

THE COMPANIES ACTS 1985 to 1989
PUBLIC COMPANY LIMITED BY SHARES

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

of

ZOO DIGITAL GROUP PLC (the "Company")

(Registered in England & Wales with registered number 3858881)

Dated 4 September 2008

NOTICE IS HEREBY GIVEN that the eighth annual general meeting of the Company will be held at 11.00 a.m. on 6 October 2008 at ZOO Digital Group plc, The Tower, 2 Fumival Square, Sheffield S1 4QL, for the following purposes:

RESOLUTIONS

To consider and, if thought fit, pass the following resolutions, of which those numbered 1 – 5, 7 and 8 will be proposed as ordinary resolutions and those numbered 6, 9 and 10 as special resolutions.

Ordinary Business

Ordinary Resolutions

1. To receive the directors' report and financial statements for the year ended 31 March 2008.
2. To re-elect Christopher Honeyborne as a director of the Company, having retired by rotation in accordance with the articles of association of the Company.
3. To re-elect Stuart Green as a director of the Company, having retired by rotation in accordance with the articles of association of the Company.
4. To re-appoint PKF (UK) LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next annual general meeting of the Company.
5. To authorise the directors to fix the remuneration of the auditors.

Special Business

Special Resolution

- 6(a). That, in addition to all existing authorities, pursuant to section 80 of the Companies Act 1985 (as amended) (the "**Act**") the directors of the Company, (each a "**Director**" and together the "**Directors**") be and are hereby authorised generally and unconditionally to exercise all of the powers of the Company to allot, grant options over or otherwise deal with or dispose of any relevant securities (within the meaning of section 80(2) of the Act) up to a maximum aggregate nominal amount of £512,000 in connection with the placing (the "**Placing**") by the Company of 3,413,333 ordinary shares in the capital of the Company, as explained in the Chairman's Statement in the annual accounts for the year ended 31 March 2008, such authority to expire on 30 November 2008; and
- (b). that, in addition to all existing authorities, the Directors be and are hereby unconditionally empowered pursuant to section 95(2) of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred by paragraph 6(a) above as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities in connection with the Placing up to a maximum aggregate nominal amount of £512,000 such authority to expire on 30 November 2008.

Ordinary Resolutions

7. That, subject to and conditional upon the passing of resolution 6 above, the authorised share capital of the Company be and is hereby increased from £4,000,000 to £5,500,000 by the creation of an additional 10,000,000 ordinary shares of £0.15 each ranking *pari passu* in all respects with the existing ordinary shares of £0.15 each in the capital of the Company and having the rights and privileges and being subject to the restrictions contained in the articles of association of the Company in force at the date of the passing of this resolution.

8. That, in addition to all existing authorities, the Directors be and are hereby authorised, generally and unconditionally, for the purpose of section 80 of the Act to allot relevant securities (as defined in section 80(2) of the Act) up to:

- (a) in the event that resolutions 6 and 7 above are passed, a maximum aggregate nominal amount of £1,066,321; or
- (b) in the event that resolutions 6 and 7 above are not passed, a maximum aggregate nominal amount of £895,654,

provided that (unless previously revoked, varied or renewed) this authority shall expire at the commencement of the annual general meeting of the Company held next after the passing of this resolution or the date falling 15 months after the date of passing of this resolution (whichever is the earliest) but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority hereby conferred had not so expired.

Special Resolutions

9. That, in addition to all existing authorities, the Directors be and are hereby generally empowered, pursuant to section 95(1) of the Act, to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority conferred upon them by the resolution numbered 8 in this notice of meeting as if section 89(1) of the Act did not apply to any such allotment, provided that such power shall be limited to:

- (a) the allotment of equity securities in connection with an offer (whether by way of a rights issue, open offer or otherwise) in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems arising under the laws of any territory or the requirements of any recognised regulatory body or any stock exchange; and
- (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities:
 - (i) in the event that resolutions 6, 7 and 8 above are passed for cash up to an aggregate nominal amount of £639,793; or
 - (ii) in the event that resolutions 6, 7 and 8 above are not passed for cash up to an aggregate nominal amount of £537,393,

and (unless previously revoked, varied or renewed) shall expire at the commencement of the annual general meeting of the Company held next after the passing of this resolution or the date falling 15 months after the date of passing of this resolution (whichever is the earliest), except that the Company may, before the expiry of the power contained in this resolution, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred upon them by the resolution numbered 8 in this notice of meeting" were omitted.

