

## **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 professional adviser immediately. If you have already sold or otherwise transferred all of your shares in Ricardo plc, please forward this document, together with the accompanying annual report and form of proxy, to the purchaser or transferee, or to the agent who arranged the sale or transfer so that they may be passed on to the purchaser or transferee.



**Ricardo plc**

## **Notice of Annual General Meeting 2008**

Notice of the Annual General Meeting of the Company to be held at the offices of Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, on 18 November 2008 at 10.00 am, is set out on page 2 of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

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## Notice of Annual General Meeting 2008

Notice is hereby given that the Annual General Meeting of Ricardo plc (“the Company”) will be held at the offices of Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, on 18 November 2008 at 10.00 am to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions:-

### ORDINARY RESOLUTIONS

#### Resolution 1

To receive the reports of the directors and auditors and the audited accounts of the Company for the year ended 30 June 2008

#### Resolution 2

To approve the Directors’ remuneration report for the year ended 30 June 2008

#### Resolution 3

That a final dividend of 7.5p per ordinary share recommended by the directors be declared in respect of the year ended 30 June 2008

#### Resolution 4

That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that the directors be authorised to fix their remuneration

#### Resolution 5

That Mark Garrett be elected as a director of the Company

#### Resolution 6

That Geoff Bicknell be elected as a director of the Company

#### Resolution 7

That Ian Lee be elected as a director of the Company

#### Resolution 8

That Paula Bell be re-elected as a director of the Company

#### Resolution 9

That Marcus Beresford be re-elected as a director of the Company

#### Resolution 10

That the authority conferred on the directors by Article 4(B) of the Company’s Articles of Association to allot relevant securities be renewed for the period expiring 15 months after the date of passing of this resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (whichever first occurs) and for such period the “section 80 amount” shall be £4,211,260

### SPECIAL RESOLUTIONS

#### Resolution 11

That subject to the passing of resolution 10, the power conferred on the directors by Article 4(C) of the Company’s Articles of Association be renewed for the period expiring 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (whichever first occurs) and for that period the “section 89 amount” is £638,070. This power shall extend to a sale of treasury shares which is an allotment of equity securities by virtue of section 94(3A) of the Companies Act 1985 and for those purposes the words “pursuant to the authority conferred by paragraph (B)” shall be deemed omitted from the second line of Article 4(C)

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**Resolution 12**

That the Company be generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 (the "Act") to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 25p in the capital of the Company provided that:

- i) the maximum number of ordinary shares authorised to be acquired shall be 5,104,557, being 10% of the issued ordinary share capital of the Company at the date of this notice;
- ii) the maximum price which may be paid for each of the ordinary shares shall, in respect of a share contracted to be purchased on any day, be an amount equal to the higher of (a) 105% of the average of the middle market quotations (as derived from the London Stock Exchange plc's Daily Official List) for the ordinary shares of the Company on the 5 business days immediately preceding the day on which the share is contracted to be purchased and (b) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange plc Trading System (SETS), which amount in each case shall be exclusive of expenses;
- iii) the minimum price which may be paid for the ordinary shares shall, in respect of a share contracted to be purchased on any day, be an amount equal to 75% of the average of the middle market quotations (as derived from the London Stock Exchange plc's Daily Official List) for the ordinary shares of the Company on the 5 business days immediately preceding the day on which the share is to be purchased, which amount shall be exclusive of expenses but shall not, in any event, be less than the par value of that share; and
- iv) this authority shall expire at the conclusion of the next Annual General Meeting after the passing of this resolution except in relation to any purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry

**Resolution 13**

That, with immediate effect, the Articles of Association 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

By Order of the Board

David Oglethorpe  
Company Secretary  
Dated 23 September 2008

Registered office:  
Shoreham Technical Centre  
Shoreham By Sea  
West Sussex  
BN43 5FG

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Notes:

1. The Board recommends that members vote in favour of all the resolutions to be proposed at the meeting, which they consider to be in the best interests of shareholders as a whole. Explanatory notes in respect of the resolutions proposed are provided on pages 61 and 62 of the Annual Report and Accounts 2008 and a note of the principal changes proposed to be introduced on the adoption of the new Articles of Association is set out in the Appendix.
2. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the meeting. The proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In order to be valid, an appointment of proxy must be returned by one of the following methods:
  - a) in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
  - b) if you hold your shares in certificated form and have your share certificates to hand, online at [www.ricardo-shares.com](http://www.ricardo-shares.com) by following the instructions provided; or
  - c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In each case, instructions must be received not less than 48 hours before the time for holding the meeting.

Appointment of a proxy does not preclude members from attending the meeting and voting in person, if they should so wish.

