

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Chime Communications PLC, please hand this document and the accompanying proxy form 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.

CHIME COMMUNICATIONS PLC

(incorporated and registered in England and Wales under number 01983857)

Your attention is drawn to the letter from the Chairman of the Company which is set out on page 2 of this document and which recommends you to vote in favour of the resolutions to be proposed at the annual general meeting.

Notice of an annual general meeting of the Company to be held at 12 noon at 14 Curzon Street, London, W1J 5HN on 12 May 2010 is set out on pages 3 to 5 of this document. Shareholders will also find enclosed with this document a proxy form for use in connection with the annual general meeting.

To be valid, the proxy form should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services PLC, by no later than 12 noon on 10 May 2010. The proxy form can be delivered by post or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or electronically by visiting www.eproxyappointment.com. Shareholders may access this facility using the Shareholder Reference Number (SRN), PIN and meeting Control Number shown on the proxy form accompanying this notice.

Completion and return of a proxy form will not preclude shareholders from attending and voting at the annual general meeting should they choose to do so. Further instructions relating to the proxy form are set out in the notice of the annual general meeting.

CHIME COMMUNICATIONS PLC

(incorporated and registered in England and Wales under number 01983857)

Registered office:

14 Curzon Street,
London W1J 5HN

6th April 2010

Dear Shareholder,

Annual General Meeting

This year's annual general meeting is to be held at 12 noon on 12 May 2010 at 14 Curzon Street, London, W1J 5HN. The formal notice convening the annual general meeting can be found on pages 3 to 5 of this document. A proxy form for use in connection with this meeting is enclosed with this document.

You will notice that this year's notice of annual general meeting is considerably longer than in previous years. In addition to the usual business to be considered at the annual general meeting, we will be seeking your approval to introduce a new Co-Investment Plan and to adopt new Articles of Association.

New Co-Investment Plan

Following the conclusion of the performance period of the last plan, the 2006 Co-Investment Plan, earlier this year, the Remuneration Committee has considered the most appropriate vehicle for the next phase of Chime's development and as such is seeking your approval for the introduction of a new Co-investment Plan. Further information about the new plan and a summary of its main features are set out in Appendix 1 to the notice of annual general meeting.

New Articles of Association

We are asking shareholders to approve a number of amendments to our Articles of Association primarily to reflect the implementation of the Shareholder Rights Directive in the UK in August 2009 and the remaining provisions of the Companies Act 2006 in October 2009. An explanation of the main changes between the proposed and the existing Articles of Association is set out in Appendix 2 to the notice of annual general meeting.

Recommendation

Your directors consider that each resolution to be proposed at the annual general meeting is in the best interests of the shareholders as a whole and unanimously recommend shareholders to vote in favour of all resolutions, as they intend to do in respect of their own shareholdings.

Yours faithfully,

Lord Bell
Chairman

Notice of Meeting

Notice is hereby given that the annual general meeting of Chime Communications plc (the “**Company**”) will be held at 14 Curzon Street, London, W1J 5HN on Wednesday 12 May at 12 noon. You will be asked to consider and if thought fit to pass the resolutions below. Resolutions 11 to 14 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions. Explanatory notes relating to each resolution are set out in the explanatory notes to the notice of annual general meeting on pages 9 to 11 of this document.

Ordinary Resolutions

Resolution 1 – To receive the Company’s Annual Report and Accounts for the financial year ended 31 December 2009 together with the reports of the directors and auditors.

Resolution 2 – To approve the Directors’ Remuneration Report for the financial year ended 31 December 2009.

Resolution 3 – To re-elect Mark Smith as a director of the Company.

Resolution 4 – To re-elect Catherine Biner Bradley as a director of the Company.

Resolution 5 – To re-elect Paul Richardson as a director of the Company.

Resolution 6 – To authorise the payment of a final dividend on the ordinary shares of 3.50p per share for the year ended 31 December 2009 on 18 June 2010 to shareholders on the register at the close of business on 28 May 2010.