10. That with effect on and from 1 October 2008, the existing articles of association of the Company be amended as follows:

10.1 by adding the following definition into Article 2.1:

"2006 Act Companies Act 2006 including any modification or re-enactment of it for the time being in force";

10.2 by inserting the words "and the 2006 Act" after the words "the Act" in the definition of Statutes in Article 2.1;

10.3 by deleting Articles 91 and 94;

10.4 by re-numbering Articles 92-93 as 91-92;

10.5 by re-numbering Articles 95-106 as Articles 93-104;

10.6 by deleting the existing Article 107 and substituting it with the following as Articles 105 to 107:

105 Directors' interests in transactions or arrangements with the Company

105.1 Subject to compliance with Article 107, a director, despite his office:

105.1.1 may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

105.1.2 (except that of auditor or auditor of a subsidiary of the Company) may hold any other office or place of profit under the Company in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company and he or his firm be entitled to remuneration for professional services as if he were not a director;

- 105.1.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise (directly or indirectly) interested or as regards which the Company has any powers of appointment; and
- 105.1.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, transaction or arrangement and no such transaction or arrangement shall be avoided on the grounds of any such interest or benefit.
- 105.2 Save as provided in this Article 105, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the directors concerning any contract, transaction or arrangement or any other proposal, in which he (or any person connected with him as detailed in article 105.8) is interested.
- 105.3 Subject to the provisions of the Statutes, a director shall (in the absence of some other interest than as set out below) be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal:
- 105.3.1 in which he has an interest of which he is not aware;
- 105.3.2 in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 105.3.3 in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- 105.3.4 which involves the giving of any guarantee, security or indemnity in respect of:
- 105.3.4.1 money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or
- 105.3.4.2 a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- 105.3.5 concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities; or in the underwriting or sub-underwriting of which the director is to participate;
- 105.3.6 concerning any other body corporate in which he (and any person connected with him) has a direct or indirect interest of any kind (including an interest by holding any position, or by holding an interest in shares, in that body corporate), provided that he (and any person connected with him) does not hold an interest in shares (within the meaning set out in sections 820-825 of the 2006 Act) representing one per cent or more of either any class of equity share capital, or the voting rights, in such body corporate (excluding any shares of that class, or any voting rights attached to shares, which are held as treasury shares);
- 105.3.7 relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates; or
- 105.3.8 concerning:
- 105.3.8.1 insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors; or
- 105.3.8.2 indemnities in favour of directors; or
- 105.3.8.3 the funding of expenditure by one or more directors on defending proceedings against such director or them or doing anything to enable such director or directors to avoid incurring such expenditure.
- 105.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each director. In such case, each of the directors concerned (if not otherwise debarred from voting under this Article 105) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning his own appointment.
- 105.5 If any question arises at any meeting as to whether any interest of a director prevents him from voting or being counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being

counted in the quorum, such question shall be referred to the chairman of the meeting. The chairman of the meeting's ruling in relation to the director concerned (other than himself) shall be final and conclusive (except where it subsequently becomes apparent that the nature or extent of the interests of the director concerned have not been fairly disclosed).

- 105.6 If any question arises at any meeting as to whether any interest of the chairman of the meeting prevents him from voting or being counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman). The majority vote of the directors or committee members shall be final and conclusive (except where it subsequently becomes apparent that the nature or extent of the interests of the chairman of the meeting have not been fairly disclosed).
- 105.7 Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of this Article 105, either generally or in respect of any particular matter, or ratify any transaction not duly authorised by reason of a contravention of this Article 105.
- 105.8 For the purposes of this Article 105:
- 105.8.1 sections 252-255 of the 2006 Act shall be applied to determine whether a person is connected with a director;
 - 105.8.2 an interest of a person who is connected with a director shall be treated as an interest of the director;
 - 105.8.3 in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate, in addition to any interest which the alternate otherwise has; and
 - 105.8.4 without prejudice to Article 105.7.3, the provisions of this Article 105 shall apply to an alternate director as if he were a director otherwise appointed.