3. For an appointment of a proxy returned in hard copy to be valid, it must be completed and received (together with any power of attorney or other written authority under which it is signed or a copy of such authority notarially certified or certified in some other way approved by the directors) by Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time for holding the meeting. A form of proxy which may be used to make such an appointment and give proxy instructions accompanies this notice of meeting. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras from within the UK). Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the proxy you wish to appoint, the number of ordinary shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions that are proposed. You should send all pages to Capita Registrars at the address noted above.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to 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 (ID RA10) by the latest time for receipt of proxy appointments specified in the notice of meeting. 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 Applications Host) from the which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. 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(s), to procure that his CREST sponsor or voting service provider(s) takes(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 service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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5. In the case of joint holdings, only one holder may sign and the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, seniority for this purpose being determined by the order in which the names stand in the Register of Members in respect of joint holdings.
  6. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Register of Members of the Company as at 6.00pm on 16 November 2008 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 on the register of members after 6.00 pm on 16 November 2008 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
  7. A 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.

The statements of rights of members in relation to the appointment of proxies in paragraph 2 above do not apply to a Nominated Person. The rights described in that paragraph can only be exercised by registered members of the Company.

8. 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 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 instructions 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 ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described above.
9. As at the close of business on 23 September 2008 the Company's issued share capital consisted of 51,045,579 ordinary shares of 25p each, carrying one vote each. Accordingly, the total voting rights in the Company are 51,045,579.
10. As of 23 September 2008 there were options outstanding over 453,422 ordinary shares, representing 0.89 per cent of the Company's issued share capital. If the authority proposed to be given by resolution 12 (authority to make market purchases of own ordinary shares) were to be fully used, outstanding options would represent 0.81 per cent of the Company's issued share capital (excluding treasury shares).
11. Copies of contracts of service and letters of appointment (unless expiring or determinable by the Company within 1 year without payment of compensation) of the directors of the Company will be available for inspection at the registered office of the Company during business hours on any weekday (public holidays excluded) from the date of this notice until the date of the Annual General Meeting and at the offices of Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA on 18 November from 9.45 am until the conclusion of the meeting.
12. A copy of the proposed new Articles of Association, together with a copy of the Company's existing Articles of Association marked to show the changes proposed to be made to them, will be available for inspection during normal business hours on any weekday (public holidays excluded) at the registered office of the Company and also at the offices of Pinsent Masons LLP, CityPoint, One Ropemaker Street, London EC2Y 9AH from the date of this notice until the date of the Annual General Meeting and will also be available for inspection at the place of the Meeting from 9.45 am until its conclusion.

## Appendix

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### Explanatory notes of principal changes to be introduced by the adoption of the proposed new Articles of Association

#### 1. Articles which duplicate statutory provisions

Provisions in the current Articles of Association which replicate provisions contained in the Companies Act 2006 (“the 2006 Act”) are in the main being amended to bring them into line with the 2006 Act. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights and convening and notices of general meetings, and the main changes made to reflect this approach are explained in more detail below.

#### 2. Form of resolution

The current Articles contain a provision that, subject to legislation, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision and certain other provisions are being amended as the concept of extraordinary resolutions has not been retained under the 2006 Act.

The current Articles allow members to act by written resolution. The 2006 Act states that public companies may not use written resolutions – all resolutions of members of a public company must be passed at a meeting and therefore the provision has been removed from the new Articles.

#### 3. Convening extraordinary and annual general meetings

Provisions dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to the 2006 Act. Most notably a general meeting to consider a special resolution can be convened on 14 days’ notice whereas previously 21 days’ notice was required.

The concept of an extraordinary general meeting no longer applies – meetings can be either annual general meetings or general meetings and the new Articles of Association reflect this.

#### 4. Votes of members

A proxy has a statutory right under the 2006 Act to speak at any general meeting. Under the 2006 Act, proxies are also entitled to vote on a show of hands whereas under the current Articles proxies are only entitled 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 shareholder. The new Articles of Association reflect these new rules, as appropriate.

#### 5. Age of directors on appointment

The Employment Equality (Age) Regulations 2006 implementation has meant that restrictions limiting the age at which a director can be appointed must be removed. Although in the current Articles there is no limit on age of appointment, they do require a director’s age to be disclosed if he or she has attained the age of 70 years or more in the notice convening a meeting at which he or she is proposed to be elected or re-elected. This requirement has been removed.

#### 6. Directors’ interests

The 2006 Act sets out directors’ general duties, which largely codify the existing law. Under the 2006 Act, from 1 October 2008 a director must avoid a situation where he or she has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the Company’s interests. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, but only where the Articles of Association contain a provision to this effect. The 2006 Act also allows the Articles 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 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. Firstly, 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 this is appropriate.