Resolution 7 – To re-appoint Deloitte LLP as auditors of the Company.

Resolution 8 – To authorise the directors of the Company to determine the remuneration of the auditors.

Resolution 9 – That:

- (a) the establishment of the Chime Communications 2010 Co-investment Plan, a summary of the principal provisions of which is set out in Part B of Appendix 1 to this notice, be and it is hereby approved and the directors of the Company be and they are hereby authorised to do all acts and things necessary to establish and carry it into effect; and
- (b) the directors of the Company be and they are hereby authorised to vote and be counted in the quorum on any matter connected with the Chime Communications 2010 Co-investment Plan (except that no director may vote or be counted in the quorum in respect of his own participation) and any prohibition on voting contained in the articles of association of the Company be and is hereby relaxed accordingly.

Resolution 10 – That the board of the Company be generally and unconditionally authorised 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 a nominal amount of £6,113,968 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such sum); and
- (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £12,227,937 (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:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the board of the Company otherwise considers necessary,

Notice of Meeting

and so that the board of the Company may impose any limits or restrictions and make any arrangements which it considers 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,

such authorities to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 12 August 2011) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the board of the Company may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Special Resolutions

Resolution 11 – That if resolution 10 is passed, the board of the Company be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

- (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 10, by way of a rights issue only):
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities, or as the board of the Company otherwise considers necessary,

and so that the board of the Company may impose any limits or restrictions and make any arrangements which it considers 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; and

- (b) in the case of the authority granted under paragraph (a) of resolution 10 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £917,095,

such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 12 August 2011) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the board of the Company may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

Resolution 12 – That the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 25 pence each ("**Ordinary Shares**"), such power to be limited:

- (a) to a maximum number of 7,336,762 Ordinary Shares;
- (b) by the condition that the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is the nominal amount of that share and the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the highest of:
 - (i) an amount equal to 5% above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and

- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

such power to apply until the end of next year's annual general meeting (or, if earlier, 12 August 2011) but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

Resolution 13 – That:

- (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 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- (b) the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Resolution 14 – That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Robert Davison

Company Secretary
Chime Communications plc
6th April 2010

Registered Office:
14 Curzon Street,
London W1J 5HN

Registered in England and Wales No. 01983857

Notes to the Notice of Meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the annual general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC on 0870 889 3278.
2. To be valid any proxy form or other instrument appointing a proxy must be received by hand (during normal business hours only) or by post at the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, or electronically by visiting www.eproxyappointment.com. Shareholders may access this facility using the Shareholder Reference Number (SRN), PIN and meeting Control Number shown on the proxy form accompanying this notice. Proxy form appointments should be received by the Company's Registrars no later than 12 noon on 10 May 2010 (or, in the event of any adjournment, not later than 48 hours before the time of the adjourned meeting).
3. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
4. 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 included with the proxy form.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the annual general meeting.
6. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraphs 7 to 10 below) will not prevent a member attending the annual general meeting and voting in person if he/she wishes to do so.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent, Computershare Investor Services PLC (ID 3RA50) by 12 noon on 10 May 2010. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member

concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. 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.
11. In the case of joint holders, 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. 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).
12. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
13. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
14. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
15. To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 12 noon on 10 May 2010 (or, in the event of any adjournment, not later than 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
16. As at 6 April 2010 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 73,367,624 ordinary shares carrying one vote each. There were no shares held in Treasury. Therefore the total voting rights in the Company as at 6 April 2010 are 73,367,624.
17. Copies of the following documents will be available for inspection at the registered office of the Company, 14 Curzon Street, London W1J 5HN, during the usual business hours on any weekday, except Saturdays, Sundays and public holidays, from the date of this notice until close of business on the date of the 2010 annual general meeting of the Company and at the annual general meeting of the Company from at least 15 minutes prior to the meeting until its close:
 - the audited accounts of the Company for the financial year ended 31 December 2009;
 - copies of the executive directors' service contracts and the non-executive directors' letters of appointment (together with any side letters relating to severance terms and pension arrangements);
 - the Chime Communications 2010 Co-investment Plan; and
 - copies of the existing Memorandum of Association and Articles of Association marked up to show the changes being proposed in resolution 13 and a copy of the proposed new articles of association of the Company.

