, as agent for the Company, to conditionally place the Placing Shares at the Placing Price with certain institutional and other investors. The Placing Agreement is conditional upon, *inter alia*, Resolutions 1 to 3 (inclusive) being duly passed at the General Meeting and Admission becoming effective at 8.00 a.m. on 7 June 2010 (or such later time and/or date as Arbuthnot may decide, but in any event by no later than 8.00 a.m. on 21 June 2010). The Placing is not underwritten.

The Placing Agreement contains warranties which expire after three years from the Company in favour of Arbuthnot in relation to, *inter alia*, the accuracy of the information contained in this Circular and certain other matters relating to the Company. In addition, the Company has agreed to indemnify Arbuthnot in relation to liabilities that it might incur in respect of the Placing. Arbuthnot has the right to terminate the Placing Agreement in certain circumstances prior to Admission, including, *inter alia*, for force majeure or in the event of a material breach of the Placing Agreement.

### ***Related Party transactions***

I have conditionally subscribed for 2,000,826 Placing Shares at the Placing Price. In addition, David Courtley, a non-executive director, has also conditionally subscribed for 375,000 Placing Shares at the Placing Price. Both David Courtley and my subscriptions constitute related party transactions under Rule 13 of the AIM Rules. The Directors, excluding David Courtley and myself, having consulted with Arbuthnot as nominated adviser to the Company, consider the terms of the Placing to be fair and reasonable so far as Shareholders are concerned.

Employees of Arbuthnot who have been advising Sagentia hold, in aggregate, an interest in 55,000 Existing Ordinary Shares.

### ***Admission and dealings***

Application will be made to the London Stock Exchange plc for the Placing Shares to be admitted to trading on AIM. The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 7 June 2010.

### ***Irrevocable Undertakings***

The Company has received irrevocable undertakings to vote in favour of the Resolutions from the Directors and certain other Shareholders representing approximately 60.5 per cent. of the Company's current issued share capital.



## **General Meeting**

The Placing is subject, *inter alia*, to the approval of Shareholders of the Resolutions at the General Meeting. Set out at the end of this Circular is the notice convening the General Meeting to be held at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR at 9.30 a.m. on 4 June 2010 at which the Resolutions will be put to the Shareholders. The Resolutions will be as follows:

### ***Resolution 1 (Ordinary Resolution) – Deletion of references to authorised share capital***

Resolution 1 seeks Shareholder approval to remove the cap on the authorised share capital following the coming into force of the Act. In the event that resolution 9 (in connection with the adoption of revised articles of association of the Company) is passed at the Annual General Meeting, the Board will look to withdraw Resolution 1.

### ***Resolution 2 (Ordinary Resolution) – Directors' authority to allot shares***

Resolution 2 seeks Shareholder approval to grant the Directors authority, for the purposes of section 551 of the Act, to allot and issue (i) Ordinary Shares up to a maximum nominal value of £200,000 being the aggregate of the Placing Shares, and (ii) other relevant securities up to a nominal value of £139,078 being approximately one third of the Enlarged Issued Share Capital. This authority will expire at the conclusion of the next annual general meeting of the Company or, if earlier, 18 months from the date of the passing of Resolution 2.

Resolution 2 replaces the existing authority of the Company to allot equity securities (as defined by section 560 of the Act) which if the resolutions proposed at the Annual General Meeting are passed will be up to an aggregate nominal amount of £72,411.98 and otherwise up to an aggregate nominal amount of £72,411.98 in connection with an offer by way of a rights issue.

### ***Resolution 3 (Special Resolution) – Disapplication of pre-emption rights***

Resolution 3 seeks Shareholder approval to authorise the Directors to disapply the rights of pre-emption under section 561(1) of the Act in certain circumstances (including in connection with the Placing) and other relevant securities up to £41,724 being approximately 10 per cent. of the Enlarged Issued Share Capital.

Resolution 3 replaces the existing authority of the Company, which if the resolutions proposed at the Annual General Meeting are passed will be to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £10,861.79 without first offering the securities to existing Shareholders, granted at the Annual General Meeting.

