

DATED 29<sup>th</sup> June 2009

**CSS-STELLAR PLC**

**AGM NOTICE PACK**

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## LETTER FROM THE CHAIRMAN

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### CSS-STELLAR PLC

(incorporated and registered in England and Wales under number 3740688)

*Directors :*

Julian Jakobi

John Webber

George Wardale

Simon Rhodes

*Registered Office:*

First Floor  
Mermaid House  
2 Puddle Dock  
London  
EC4V 3DS

29<sup>th</sup> June 2009

Dear Shareholder

#### 1 INTRODUCTION

You will find enclosed with this letter the Notice of AGM. I write to you regarding the business to be conducted at the AGM.

The audited report and accounts of the Company for the year ended 31<sup>st</sup> December 2008 were sent to shareholders on 20<sup>th</sup> April 2009.

#### 2 BUSINESS TO BE CONDUCTED AT THE AGM

The business to be conducted at the AGM will be to consider and, if thought fit, pass resolutions:

- 2.1 to receive the Company's annual report and accounts for the year ended 31 December 2008;
- 2.2 to approve the appointment of and re-elect John Webber as a Director of the Company;
- 2.3 to approve the appointment of and re-elect Simon Rhodes as a Director of the Company;
- 2.4 to re-appoint Grant Thornton UK LLP to hold office until the Company's next AGM and to authorise the Directors to agree their remuneration;
- 2.5 to authorise the Directors to allot Shares in certain circumstances;
- 2.6 to authorise the Company to make certain political donations;

2.7 to adopt the articles of association of the Company contained in the document produced to the meeting; and

2.8 to authorise the Company to purchase its own Shares in certain circumstances.

**3 NOTICE OF ANNUAL GENERAL MEETING AND ACTION TO BE TAKEN**

Shareholders will find enclosed the notice of Annual General Meeting together with a form of proxy for use in connection with the Annual General Meeting. Whether or not you intend to be present at the meeting, the form of proxy should be completed and returned in accordance with the instructions thereon so that they arrive at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent, BR3 4TU as soon as possible and in any event not later than 48 hours before the time of the meeting. Accordingly, the form of proxy for the Annual General Meeting must be returned not later than 10.00 am on 20<sup>th</sup> July 2009. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting should you so wish.

Yours sincerely

Julian Jakobi

Chairman

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

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in the company, please send this document and the accompanying documents to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting of CSS-Stellar plc (the "**Company**") will be held at the offices of Dowgate Capital Advisors Limited at 46 Worship Street, London EC2A 2EA on 22 July 2009 at 10am for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 8 will be proposed as ordinary resolutions and numbers 9 to 12 as special resolutions.

- 1) To receive the Company's financial statements for the year ended 31 December 2008 together with the report of the directors and auditors.
- 2) To approve the appointment of and to re-elect John Webber as a director of the Company in accordance with article 88 of the Company's current articles of association.
- 3) To approve the appointment of and to re-elect Simon Rhodes as a director of the Company in accordance with article 88 of the Company's current articles of association.
- 4) To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which the accounts are to be laid.
- 5) To authorise the directors to agree the auditors' remuneration.
- 6) THAT the directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "**Act**") to allot:
  - (a) relevant securities of the Company (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £482,943.00, such authority to expire at the conclusion of the next annual general meeting of the Company 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 such an offer or agreement as if this authority had not expired; and in addition
  - (b) relevant securities comprising equity securities of the Company (within the meaning of section 94(2) of the Act) in connection with an offer of such securities by way of a rights issue up to an aggregate nominal amount of £482,943.00, such authority to expire at the conclusion of the next annual general meeting of the Company 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 such an offer or agreement as if this authority had not expired.