Notes to the Notice of Meeting

18. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders 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 annual general meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

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

20. Except as provided above, members who have general queries about the annual general meeting should use the following means of communication (no other methods of communication will be accepted):

- by post: 14 Curzon Street, London W1J 5HN;
- by telephone: 0207 861 8515; or
- by email: enquires@chime.plc.uk.

You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

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

22. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.chime.plc.uk.

Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolution 1 – Directors' report and accounts

The directors of the Company are required to present to the annual general meeting the audited accounts and the directors' and auditors' report for the financial year ended 31 December 2009. The report may also be accessed on the Company's website at www.chime.plc.uk.

Resolution 2 – Remuneration report

The directors' report on remuneration is set out in full on pages 24 to 31 of the 2009 annual report. The report may also be accessed on the Company's website at www.chime.plc.uk.

Resolutions 3 to 5 – Re-election of directors

These resolutions concern the re-election of directors to the board of the Company. In accordance with the Financial Reporting Council's Combined Code on Corporate Governance the board of the Company has carried out an evaluation of the performance of each of the directors, the board, its processes and committees of the board. The Chairman confirms that, following the performance evaluation, each of the directors proposed for re-election continues to be effective and to demonstrate commitment to the role, for further details refer to the Director's Statement on Corporate Governance on page 16 of the 2009 annual report. Details of the directors' membership of committees may be found on page 10 of the 2009 annual report. Details of the directors' interests in the shares of the Company may be found on page 31 of the 2009 annual report.

Resolution 3 – Mark Smith – Finance Director

Mark Smith is retiring and will be standing for re-election. Mark has been a director of the Company since 1994. Biographical details are available on page 10 of the 2009 annual report. The Board recommends his re-election.

Resolution 4 – Catherine Biner Bradley – Non-Executive Director

Catherine Biner Bradley is retiring and will be standing for re-election. Catherine has been a director of the Company since 2001. Biographical details are available on page 11 of the 2009 annual report. The Board recommends her re-election.

Resolution 5 – Paul Richardson – Non-Executive Director

Paul Richardson was first elected to the Board in 1997. Paul was re-elected as an independent director at the 2009 annual general meeting and, in accordance with the requirements of the Financial Reporting Council's Combined Code on Corporate Governance for directors who have served more than nine years since first being elected, submits to annual re-election by shareholders. Biographical details are available on page 11 of the 2009 annual report. The Board recommends his re-election.

Resolution 6 – To approve the payment of a final dividend

Shareholders must approve the final dividend for each ordinary share. However, the final dividend cannot be more than the amount which the directors of the Company recommend (which is 3.50p for each ordinary share). The final dividend proposed in this resolution is in addition to the interim dividend of 1.60p per ordinary share which was paid on 16 October 2009. If resolution 6 is approved by shareholders, the final dividend for the year ended 31 December 2009 will be paid on 18 June 2010 to shareholders whose names appear on the register of members at close of business on 28 May 2010.

Resolution 7 – Reappointment of auditors

The auditors are required to be reappointed at each annual general meeting at which accounts are presented. The board of directors, on the recommendation of the Audit Committee, which has evaluated the effectiveness and independence of the external auditors, is proposing the reappointment of Deloitte LLP.

Resolution 8 – To authorise the directors to determine the remuneration of the auditors

The work of the auditors and their remuneration is assessed by the Audit Committee of the board of directors. This resolution permits the board to determine the level of remuneration of the auditors and their work based upon that assessment.

Resolution 9 – To approve the Chime Communications 2010 Co-investment Plan

It is proposed that the Chime Communications 2010 Co-investment Plan be approved. A summary of the principal features of the new plan is set out in Part B of Appendix 1 to the notice of annual general meeting.