The authority will expire at the conclusion of the next annual general meeting of the Company or, if earlier, the date falling 18 months from passing of Resolution 3.

### ***Resolution 4 (Ordinary Resolution) – Amendment of Scheme Rules***

Resolution 4 seeks Shareholder approval to amend the rules of the Company's Approved Share Option Plan and the Unapproved Share Option Scheme as follows:

- to amend the option period (as defined in the Scheme Rules) so that vesting cannot occur prior to the third anniversary of the grant of options. The current Scheme Rules allow vesting on the second anniversary;
- to amend the change of control provisions such that the Board has discretion in the event of an acquisition of the Company to prevent the automatic vesting of all outstanding share options if it is not in the best interests of Shareholders; and
- other minor amendments.

These amendments will not affect share options granted prior to the approval of the amendment. There were 3,134,485 share options in issue at 31 December 2009 and 2,193,588 currently in issue at 17 May 2010.

The proposed changes to the Company's approved share option scheme will be subject to the approval of Her Majesty's Revenue and Customs.



A copy of the Scheme Rules will be available for inspection during normal business hours on any weekday (except Saturdays Sundays and public holidays) at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR from the date of this Circular until the conclusion of the General Meeting, and at the General Meeting itself.

#### ***Resolution 5 (Ordinary Resolution) – Incentive Share Options***

Resolution 5 seeks Shareholder approval to award options over up to 4.17 million Ordinary Shares, being approximately 10 per cent. of the Enlarged Issued Share Capital under the rules of the Company's unapproved share option scheme, as amended under Resolution 4. The grant of these options will be outside of the Scheme Limits and ABI guidelines. It is intended that these share options will be issued at the higher of the market price at the time of grant or 40 pence per Ordinary Share and be subject to a performance condition such that the vesting will be the later of three years from the date of grant and the share price reaching 80 pence per Ordinary Share for 20 consecutive trading days. The Directors intend that these share options will be allocated on the basis of 2.5 million to me, 1.0 million to Brent Hudson and the remainder to other key managers. No waiver of any obligation on me to make a mandatory offer to Shareholders under Rule 9 of the City Code on the exercise of any share options to be granted to me under this authority has been sought.

This approach will provide the Company with the flexibility within the Scheme limits to attract and retain key management, both within the current operations and associated with any acquisition.

#### **Action to be taken**

Whether or not you intend to attend the General Meeting, you are requested to complete and sign the proxy in accordance with the instructions printed on it and to return it by post to the Company's registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, **as soon as possible, and, in any event, so as to arrive no later than 9.30 a.m. on 2 June 2010.** Completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person at that meeting should you wish to do so.

#### **Importance of Vote**

As the Placing is conditional, *inter alia*, upon the passing by Shareholders of Resolutions 1 to 3 (inclusive) at the General Meeting, Shareholders should be aware that, if the Resolutions are not passed, the Placing will not take place and funds will not be received by the Company.

Voting will follow the procedure determined in the Articles. To summarise, voting will be on the basis of a show of hands (each member present in person or by proxy having one vote) unless a poll is called in which case voting will be on the basis of the number of Ordinary Shares held. Before considering a Resolution, the Chairman of the meeting will give an indication of the voting instructions for that Resolution received through the submission of valid forms of proxy.

Ordinary resolutions require a simple majority (more than 50 per cent.) of those voting in order to be approved. Special resolutions require at least 75 per cent. of those voting to be in favour in order to be approved.

#### **Recommendation**

**The Board believes that the Resolutions to be put to the General Meeting are in the best interests of the Company and its Shareholders as a whole and, accordingly, recommends that Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their beneficial holdings of Existing Ordinary Shares which amount, in aggregate, to 10,647,701 Existing Ordinary Shares, representing approximately 49.0 per cent. of the Existing Ordinary Shares.**

Yours faithfully

**Martyn Ratcliffe**  
*Chairman*

## PART 2

### NOTICE OF GENERAL MEETING

# SAGENTIA GROUP

## Sagentia Group plc (the “Company”)

*(incorporated and registered in England and Wales with number 06536543)*

Notice is hereby given that a General Meeting of the Company (the “**General Meeting**”) will be held at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR at 9.30 a.m. on 4 June 2010 for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1, 2, 4 and 5 will be proposed as ordinary resolutions and resolution 3 as a special resolution.