**"rights issue"** for the purposes of this notice means an offer of equity securities to holders of ordinary shares in the capital of the Company on the register on a record date fixed by the directors in proportion as nearly as may be to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

- 7) THAT in accordance with section 366 of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect be authorised to:
- (a) make political donations to political parties and/or independent election candidates, not exceeding £10,000 in total;
  - (b) make political donations to political organisations, other than political parties, not exceeding £10,000 in total; and
  - (c) incur political expenditure, not exceeding £10,000 in total,

during the period beginning with the date of the passing of this resolution and ending on the date of the Company's next annual general meeting.

For the purpose of this resolution, the terms **"political donations"**, **"political expenditure"**, **"independent election candidates"**, **"political parties"** and **"political organisations"** shall have the meaning given by Part 14 of the Companies Act 2006.

- 8) THAT subject to and conditional on the passing of resolution number 6, the directors be empowered, pursuant to section 95 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 resolution number 6 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:
- (a) in connection with an offer of such securities by way of a rights issue (as defined in resolution number 6); and
  - (b) otherwise than pursuant to paragraph 8(a) above up to an aggregate nominal amount of £144,882.91, representing 10% of the Company's current issued ordinary share capital,

and shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

- 9) THAT with immediate effect, the articles of association of the Company contained in the document produced to the meeting (and signed by the Chairman for the purposes 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 of the Company.

10) THAT, subject to and in accordance with article 9 of the articles of association of the Company adopted pursuant to resolution 9, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of £0.05 each in the capital of the Company ("**Ordinary Shares**") on such terms as the directors think fit, provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 3,058,332, representing 10% of the Company's current issued ordinary share capital on a fully diluted basis;
- (b) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is £0.05, being the nominal value of the Ordinary Shares;
- (c) the maximum price, exclusive of any expenses, which may be paid for each Ordinary Share is an amount equal to the higher of: (a) 105 per cent of the average of the middle market quotations for an Ordinary Share, as derived from the AIM Market, for the five business days immediately preceding the day on which the Ordinary Share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and
- (d) the authority hereby conferred shall, unless previously revoked or varied, expire at the conclusion of the next annual general meeting of the Company, (except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry).

11) THAT with effect from 00.01 am on 1 October 2009:

- (a) the articles of association of the Company as adopted pursuant to resolution 9 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 of the Company contained in the document produced to the meeting (and signed by the Chairman for the purposes of identification) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the then current articles of association of the Company.

By order of the board

Mark Ireland  
Secretary

Dated: 29<sup>th</sup> June 2009

Registered office:  
First Floor, Mermaid House  
2 Puddle Dock  
London EC4V 3DS

Registered in England and Wales with number 3740688

## **Notes**

1. *This notice is being sent to all members. Members will find a proxy form enclosed with this notice.*
2. *Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, vote and speak at the meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf. A proxy form is enclosed with this Notice. To be valid a proxy appointment must reach the office of the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU not less than 48 hours before the time fixed for the meeting or any adjournment thereof.*
3. *In Accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members at 6pm on the day which is two days before the day of the meeting or, if the meeting is adjourned, shareholders entered on the Company's register of members at 6pm on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.*
4. *Copies of contracts of service and letters of appointment between the directors and the Company will be available for inspection at the Registered Office of the Company during normal business hours until the conclusion of the annual general meeting, and at the place of the meeting for at least 15 minutes prior to the annual general meeting until its conclusion. In addition, a copy of the articles of association marked to show the changes being proposed by resolutions 9 and 11 will be available for inspection at the Company's registered office and at the place of the meeting for at least 15 minutes prior to the annual general meeting until its conclusion.*

## **EXPLANATORY NOTES TO THE NOTICE**

### **Resolution 1 - Report and Accounts**

The directors of the Company are required to present to the meeting the accounts and the directors' and auditors' report for the financial year ended 31 December 2008.

### **Resolutions 2 and 3 - Re-election of directors**

Under the articles of association, one-third of the directors are required to retire by rotation each year and no director may serve more than three years without being re-elected by members. In addition all newly appointed directors retire at their first annual general meeting following their appointment. John Webber and Simon Rhodes were appointed to the board in July 2008 as an executive director and October 2008 as a non-executive director respectively. Biographical details of all the directors standing for re-election appear on page 8 of the Report and Accounts.

