

# ZOO DIGITAL GROUP PLC

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given** that the fourth Annual General Meeting of ZOO Digital Group plc will be held on Wednesday 28 July 2004 at 10am at 20 Furnival Street, Sheffield S1 4QT for the following purposes:

### ORDINARY BUSINESS

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

1. To receive the directors' and auditor's reports and the accounts for the year ended 31 December 2003.
2. To re-elect Ian Stewart as a director of the Company.
3. To re-elect Andrew Scrivener as a director of the Company.
4. To re-appoint PKF as auditor of the Company to hold office until the conclusion of the next Annual General Meeting.
5. To authorise the directors to determine the auditor's remuneration.

### SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions of which resolutions 6, 10 and 11 will be proposed as ordinary resolutions and resolutions 7, 8 and 9 will be proposed as special resolutions:

6. That the directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 as amended (the **Act**) and in substitution for all existing authorities under that section to exercise all the powers of the Company to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £250,000 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the date of the next annual general meeting of the Company after the passing of this resolution or on 28 October 2005 (whichever is the earlier), but the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement.
7. That in substitution for all existing authorities and subject to the passing of resolution 6 above:
  - (a) the directors be generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of sections 94(2) and 94(3A) of the Act) for cash pursuant to the general authority conferred by resolution 6 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
    - (i) in connection with a rights issue; and
    - (ii) (otherwise than pursuant to paragraph 7(a)(i) above), up to an aggregate nominal amount of £50,000;  
and, unless renewed or otherwise varied by the Company in general meeting, shall expire on the expiry of the general authority conferred by resolution 6 above. The Company may make any offers or agreements before this power has expired which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired;
  - (b) For the purposes of this resolution **rights issue** means an offer of equity securities open for acceptance for a period fixed by the directors to holders on the register on a fixed record date of ordinary shares in the Company, in proportion (as nearly as may be practicable) to their respective holdings, but subject to such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts.
8. That the directors be authorised to grant an option to subscribe for 250,000 ordinary shares in the Company to John Barnes, on the terms of the option agreement a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification, and to allot ordinary shares on the exercise of that option as if section 89 of the Companies Act 1985 did not apply to such grant and allotment.

9. That the directors be authorised to grant an option to subscribe for 250,000 ordinary shares in the Company to Christopher Henry Bruce Honeyborne, on the terms of the option agreement a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification, and to allot ordinary shares on the exercise of that option as if section 89 of the Companies Act 1985 did not apply to such grant and allotment.
10. That the rules of the ZOO Digital Group plc Share Incentive Plan (the **Plan**), the principal features of which are summarised in the Chairman's letter and a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and are hereby approved and adopted, and the directors of the Company be and are hereby authorised to do all acts and things as may be necessary or desirable to implement and give effect to the same including making such amendments to the rules of the Plan as are necessary to obtain the approval of the Inland Revenue to the Plan under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003.
11. That the rules of the Company's share option schemes be amended as follows:
  - a) in the rules of the ZOO Digital Group plc Employee Share Option Scheme (formerly the Kazoo Employee Share Option Scheme) replacing the words "10 per cent" in Rule 3.4 with the words "15 per cent";
  - b) in the rules of the ZOO Digital Group plc Unapproved Executive Share Option Scheme replacing the words "10 per cent" in [Rule 3.4] with the words "15 per cent";
  - c) in the rules of the ZOO Digital Group plc Enterprise Management Incentive Scheme replacing the words "ten per cent" in Rule 3.2 with the words "fifteen per cent".