106. Directors' interests other than in relation to transactions or arrangements with the Company

- 106.1 For the purposes of this Article 106 and Article 107:
- "Relevant Situation"** means a situation or matter in which a director has a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) but excludes (i) any situation or matter which cannot reasonably be regarded as likely to give rise to a conflict of interest and (ii) any conflict of interest arising in relation to a transaction or arrangement with the Company;
- "Interested Director"** means, in relation to any Relevant Situation, any director interested in that Relevant Situation; and
- any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 106.2 The directors shall have the power to authorise any Relevant Situation on such terms as they determine. Such authorisation shall be effective only if:
- 106.2.1 any requirement as to the quorum at the meeting of the directors at which the Relevant Situation is considered is met without counting the Interested Director(s); and
 - 106.2.2 any resolution authorising the Relevant Situation was agreed to without the Interested Director(s) voting or would have been agreed to if the votes of the Interested Director(s) had not been counted.
- 106.3 Any terms determined by the directors under Article 106.2 may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
- 106.3.1 whether the Interested Director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
 - 106.3.2 the exclusion of the Interested Director(s) from all information and discussion by the Company of the Relevant Situation; and
 - 106.3.3 (without prejudice to the general obligations of confidentiality) the application to the Interested Director(s) of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.
- 106.4 An Interested Director must act in accordance with any terms determined by the directors under Article 106.2.

- 106.5 Except as specified in Article 106.2, any proposal made to the directors and any authorisation by the directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors in accordance with the provisions of these Articles.
- 106.6 Any authorisation of a Relevant Situation given by the directors under Article 106.2 may provide that, where the Interested Director obtains (other than through his position as a director) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 106.7 A director shall not, by reason of his holding office as a director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any Relevant Situation authorised under Article 106.2 and no contract shall be liable to be avoided on the grounds of any director having any type of interest authorised under Article 106.2, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of his duty under section 176 of the 2006 Act.
- 107. Provisions applicable to declarations of interest**
- 107.1 An Interested Director shall declare the nature and extent of his interest in a Relevant Situation to the other directors.
- 107.2 A director who is in any way (directly or indirectly) interested in any proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors.
- 107.3 A director who is in any way (directly or indirectly) interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors unless the interest has been declared under Article 107.2.
- 107.4 The declaration of interest must (in the case of a Article 107.3) and may, but need not (in the case of Article 107.1 or 107.2) be made:
- 107.4.1 at a meeting of the directors; or
- 107.4.2 by notice to the directors in accordance with section 184 or section 185 of the 2006 Act.
- 107.5 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.
- 107.6 Any declaration of interest required by Article 107.1 must be made as soon as is reasonably practicable.
- 107.7 Any declaration of interest required by Article 107.2 must be made before the Company enters into the transaction or arrangement.
- 107.8 Any declaration of interest required by Article 107.3 must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration.
- 107.9 A declaration in relation to an interest of which the director is not aware is not required. For this purpose, a director is treated as being aware of matters of which he ought reasonably to be aware.
- 107.10 A director need not declare an interest:
- 107.10.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 107.10.2 if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
- 107.10.3 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for the purpose under the Articles.

By order of the Board

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Helen Gilder, Secretary

Registered office of the Company:
The Tower
2 Furnival Square,
Sheffield,
S1 4QL
NOTES:

1 Only those members registered in the register of members of the Company as at 6.00p.m. on 1 October 2008 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.00p.m. on 1 October 2008 or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2 A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by photocopying the proxy form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.

3 A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Capita Registrars, (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 11.00 a.m. on 2 October 2008 (or, in the event that the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

4 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:

- (a) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
- (b) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (<http://www.icsa.org.uk>) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (a) above.