### **Resolutions 4 and 5 - Re-appointment and remuneration of auditors**

Resolutions 4 and 5 propose the re-appointment of Grant Thornton UK LLP as auditors of the Company and authorise the directors to set their remuneration.

### **Resolution 6 - Allotment of shares**

The guidelines of the Association of British Insurers on authority to allot shares have been updated following a recommendation by the Rights Issue Review Group. This group reported to the Chancellor of the Exchequer on measures to make equity capital raising more efficient and orderly.

Under the updated guidelines companies may continue to seek the basic authority to allot new shares in an amount of up to one-third of the existing issued share capital but they may now also seek an additional authority to allot a further one-third of the existing issued share capital. This additional allotment headroom applies to fully pre-emptive rights issues only and the authorisation may be for one year only.

The Company is seeking both the basic and the additional allotment authorities. Paragraph 6(a) of the Resolution authorises the directors to allot relevant securities of the Company up to an aggregate nominal amount of £482,943.00 representing one-third of the existing issued ordinary share capital of the Company as at 26 June 2009, the latest practicable date before publication of this notice. Paragraph 6(b) of the Resolution authorises the allotment of an additional one-third of the existing issued ordinary share capital of the Company as at 26 June 2009, the latest practicable date before publication of this notice, giving the directors authority to allot equity securities of the Company up to an aggregate nominal amount of £482,943.00 in connection with a rights issue. Under the guidelines these requests will be regarded as routine. The authorities will replace the authority given to the directors at the annual general meeting in 2008 and will expire at the conclusion of the next annual general meeting of the Company.

Although the Company has no present intention to exercise these authorities, it is considered prudent to take advantage of the new flexibility provided for by the updated guidelines. With the authorities sought, the Company will be able to proceed with a fully pre-emptive rights issue of up to two-thirds of the existing issued ordinary share capital without the need for further shareholder approval.

The guidelines include an expectation that where an additional authority of the kind set out in paragraph 6(b) of the Resolution is taken and where:

- the aggregate actual usage of the authority conferred by paragraphs 6(a) and 6(b) of the Resolution exceeds one-third of the nominal amount of the Company's issued ordinary share capital and also,
- in the case of a share issue which is in whole or part by way of a fully pre-emptive rights issue, where the monetary proceeds exceed one-third (or such lesser relevant proportion) of the pre-issue market capitalisation of the Company,

all members of the Board wishing to remain in office will stand for re-election at the next annual general meeting of the Company following the decision to make the issue in question.

This resolution complies with the Institutional Investment Committee guidelines.

The Company currently holds no treasury shares.

### **Resolution 7 - Political Donations**

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's members. Aggregate donations made by the Group of £5,000 or less in any 12 month period will not be caught. Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure. However, the Companies Act 2006 defines "**political organisation**", "**political party**", "**political donation**" and "**political expenditure**" broadly. Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred. The resolution authorises the Company and its subsidiaries to:

- make political donations to political parties or independent election candidates not exceeding £10,000 in total;
- make political donations to political organisations, other than political parties not exceeding £10,000 in total; and
- incur political expenditure, not exceeding £10,000 in total,

during the period beginning with the date of the passing of the resolution and ending on the date of the Company's next annual general meeting.

### **Resolution 8 - Disapplication of pre-emption rights**

It is proposed to renew the authority to the directors to allot equity securities for cash without first being required to offer such securities to existing members. This will include the sale for cash on a non pre-emptive basis of any shares which the Company holds in treasury. The authority relates to up to £144,882.91 of nominal capital representing 10% of the issued ordinary share capital of the Company as at 26 June 2009, being the latest practicable date before publication of this notice. The authority sought at the annual general meeting will expire at the conclusion of the next annual general meeting of the Company. This resolution complies with the Institutional Investment Committee guidelines.

The directors do not intend to issue more than 7.5% of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with the Institutional Investment Committee.