### ORDINARY RESOLUTIONS

- 1) **THAT** any limit on the maximum amount of shares that might be allotted by the Company which is imposed by the amount of the Company’s authorised share capital that was in force immediately prior to 1 October 2009, be revoked.
- 2) **THAT** in substitution for all existing authorities to the extent unused, the directors of the Company (the “**Directors**”) be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”), to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act):
  - a) up to a maximum nominal amount of £200,000 being the aggregate of 20,000,000 Ordinary Shares of 1p each in the capital of the Company (the “**Ordinary Shares**”) to be issued in connection with the Placing (as defined in the circular issued by the Company of which this notice forms part (the “**Circular**”)); and
  - b) otherwise than pursuant to paragraph (a) above, up to a maximum aggregate nominal amount of £139,078 being approximately one third of the Enlarged Issued Share Capital (as defined in the Circular);

provided that this authority shall (unless previously renewed or revoked) expire at the conclusion of the next annual general meeting of the Company or, if earlier, the date following 18 months after the passing of this resolution but so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities (as so defined) to be allotted after such expiry and the Directors may allot equity securities (as so defined) in pursuance of such an offer or agreement as if this authority had not expired.

### SPECIAL RESOLUTION

- 3) **THAT**, subject to the passing of resolution 2 above and in substitution for all existing authorities, to the extent unused the Directors be and they are hereby empowered, pursuant to section 570 of the Act, to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred by resolution 2 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - a) the allotment of 20,000,000 Ordinary Shares in connection with the Placing (as defined in the Circular); and
  - b) otherwise than pursuant to paragraph (a) above, the allotment of equity securities up to a maximum aggregate nominal amount of £41,724 being approximately 10 per cent. of the Enlarged Issued Share Capital (as defined in the Circular);

and shall (unless previously renewed or revoked) expire at the conclusion of the next annual general meeting of the Company or, if earlier, the date following 18 months after the passing of this resolution 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 an offer or agreement as if this authority had not expired.

#### **ORDINARY RESOLUTIONS**

4) **THAT**

- (a) the Rules of the Sagentia Group plc Unapproved Share Option Scheme adopted on 28 August 2008 (the “**Unapproved Scheme**”) be amended by incorporating the changes shown in the copy of the Scheme produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification; and
  - (b) subject to HM Revenue & Customs’ approval, the Rules of the Sagentia Group plc Approved Share Option Plan adopted in September 2008 (the “**Approved Scheme**”) be amended by incorporating the changes shown in the copy of the Scheme produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification.
- 5) That the Directors be authorised for the purposes of clause 4 of the Unapproved Scheme (as amended by Resolution 4 above) to issue options under the Unapproved Scheme over 4.17 million Ordinary Shares outside of the limitation set out in said clause of the Unapproved Scheme.

*By Order of the Board*

**Guy McCarthy**  
*Company Secretary*

18 May 2010

*Registered office:*  
Harston Mill  
Royston Road  
Harston  
Cambridge  
CB22 7GG