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The new Articles also contain other related provisions which will apply where a director has an actual or potential conflict of interest, relating in particular to confidential information, attendance at board meetings and availability of board papers. These provisions are designed to protect and prevent such a director from 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.

#### 7. Notice of board meetings

The new Articles will allow a director to request that notices of board meetings be sent in electronic form.

#### 8. Electronic and web communications

Provisions of the 2006 Act were implemented in January 2007 enabling companies to communicate with members by electronic and/or website communications. The new Articles will permit the Company to take advantage of the new provisions relating to website communications.

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 received 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 in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

#### 9. Authentication of documents

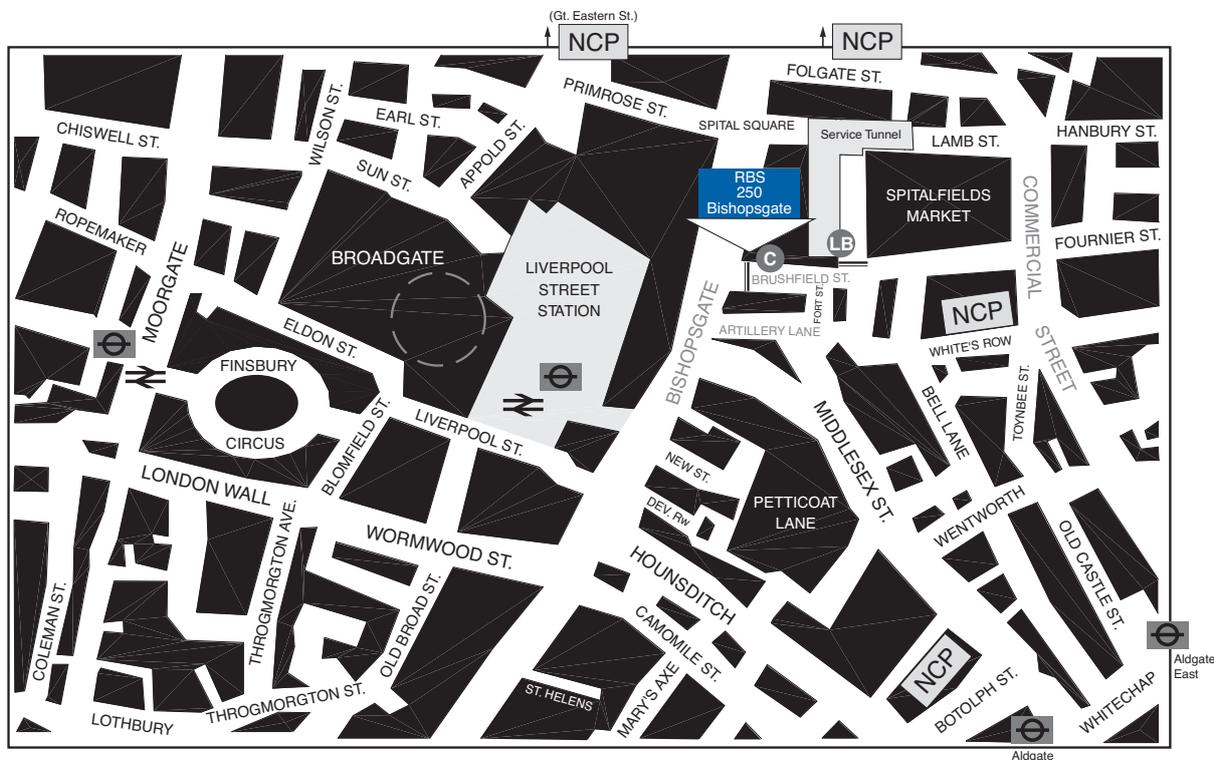
The provisions as to authentication of documents have been widened to provide that where a notice or other document is required to be signed by a member or other person then that document sent in electronic form is sufficiently authenticated in any manner authorised by the 2006 Act or in such other manner as may be approved by the directors.

#### 10. Directors' indemnities and loans to fund expenditure

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a directors' defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The provisions in the Articles relating to indemnities have generally been simplified and updated so that they reflect the scope of the 2006 Act in this area.

## Ricardo plc AGM Location

### How to find the offices of Royal Bank of Scotland 250 Bishopsgate, London EC2M 4AA



**KEY**

- SERVICE TUNNEL
- LOADING BAY
- COURIER ENTRANCE
- NO ENTRY

RBS London offices are within the City of London Congestion Charging Zone. For further information visit [www.cclondon.com](http://www.cclondon.com)