### **Resolution 9 - Adoption of new articles of association**

Resolution 9 seeks approval for the adoption of new articles of association (the "**New Articles**") with immediate effect to update the Company's current articles of association (the "**Current Articles**") primarily to take account of changes in English company law brought about by certain provisions of the Companies Act 2006 which are in force.

A summary of these changes is provided in the Appendix at Part A. Other changes, which are of a minor, technical or clarifying nature and some other minor changes which merely reflect changes made by the Companies Act 2006 have not been noted. A copy of the New Articles and a copy of the Current Articles marked to show changes being proposed by this resolution are available for inspection as noted on page 4 of this document.

### **Resolution 10 - Authority to purchase own shares**

The Company is seeking authority to purchase approximately 10% of the Company's issued ordinary share capital on a fully diluted basis at, or between, the minimum and maximum prices specified in this resolution. As at 26 June 2009, being the latest practicable date prior to the publication of this document, the total number of options to subscribe for shares in the company was 1,606,747 (representing approximately 5.3% of the Company's issued ordinary share capital on a fully diluted basis). This power would be used only after careful consideration by the directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The directors would exercise the authority to purchase Ordinary Shares only if they considered it to be in the best interest of the members and they believe that the effect of such purchases will be to increase earnings per share.

### **Resolution 11 - Adoption of new articles of association with effect from 1 October 2009**

Resolution 11 seeks approval to make further amendments to the New Articles in respect of provisions of the Companies Act 2006 that come into force on 1 October 2009 (the "**Revised Articles**"). A summary of these changes is provided in the Appendix at Part B.

Other changes, which are of a minor, technical or clarifying nature and some other minor changes which merely reflect changes made by the Companies Act 2006 have not been noted. A copy of the Revised Articles and a copy of the New Articles marked to show changes being proposed by this resolution are available for inspection as noted on page 4 of this document.

## **APPENDIX TO THE CIRCULAR**

### **EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION**

#### **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.

#### **Articles which duplicate statutory provisions**

Provisions in the Company's Current Articles which replicate provisions contained in the Companies Act 2006 are in the main either removed in the New Articles or amended to bring them in line with the Companies Act 2006.

#### **Part A**

##### **Electronic and web communications**

With effect from 20 January 2007 the Companies Act 2006 introduced new provisions enabling companies to communicate with members by electronic and/or website communication. A company will be allowed to send documents to a member in electronic form (subject to consent of the members) and by a website. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him or her by means of a website, and the Company must either have received a positive response or have no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either by post, or by other permitted means) when a relevant document or information is placed on the website and a member retains the right to request a hard copy version of the document or information. The New Articles continue to allow communications to members in electronic form but they also permit the Company to take advantage of these new provisions. These new provisions should lead to administrative cost savings in the future and the Company plans to contact members individually for their consent to receive communications from the Company via its website or to elect to receive communications either electronically or in hard copy.

##### **Directors' age limit**

Reference to a director being exempt from disqualification by virtue of him attaining the age of 75 or any other age is being removed from the New Articles as the exemption is no longer necessary due to the provisions in the Companies Act 1985 having been repealed.

## **Convening extraordinary and general meetings**

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meeting have been removed in the New Articles because the relevant matters are provided for in the Act. In particular, a general meeting, which is not an annual general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. The New Articles also reflect the fact that the concept of extraordinary general meetings has been abolished in the Act and all meetings (other than an annual general meeting) are referred to as general meetings.

## **Votes of members**

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only permitted to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the member. The time limits for the appointment of a proxy have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting, excluding days that are not working days. The New Articles reflect these new rules, as appropriate.

## **Corporate Representatives**

Multiple corporate representatives may be appointed. There has been uncertainty and differing views on the legal interpretation of section 323 of the Companies Act 2006 which will be clarified shortly but it is recommended that in describing the right to appoint a corporate representative or representatives, companies do not incorporate the wording of section 323 of the Companies Act 2006 into their articles. For this reason the provisions in the Current Articles dealing with the rights of corporate representatives have been removed.