Explanatory Notes to the Notice of Annual General Meeting

Resolution 10 – Renewal of the board of the Company's authority to allot securities

Paragraph (a) of this resolution would give the directors of the Company the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £6,113,968 (representing 24,455,872 ordinary shares of 25 pence each). This amount represents approximately one-third of the issued ordinary share capital of the Company as at 6 April 2010, the latest practicable date prior to publication of this notice.

In line with guidance issued by the Association of British Insurers (“**ABI**”), paragraph (b) of this resolution would give the directors of the Company authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £12,227,937 (representing 48,911,748 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 6 April 2010, the latest practicable date prior to publication of this notice.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the earlier of 12 August 2011 and the conclusion of the annual general meeting of the Company held in 2011.

Except under paragraph (a) to satisfy options under the Company's share option schemes, the directors of the Company have no present intention to exercise either of the authorities sought under this resolution. However, if they do exercise the authorities, the directors of the Company intend to follow ABI recommendations concerning their use (including as regards the directors of the Company standing for re-election in certain cases).

As at the date of this notice, no ordinary shares are held by the Company in treasury.

Resolution 11 – Disapplication of pre-emption rights

This resolution will be proposed as a special resolution, which requires a 75% majority of the votes to be cast in favour. It would give the directors of the Company the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the board of the Company otherwise considers necessary, or otherwise up to an aggregate nominal amount of £917,095 (representing 3,668,380 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 6 April 2010, the latest practicable date prior to publication of this notice. In respect of this aggregate nominal amount, the directors of the Company confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 12 August 2011 and the conclusion of the annual general meeting of the Company held in 2011.

Resolution 12 – Purchase of own shares

Authority is sought for the Company to purchase up to 10% of its issued ordinary shares of 25 pence each (“**Ordinary Shares**”) (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The Company purchased no Ordinary Shares in the period from the last annual general meeting to 6 April 2010 under the existing authority.

The directors of the Company have purchased and will continue to purchase Ordinary Shares which will then be used to satisfy deferred consideration obligations but otherwise have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The directors of the Company will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The directors of the Company will consider holding any Ordinary Shares the Company may purchase as treasury shares. The Company currently has no Ordinary Shares in treasury. The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is its nominal value. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the highest of (i) an amount equal to 5% above the average market value for an Ordinary Share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 1,966,104 Ordinary Shares, representing 2.68% of the Company's ordinary issued share capital as at 6 April 2010. If the authority now being sought by resolution 12 were to be fully used, these would represent 2.98% of the Company's ordinary issued share capital.

The authority will expire at the earlier of 12 August 2011 and the conclusion of the annual general meeting of the Company held in 2011.

Resolution 13 – Adoption of new articles of association

It is proposed in resolution 13 to adopt new articles of association (the "**New Articles**") in order to update the Company's current articles of association (the "**Current Articles**") primarily to take account of the coming into force of the Companies (Shareholders' Rights) Regulations 2009 (the "**Shareholders' Rights Regulations**") and the implementation of the last parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in Appendix 2. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 or the Shareholders' Rights Regulations, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in Appendix 2. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 7 of this notice.

Resolution 14 – Notice of general meetings

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice.

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an annual general meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 14 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Explanatory Notes to the Notice of Annual General Meeting

1. Directors and their Interests

Co-Investment Plan 2006 (“the Plan”)

Following the conclusion of the performance period under the Plan on the 10th March 2010, the Remuneration Committee (“the Committee”) determined that the combined total shareholder return (“TSR”) and earnings per share (“EPS”) award level should be calculated at 74.77% of the maximum award granted under the Plan reported on page 30 of the annual report.

As reported at page 26 of the annual report, the Committee has resolved to permit the earlier vesting by participants of the Plan on the 10th March 2010. As a result, Piers Pottinger vested all of his 344,334 matching shares and Mark Smith vested 244,049 shares on the 10th March 2010, whilst the remaining Directors have elected to vest their matching shares at the original vesting date of 10th September 2010.

Lord Bell and Christopher Satterthwaite will receive 312,863 and 336,016 shares respectively when they vest their awards on the 10th September 2010.