5 Biographical details of all those directors who are offering themselves for re-election at the meeting are set out on inside back cover of the enclosed annual report and accounts.

ZOO DIGITAL GROUP PLC (the "Company")

FORM OF PROXY ANNUAL GENERAL MEETING

I/We.....
(FULL NAME IN BLOCK CAPITALS PLEASE)
of
(ADDRESS IN BLOCK CAPITALS PLEASE)

being a member / members of the above named Company, hereby appoint the Chairman of the meeting or (Name of proxy)	Number of shares in relation to which the proxy is authorised to act
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as my/our proxy to exercise all or any of my/our rights to attend, speak and vote in respect of my/our voting entitlement on my/our behalf at the eighth annual general meeting of the

Company to be held at The Tower, 2 Furnival Square, Sheffield S1 4QL at 11.00 a.m. on 6 October 2008 and at any adjournment of the meeting. Please tick here if this proxy appointment is one of multiple appointments being made.

I/we request my/our proxy to vote in the manner indicated below:

	Ordinary Resolutions	For	Against	Withheld
1	To receive the directors' report and financial statements for the year ended 31 March 2008			
2	To re-elect Christopher Honeyborne as a director of the Company			
3	To re-elect Stuart Green as a director of the Company			
4	To re-appoint PKF (UK) LLP as auditors of the Company			
5	To authorise the directors to fix the remuneration of the auditors			
	Special Resolution			
6	To authorise the directors to allot shares for the Placing for the purposes of section 80 of the Companies Act 1985 and to dis-apply statutory pre-emption rights for the Placing in terms of section 89 of the Companies Act 1985			
	Ordinary Resolutions			
7	To increase the authorised share capital of the Company			
8	To authorise the directors to allot shares for the purposes of section 80 of the Companies Act 1985			
	Special Resolutions			
9	To authorise the directors to dis-apply statutory pre-emption rights in terms of section 89 of the Companies Act 1985			
10	To amend the articles of association of the Company to reflect certain provisions of the Companies Act 2006			

Signature(s).....Dated.....2008

Notes:

1. You are entitled to appoint one or more proxies of your own choice to exercise all or any of your rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. You can only appoint proxies using the procedures set out in these notes.
2. If you wish to appoint a proxy other than the Chairman of the meeting, please insert their full name in the space provided and delete the words "the chairman of the meeting or". Please initial any such alteration. If you sign and return the form with no name in the space provided, the chairman of the meeting will be deemed to be your proxy. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy. If you sign and return the form and leave this box blank your proxy will be deemed to be authorised in respect of your full voting entitlement.
3. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. You may photocopy this form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. Please therefore indicate in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid.
4. Completion and return of this form of proxy will not preclude you from attending and voting at the meeting in person if you wish. If you do attend the meeting in person, your proxy appointments will be automatically terminated.
5. If you want your proxy to vote in a certain way on the resolutions specified please indicate with an "X" in the appropriate box above. If you fail to select any of the given options your proxy can vote as he or she chooses or can decide not to vote at all. Your proxy can also do this on any other business which may come before the meeting, including amendments to resolutions and any procedural business.
6. The "withheld" option on this form of proxy is provided to enable you to instruct your proxy not to vote on any particular resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of the votes "for" or "against" a resolution.
7. In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by its duly authorised officer, attorney or other person authorised to sign.
8. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holder, and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

9. To be valid this form of proxy must be completed, signed and sent, together with any power of attorney or other authority under which it is signed, to the Company's registrar, Capita Registrars (Proxies) at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 11.00 a.m. on 2 October 2008 (or, in the event that the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

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ZOO DIGITAL GROUP PLC

Eighth Annual General Meeting 6 October 2008

ATTENDANCE CARD

If you wish to attend the eighth Annual General Meeting of the Company, to be held at The Tower, 2 Furnival Square, Sheffield S1 4QL at 11.00 a.m. on 6 October 2008, would you please sign this attendance card and hand it in on arrival.

Signature

Name
[BLOCK CAPITALS]