## **Disclosure of interests**

The provisions relating to the disclosure of interests in shares contained in the Act, including section 212 on company investigation powers, were repealed in January 2007. Section 793 of the Companies Act 2006 and related sections in Part 22 of the Companies Act 2006, which contain the corresponding company investigation powers previously contained in section 212 of the Act were brought into force simultaneously.

## **Directors' indemnities**

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure in connection with certain actions against directors. In particular, a company can now indemnify a director of a company that is a trustee of an occupational pension scheme against liability incurred in connection with the company's activities as trustee of that scheme. This is reflected in the New Articles.

## **Directors' conflicts of interest**

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid

a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards that will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think that this is appropriate.

It is proposed to include provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

It is the board's intention to report annually on the Company's procedures for ensuring that the board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

### **Company Records**

The Act states that every company must cause minutes of all proceedings at meetings of its directors to be recorded and that these records must be kept for at least ten years from the date of the meeting. The New Articles contain a provision to this effect.

## **Part B**

### **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 usually 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 currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a 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 a resolution to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the company's articles of association as of 1 October 2009. Resolution 11(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the current statement in the Company's memorandum of association regarding limited liability, the Revised Articles should also contain an express statement regarding the limited liability of the members.

### **Authorised share capital and unissued shares**

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the Revised 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.

### **Change of name**

Currently a company can only change its name by special resolution. The Companies Act 2006 permits the articles to specify another method of changing the company's name e.g. by board resolution. To take advantage of this provision, the Revised Articles enable the directors to pass a resolution to change the Company's name.

### **Authorise directors to determine conditions and manner of redemption for redeemable shares**

Currently if a company wishes to issue redeemable shares, the terms and manner of redemption must be set out in the articles. The Companies Act 2006 introduces a new power permitting the directors to determine the terms, conditions and manner of redemption, provided they are authorised by the articles to do so. The Revised Articles contain such an authorisation. The Company has no plans to issue redeemable shares but, if it did so, the directors would require members' authorisation to issue new shares in the usual way.

### **Remove provisions on sub-division, consolidation, purchase of own shares and reduction of share capital**

Under the current law in force, a company requires 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 member authority to undertake the relevant action. The Current and New Articles include these enabling provisions. Under the Companies Act 2006 a company will only require member 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 Revised Articles.

### **Seals**

The Revised Articles provide an alternative option for execution of documents (other than share certificates). Under the Revised Articles, when the seal is affixed to a document it may be signed by one authorised person 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.

### **Vacation of office by directors**

The Current and New Articles specify the circumstances in which a director must vacate office. The Revised Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

**PROXY FORM**

**Form of Proxy  
CSS-Stellar plc Annual General Meeting  
to be held on 22 July 2009 at 10am**

I/We, the undersigned, being a member/members of CSS-Stellar plc, appoint the Chairman of the meeting or

as my/our proxy to exercise all or any of my/our rights to attend, speak and vote on my/our behalf at the Annual General Meeting of the Company to be held on 22 July 2009 at 10am and at any adjournment of it. I/We instruct my/our proxy to vote on a show of hands or on a poll in the manner shown below on each such resolution.

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

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

Please indicate your vote by marking the appropriate boxes in black or blue ink like this:

X

**Ordinary Resolutions**

		For	Against	Vote Withheld
1.	To receive the Directors' Report and Accounts for the period ended 31 December 2008	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect John Webber as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect Simon Rhodes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-appoint Grant Thornton UK LLP as auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	To authorise the Audit Committee to agree the auditors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	To allot shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	To authorise political donations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Special Resolutions**

		For	Against	Vote Withheld
8.	To disapply pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	To amend the Company's Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	To authorise the purchase of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	To amend the Company's Articles of Association to take effect on 1 October 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please indicate if you are intending to attend the AGM

This card should not be used for any comments, change of address or other queries. Please send separate instruction.

[[**Name of member - printed**]]

**Signature**

**Date**

	/ /
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