Director's holdings

On the 10th March 2010, Piers Pottinger sold 95,694 shares. He subsequently sold a further 141,177 shares on the 22 March 2010. As a result of the vesting of the matching shares under the Plan and as a result of the sale, Piers Pottinger now holds 508,623 shares.

On the 22nd March 2010, Mark Smith sold 91,423 shares. In addition, Mark Smith also received and subsequently sold 14,640 shares granted to him under the Deferred Share Plan 2006. As a result of the vesting of matching shares and the sale of shares Mark Smith now holds 246,169 shares.

On the 22nd March 2010, Christopher Satterthwaite exercised and subsequently sold 100,000 options granted to him under the Chime Executive Share Option Scheme. In addition Christopher Satterthwaite received and subsequently sold 24,400 shares granted to him under the Deferred Share Plan 2006. As a result of the sales Christopher Satterthwaite now holds 94,051 shares.

On the 25th March 2010, Lord Bell transferred 169,900 shares from a Trust in which he held a non-beneficial holding into his own name. As a result of the transfer Lord Bell now holds 589,082 shares in his own name including 42,900 shares granted to him under the Deferred Share Plan 2006.

2. Substantial Interests

At 6th April 2010 the following interests, other than those of the Directors set out at page 31 of the annual report, in 3 per cent. or more of the issued share capital had been notified to the Company:

	Number of ordinary shares	per cent. of ordinary share capital
WPP Group Plc	11,036,718	15.04
Fidelity Investments	9,057,107	12.34
Aberforth Partners	3,930,700	5.36
JM Finn Stockbrokers	3,518,651	4.79
Legal and General Asset Management	3,256,583	4.43
JP Morgan Asset Management	2,462,389	3.35

Appendix 1

The Chime Communications 2010 Co-Investment Plan

Part A – Adoption of a Co-Investment Plan

The Remuneration Committee believes that the current Co-Investment Plan (the **current plan**) has been effective in driving management behaviour and increasing alignment with shareholders. As such, the new Co-Investment Plan (the **new plan**) shares many features with the existing arrangement, albeit with a number of changes intended to improve the effectiveness of the current plan further.

The key features of the new plan are as follows:

- It will be an annual “rolling” plan;
- We propose to extend the invitation to participate to 20 executives in the new plan, all of whom are, or will be, in a position to make a significant contribution to the business. This includes the 14 currently proposed participants and allows for new entrants;
- Participants will receive an award of shares which will vest after a three-year performance period, dependent on the achievement of demanding performance conditions;
- The maximum award of shares will normally be no more than 100% of salary per annum and maximum vesting (for initial awards) will require Earnings Per Share (**EPS**) growth of 12% per annum in excess of Consumer Prices Index (**CPI**) growth and a Total Shareholder Return (**TSR**) ranking at the 75th percentile of the peer group; and
- Participation will be dependent upon the participant maintaining an investment in the Company throughout the period between award and vesting. For executive directors, this will be 25% of each award under the plan.

Performance conditions

The Remuneration Committee considers that, as for the current plan, the primary engine for the creation of long-term shareholder value is sustained growth in profitability, for which the primary and most complete measure is EPS. However, the Committee is keen for the plan to reward the delivery of shareholder return; it is proposed therefore, for the 2010 awards, that 50% of the award will be subject to relative TSR (growth in share price plus reinvested dividends) and 50% subject to EPS growth.

It is intended that EPS performance for the 2010 awards will be measured in the following way:

- The cumulative EPS delivered over the three financial years in the performance period will be calculated. At the end of the performance period, the Committee will calculate the compound annual growth rate (**CAGR**) delivered by the cumulative earnings over the period when compared to the base year.
- If this average annual growth rate is less than 5% per annum in excess of CPI growth, then no vesting will occur. At 5% per annum in excess of CPI growth, 30% of the EPS portion of the award will vest (15% of the overall award) rising in a straight line to 100% vesting for an annual growth rate of 12% per annum or more in excess of CPI growth (50% of the overall award).
- We have set these targets in the light of the Company’s internal plans and analysts’ expectations and it is believed that they will be appropriately stretching.
- It is proposed to use the basic EPS as disclosed in the Company’s annual accounts, prior to any items that the Remuneration Committee consider to be exceptional, as the most appropriate all-round measure of the company’s profitability. It is expected that amortisation of intangibles and goodwill will be considered to be exceptional for the purposes of this calculation.