*Registered in England and Wales under number 06536543*

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING AND FORM OF PROXY

1. Members entitled to attend, speak and vote at the General Meeting may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the General Meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by completing and returning the Form of Proxy enclosed with this Notice to the Company's registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL.  
Return of the Form of Proxy will not preclude a member from attending the General Meeting and voting in person.
2. To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Company registrars by 9.30 a.m. on 2 June 2010. If a member wishes to appoint as a proxy a person other than the Chairman of the meeting, the name and address of the other person should be inserted in block capitals in the space provided and the words "the Chairman of the meeting or" deleted. A proxy need not be a member of the Company but must attend the meeting in person. Any alteration or deletion must be signed or initialed.
3. A member should put an 'X' under **FOR** or **AGAINST** to show how he/she wishes his/her votes to be cast in respect of each of the resolutions set out in the Notice of General Meeting. Unless so instructed the proxy will vote or abstain as he thinks fit. The proxy will act at his discretion in relation to any other business arising at the General Meeting (including any resolution to amend a resolution or to adjourn the General Meeting).
4. The Form of Proxy must be signed by the appointer or his attorney duly authorised in writing. If the appointer is a corporation the Form of Proxy should be signed on its behalf by an attorney or duly authorised officer or executed as a deed. In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders should be stated.
5. Use of this Form of Proxy does not preclude a member from attending the General Meeting and voting in person.
6. To be valid the Form of Proxy must be completed and lodged together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, with the Company's registrars or the Chairman of the General Meeting at the place of the General Meeting, not less than 48 hours before the General Meeting or any adjournment thereof.
7. At the General Meeting, the votes will be taken on a show of hands unless a poll is demanded and the results will be released to the London Stock Exchange and published on the Company's website [www.sagentiagroup.com](http://www.sagentiagroup.com).
8. Any person to whom this Notice is sent who is a person nominated under section 146 Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
9. The statement of the rights of members in relation to the appointment of proxies do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
11. The Company specifies that only those shareholders on the register of members as at 6.00 pm on 2 June 2010 (or, if the General Meeting is adjourned, 6.00 pm on the day two working days prior to the day of the adjourned General Meeting) shall be entitled to attend in person or by proxy and vote at the General Meeting in respect of the number of shares registered in their names at the time. Changes to entries on the register of members after 6.00 pm on 2 June 2010 shall be disregarded in determining the right of any person to attend or vote at the General Meeting.
12. All members and their proxies will have the opportunity to ask questions at the General Meeting. Questions may not be answered at the General Meeting if they are deemed not to be in the interests of the Company, would involve the disclosure of confidential information, or would not be to the good order of the General Meeting. The Chairman may also nominate a Company representative to answer a specific question after the Meeting or refer the response to the Company's website.
13. A copy of this Notice, and other information regarding the General Meeting required by Section 311A of the Companies Act 2006 can be found at [www.sagentiagroup.com](http://www.sagentiagroup.com).
14. As at 17 May 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital, and the total number of voting rights, consists of 21,723,595 Ordinary Shares.
15. Members are advised that, unless otherwise stated, any telephone number, website and email address set out in the Notice of General Meeting, Form of Proxy or Chairman's letter should not be used for the purpose of serving information on the Company (including the service of circulars or information relating to the proceedings at this General Meeting).

## PART 3

### FORM OF PROXY

# Sagentia Group plc (the “Company”)

(incorporated and registered in England and Wales with number 06536543)

For use at the General Meeting to be convened for 9.30 a.m. on 4 June 2010 at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR.

I/We .....

of .....

being a member/members of the Company, appoint the Chairman of the meeting or (see Note 2)

.....

as my/our proxy to exercise all or any of my/our rights to attend, speak and vote on my/our behalf at the above mentioned General Meeting

and to attend, speak and vote on my/our behalf at the above mentioned General Meeting of the Company and at any adjournment of it. I/We instruct my/our proxy to vote on a show of hands or on a poll as indicated below with an ‘X’ in respect of the resolutions set out in the Notice of the General Meeting (see Note 3).

Please tick here if this proxy appointment is one of multiple appointments:

☐

Number of shares in respect of which the proxy is appointed:

Resolution		FOR	AGAINST	ABSTAIN
	<b>Ordinary Resolutions:</b>			
1	To remove the limit on the allotment of shares imposed by the Company’s authorised share capital.			
2	To authorise the directors of the Company to allot shares in accordance with section 551 of the Companies Act 2006.			
	<b>Special Resolution:</b>			
3	To authorise the directors of the Company to disapply statutory pre-emption rights in accordance with section 570 of the Act.			
	<b>Ordinary Resolutions:</b>			
4	To amend the Rules of the Sagentia Group plc Share Option Schemes.			
5	To authorise the directors of the Company to issue options under the Sagentia Group plc Unapproved Scheme.			

For an indication of numbers attending only, please advise whether you currently expect to attend the General Meeting: Yes / No

Signed or sealed (see Note 4) .....

Dated .....2010

**Please return this Form of Proxy to the Company’s Registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL so as to arrive by no later than 09.30 am on 2 June 2010.**