By order of the Board



*Company secretary*

Registered Office:  
Parkhead House  
26 Carver Street  
Sheffield  
S1 4FS

Dated 25 June 2004

**Notes:**

1. Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and, on a poll, to vote in their place. A proxy need not be a shareholder of the Company.
2. To be effective, a completed and signed proxy form, together with the authority (if any) under which it is signed (or a notarially certified copy of such authority), must be returned so as to reach the Company's Registrars, Capita IRG plc, Registration Services PO Box 25, Beckenham, Kent BR3 4BR, not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting.
3. Completion and return of the proxy form will not preclude a member from attending and voting in person at the meeting or any adjourned meeting.
4. A proxy form is enclosed for your use.
5. Only those shareholders registered in the Company's register of members at 10am on 26 July 2004 (or, in the case of an adjournment, no later than 48 hours before the time of the adjourned meeting) will be entitled to attend or vote at the meeting and that the number of votes which any such shareholder may cast, upon a poll, will be determined by reference to the number of shares registered in such shareholder's name at that time. Changes to entries on the register of members after 10am on 26 July 2004 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
6. Copies of the following documents are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) and will be available for inspection at the place of the Meeting from 9am until the conclusion of the Meeting:
  - (a) the register of director's interests in the loan and share capital of the Company;
  - (b) copies of the draft rules of the Plan; and
  - (c) copies of the rules of the Company's share option schemes.

# ZOO DIGITAL GROUP PLC

(incorporated in England and Wales with company number 3858881)

## FORM OF PROXY

To be used for the Annual General Meeting of ZOO Digital Group PLC (the Company) to be held on  
Wednesday 28 July 2004 at 10am at 20 Furnival Street, Sheffield S1 4QT.

I/We .....  
(FULL NAME IN BLOCK LETTERS)

of .....  
(FULL ADDRESS IN BLOCK LETTERS)

being (a) member(s) of the Company hereby appoint the Chairman of the meeting, failing whom

.....

of .....

as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on Wednesday 28 July 2004 at 10am and at any adjournment thereof.

I/We authorise and instruct my/our said proxy to vote on the resolutions to be proposed at such meeting as indicated by the marking of an "X" in the appropriate boxes below. The proxy may vote (or abstain from voting) as he or she thinks fit on any specified resolution where no specific direction is given or on any other business which may properly come before the above-mentioned annual general meeting.

Resolution	For	Against
1. To receive the report and accounts		
2. To re-elect Ian Stewart as a director of the Company		
3. To re-elect Andrew Scrivener as a director of the Company		
4. To re-appoint PKF as auditor		
5. To authorise the directors to fix the auditor's remuneration		
6. To authorise the board to allot, grant options over, offer or otherwise deal with or dispose of relevant securities for a period expiring at the next general meeting		
7. To disapply statutory pre-emption rights for the same period as the general authority conferred by resolution 6		
8. To authorise the directors to grant an option to subscribe for 250,000 ordinary shares in the Company to John Barnes		
9. To authorise the directors to grant an option to subscribe for 250,000 ordinary shares in the Company to Christopher Henry Bruce Honeyborne		
10. To approve and adopt the rules of the Company Share Incentive Plan and to authorise the directors to implement the same		
11. To amend the rules of the Company's share option schemes		

Dated this 25th day of June 2004

Signature .....

Please mark this box if signing on behalf of the holder under a power of attorney or other authority.

### Notes:

- Shareholders entitled to attend and vote at the 2004 Annual General Meeting may appoint one or more proxies to attend and, on a poll, to vote in their place. A proxy need not be a shareholder of the Company.
- If it is desired to appoint as proxy any person other than the Chairman of the above-mentioned annual general meeting, such person's name and address should be inserted in the relevant place, reference to the Chairman should be deleted and the alteration should be initialled.
- The proxy may vote as he/she thinks fit (or abstain) on any resolution where no specific direction is given or on any other business which may properly come before the meeting.
- In the case of joint holders, any of such holders may vote in respect of the joint holding but, where more than one is present at the meeting, the vote of the joint holder first named in the share register (whether voting in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders in respect of the joint holding.
- In the case of a corporation, this proxy form must be completed under its common seal or be signed on its behalf by an attorney or duly authorised officer of the corporation or some other person duly authorised on its behalf.
- To be effective, a completed and signed proxy form, together with the authority (if any) under which it is signed or a notarially certified or office copy of such authority, must be returned so as to reach the Company's Registrars, Capita IRG plc, Registration Services PO Box 25, Beckenham, Kent BR3 4BR, not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting.
- Completion and return of this proxy form will not preclude a member from attending and voting in person at the meeting or any adjourned meeting.

SECOND FOLD

BUSINESS REPLY SERVICE  
Licence No. MB122



**Capita IRG plc**  
**Registration Services**  
**PO Box 25**  
**Beckenham**  
**Kent**  
**BR3 4BR**

FIRST FOLD

THIRD FOLD