It is intended that TSR performance for the 2010 awards will be measured in the following way:

- The comparator group to be used will consist of 14 companies, initially: Bloomsbury Publishing PLC, Cello Group PLC, Centaur Media PLC, Chrysalis Group PLC, Creston PLC, Future PLC, Huntsworth PLC, ITE Group PLC, M&C Saatchi PLC, Media Square PLC, Next Fifteen Communications Group PLC, STV PLC, Tarsus Group PLC and Wilmington Group PLC.

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- If any company were to drop out of this group during the performance period, it will normally remain in the comparator group up to the point of delisting. At this point, the exit value of the company will be frozen and indexed forward by the movement in value of a substitute company selected by the Remuneration Committee (if an appropriate replacement is available).
- TSR will be measured over a three-year period.
- Maximum vesting will occur if the Company's TSR places it at or above the 75th percentile of the peer group. At the threshold of 50th percentile performance, 30% of this portion of the award (15% of the overall award) will vest. Straight-line vesting will occur between these two points.
- The Remuneration Committee may adjust the number of shares that would otherwise vest in accordance with the TSR target if it does not consider that it reflects the underlying financial performance of the Company over the performance period.

Targets are expected to be stretching and the Remuneration Committee will review the targets for each new grant of awards to ensure that this is the case and will amend as it considers appropriate. Targets will be disclosed in advance each year in the Annual Report.

Dilution and cost

The number of new shares that have been issued, or that will be issued, to satisfy options and awards that have been granted under the Company's discretionary share schemes in the past 10 years represents 1.622% of the current issued share capital.

Dilution and cost have been modelled for the new plan using the following assumptions:

- Expected number of participants – 14;
- 100% of salary awarded to all participants; and
- Vesting has been modelled at two levels. Firstly maximum vesting and secondly 50% of maximum vesting.

The Committee is extremely conscious of the importance placed on dilution by shareholders and has given considerable thought to the most appropriate financing mechanism. The Committee's proposal is to mitigate this dilution through the market purchase of 50% of the maximum potential shares required under the new plan. Shareholder dilution will only therefore occur in the event that vesting exceeds 50% of the maximum. If performance is below the 50% vesting level, any excess shares will be used to fund future awards for other employees.

The proposed new plan will require approximately 1.7% of equity each year (0.85% newly issued shares and 0.85% existing shares) for maximum vesting and 0.85% of shares for 50% of maximum vesting (all from existing shares).

If performance is exceptional, the Committee's proposals may therefore potentially result in dilution in excess of the normal 5% discretionary limit for executive share plans. However, given the stretching performance conditions, it is believed that they fall within the ABI guidelines (Rule 8.2 of the 15 December 2009 guidelines). In addition, the alternative means of delivering competitive pay for this senior team is cash instead of shares and the Committee feels that the use of equity is both a more appropriate form of remuneration and a better spend of shareholder funds.

In terms of the accounting cost of the plan, the Committee estimates a profit and loss charge in the order of an average of £2.2 million per annum for vesting at 50% of the maximum level. The TSR portion of this accounting cost is broadly fixed regardless of actual performance and vesting, while the cost in relation to the EPS growth portion will vary according to actual performance.

The calculation of EPS to determine vesting levels will be after the costs of the new plan, so it will require growth beyond the costs of the plan for vesting to occur.

The cost of the new plan will reduce annual EPS by about 2.3p for maximum vesting (i.e. equivalent to approximately 10.9% of the current EPS) and by 1.36p per share for 50% vesting (i.e. equivalent to approximately 6.4% of the current EPS).

The Committee has carefully considered the benefits of the proposed new plan in the light of the cost and dilution impact and firmly believes that the plan represents a good investment for shareholders. In effect, based on the 50% vesting assumption, the board of the Company is asking shareholders to approve the P&L commitment of approximately £2.2m per annum, in return for growth which would deliver incremental market capitalisation to shareholders over the first three-year cycle of around £87m.

Conclusion

This new plan represents a return to typical rolling arrangements that institutions generally favour. In designing the plan, the Company's objective has been to provide ongoing focus for executives to improve company performance, the ultimate goal of which is the delivery of superior value to shareholders. As for the current plan, the Committee believes that the proposed new plan will achieve this through its requirement that executives commit their own funds, through the aggressive goals in the plan and through its long-term nature.

Part B – Summary of the Main Provisions of the Chime Communications 2010 Co-Investment Plan (The "Plan")

1. Administration

Overall responsibility for the operation and administration of the Plan will be vested in the remuneration committee of the board of directors of the Company (the **Committee**).

2. Eligibility

Participants in the Plan will be selected by the Committee. Participants will be limited to employees (including executive directors) of the Company and its subsidiaries (the **Group**).

3. Awards

An award under the Plan may take the form of a conditional award, which is a deferred right to receive ordinary shares in the company (**Shares**), or an option to acquire Shares for no cost subject in each case, normally, to continued employment and the achievement of the performance targets.

Awards may be satisfied by the issue of new Shares, the transfer of Shares held in treasury or the transfer of Shares purchased in the market. Awards may be granted either by the Company or by the trustee of an employee trust.

Awards will be personal to the participant and may not be transferred except on death to a personal representative. No payment will be required for the grant of an award.

4. Timing

Awards may be granted in the six weeks following the approval of the Plan by shareholders, the announcement of the results of the Company for any period, upon the appointment or promotion of an employee and at other times when the Committee determines that exceptional circumstances exist.

5. Grant of awards

To participate in the Plan, an employee must agree to hold Shares (**Deposited Shares**) throughout the period from the date on which the award is granted until the end of the performance period; Shares which are being held for the purposes of one award cannot be used as Deposited Shares for another award. A participant may be allowed to dispose of some or all of his Deposited Shares so long as they are immediately replaced by other Shares.

If the Committee so allows, the following may count as part of a participant's Deposited Shares: Shares held by his spouse, civil partner or children; Shares held by a family trust of which he, his spouse, civil partner or his children are beneficiaries; Shares held in an ISA of which he or his spouse or civil partner is the investor and Shares held through a self-invested pension plan of his or his spouse or civil partner.

An employee who elects to participate will be granted an award over additional Shares (the **Matching Shares**). The Committee will determine the number of Matching Shares but it will not, in the case of executive directors, exceed four times the participant's Deposited Shares.

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Each award (to the extent to which it vests according to the performance targets) may (if the Committee so decides) be adjusted to reflect the dividends paid on the vested Shares during the performance period or during the period from the date of the grant of the award to the vesting date (in the case of a conditional award) or the exercise date (in the case of a nil-cost option). The adjustment will be made by paying an amount equal to the dividends (and the associated tax credit) paid on the vested Shares or by delivering Shares with an equivalent value.

6. Individual limit

Other than in circumstances determined by the Committee to be exceptional, the market value (measured at or about the time of invitation) of shares over which awards may be granted in any financial year is limited to 100% of the annual rate of the participant's basic pay.

7. Plan limits

The maximum number of Shares over which awards may be granted is 12,471,874 of which not more than 6,235,937 (representing 8.5% of the current issued share capital) may be satisfied by the issue of new Shares or the transfer of Shares out of treasury. No awards may be granted after 12 May 2020.

8. Performance targets

All awards will be subject to one or more performance targets to be measured, in normal circumstances, over a period of not less than three years. The performance targets will be measured on one occasion only; there will be no re-testing.

The Committee may set different targets from year to year. The Committee may change a performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Committee, materially easier or more difficult to satisfy than it was when the award was first granted.

Information on the performance targets to be used for the first grant of awards is set out in Part A of this Appendix.

9. Vesting of awards

The Committee will determine whether, and to what extent, awards have vested at the end of the performance period. In the case of conditional awards, the vested Matching Shares will be released shortly after the vesting date. In the case of nil-cost options, the participant may exercise his award during such period after vesting (being not more than seven years) as the Committee may have determined at the time that the award was granted.

10. Termination of employment

If a participant ceases to be employed within the Group for any reason other than one justifying summary dismissal, he will be entitled to retain any award that has already vested.

If a participant ceases to be employed within the Group before an award has vested, his award will lapse unless he leaves for a permitted reason or the Committee decides otherwise. A permitted reason is death, ill-health, injury, disability, redundancy or the sale outside the Group of the company or business in which the participant works.

Where a participant leaves for a permitted reason, his award will be reduced on a time-apportioned basis by reference to the proportion of the performance period during which the participant was in employment unless the Committee decides to make a smaller or larger reduction (including no reduction at all) having regard to such factors as it considers relevant.

The participant's award will vest according to the performance targets measured over the normal performance period unless the Committee decides that the performance targets will be measured to the date of termination or to such other date as the Committee may decide is more appropriate.

Awards in the form of nil-cost options which have already vested, or which vest following termination of employment, may be exercised in the 12 months following termination or, if later, vesting.

For these purposes, the Committee may decide to treat as a member of the Group any company in which the Company, directly or indirectly, beneficially owns at least 20% of the equity share capital.

11. Change of control, reorganisation etc

In the event of a change of control, a reorganisation, an amalgamation or a voluntary winding up of the Company, the number of Shares subject to an award will be reduced on a time-apportioned bases by reference to the proportion of the performance period to the date of the relevant event and the participant's award will vest according to the performance targets measured up to the date of the relevant event (or such other convenient date as the Committee may select) unless the Committee decides that the award will vest to a greater or lesser extent having regard to such factors as it considers relevant.

In the event of a change of control of the Company, participants may, with the agreement of the acquiring company, surrender their awards in return for substitute awards over shares in the acquiring company. If, immediately following the change of control, not less than 75% of the shareholders of the acquiring company are the same as the shareholders in the Company immediately before the change of control and participants are offered or granted substitute awards, the Committee may decide that unvested awards will not vest.

12. Listing

Application will be made for admission to the Official List of new Shares issued under the Plan and for permission to trade in those Shares. Shares issued under the Plan will rank equally in all respects with existing Shares except for rights attaching to Shares by reference to a record date prior to the date of allotment.

13. Variation of capital

In the event of a variation in the share capital of the Company or in such other circumstances as the Committee considers appropriate, it may adjust both the limits summarised in paragraph 7 and the awards in such manner as it determines to be appropriate.

14. Benefits non-pensionable

Benefits under the Plan will not form part of a participant's remuneration for pension purposes.

15. Amendments

The Committee may make such amendments to the Plan either as are necessary or desirable to take account of changes to any applicable legislation. The Committee may also make such amendments to the Plan and to any award as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of the Group.

Except as described above or for amendments designed to ease the administration of the Plan or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or Plan limits, the terms of awards, the adjustment of awards or the power of amendment without the prior approval of the Company in general meeting.

Appendix 2

Explanatory Notes of Principal Changes to the Company's Articles of Association

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 contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the 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 treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 13 (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 also contain an express statement regarding the limited liability of shareholders.

2. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

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 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 employee share schemes.

4. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to 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 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 Companies Act 1985, a company required 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.

6. Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one director in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

7. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to treat physical illness in the same manner as mental illness.

8. Voting by proxies on a show of hands

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles remove provisions in the Current Articles dealing with proxy voting on the basis that these are dealt with in the Companies Act 2006 and contain a provision clarifying how the provision of the Companies Act 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities.

9. Adjournments for lack of quorum

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

10. General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

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