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If you have sold or otherwise transferred all of your Chime Shares, please send this document together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through or to whom the transfer or sale was effected, for onward transmission to the purchaser or transferee. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action.

Numis, which is authorised in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and no one else in connection with the arrangements described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Numis or for advising any other person in connection with the arrangements described in this document.

CHIME COMMUNICATIONS PLC

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

Proposed disposal of the Bell Pottinger Businesses

and

Notice of General Meeting

Notice of a General Meeting of the Company to be held at 14 Curzon Street, London, W1J 5HN at 12 p.m. on 18 June 2012, is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received by the Company's registrars no later than 12 p.m. on 16 June 2012, being 48 hours before the time appointed for the holding of the General Meeting. The Form of Proxy can be delivered by post or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or electronically by visiting www.eproxyappointment.com. Shareholders may access this facility using the "Shareholder Reference Number", PIN and meeting "Control Number" shown on the Form of Proxy accompanying this document. Completion and posting of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

This document contains forward-looking statements, which are based on the Independent Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to: the Group's ability to obtain capital/additional finance; a reduction in demand by customers; the limitations of the Group's internal financial reporting controls; an increase in competition; an unexpected decline in turnover; legislative, fiscal and regulatory developments, including, but not limited to, changes in environmental and safety regulations; currency and interest rate fluctuations; and treatment of defined benefit pension schemes. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by the rules of the UK Listing Authority, the London Stock Exchange or by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS*2012*

Voting Record Time for General Meeting	6.00 p.m. on 15 June
Expected latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments	12 noon on 16 June
General Meeting	12 noon on 18 June
Completion	30 June

Each of the times and dates in the above timetable is subject to change.

PART I

LETTER FROM THE SENIOR NON-EXECUTIVE DIRECTOR OF THE COMPANY

Chime Communications Plc

(Incorporated in England and Wales with registered number 01983857)

31 May 2012

To Shareholders and, for information only, to the holders of options under the share option schemes

Dear Shareholder,

Proposed disposal of the Bell Pottinger Businesses and Notice of General Meeting

1. Introduction

On 31 May 2012, the Company announced that it had agreed to sell the Bell Pottinger Businesses to BPP Communications. The directors of BPP Communications are Lord Bell, the Company's Chairman, Piers Pottinger, the Company's Deputy Chairman, James Henderson and David Beck and BPP Communications is primarily owned by Lord Bell, the Senior Managers listed below and certain other executives involved in the management of the Bell Pottinger Businesses:

David Beck	Joint Managing Director	Bell Pottinger Group
Jeremy Deedes	Former Non-Executive Director	Pelham Bell Pottinger
James Henderson	Managing Director	Pelham Bell Pottinger
John Leece	Finance Director	Bell Pottinger Group
Tom Mollo	Chief Executive	Bell Pottinger Middle East
David Wilson	Joint Managing Director	Bell Pottinger Group

The Disposal is therefore classified under the Listing Rules as a "related party transaction" and is subject to, and conditional upon, the approval of the Independent Shareholders at a General Meeting.

Under the Listing Rules, the Related Parties and their associates are precluded from voting in relation to the Disposal. The Related Parties have undertaken to abstain, and to ensure that their associates will abstain, from voting on the Resolution in the event that either they or their associates own Chime Shares. In addition, the Related Party Directors are not deemed to be independent for the purposes of this transaction and have therefore not taken part in the Board's consideration of the Disposal.

The purpose of this document is to provide Shareholders with details of the Disposal, to convene the General Meeting and to explain why the Board (other than the Related Party Directors, who did not take part in the Board's consideration of the proposed Disposal, and Paul Richardson, who abstained from the vote) considers the Disposal to be in the best interests of the Company and its Shareholders as a whole.

2. Background

The Company's origins are in the public relations businesses bought out from Lowe-Howard Spink and Bell plc by Lord Bell, Piers Pottinger and others in 1989. Since 1989, the Company's business has developed in four areas: public relations, advertising, sports marketing and research. The Company listed on the London Stock Exchange in June 1994. The Bell Pottinger Businesses have performed well in recent years having benefited substantially from a contract with the US government which made a major contribution to profitability over several years. This contract has now terminated.

The Board has been building a business with lower volatility and greater visibility with a particular focus on communications and sports marketing and has made a number of acquisitions in this area. The Group is now best known for integrated communication campaigns, such as those for the O2 and Compare the Market through VCCP, and sports marketing campaigns, such as HSBC's involvement in Asian Rugby and Investec's sponsorship of test match cricket in England through CSM. Although the activity of sports marketing tends to be focused around major events, such as the Olympic Games and the FIFA World Cup, contracts tend to be awarded for periods of around four years and the sporting calendar is set many years in advance. Sports marketing is also an area of substantial growth as more events become international, with television and mobile devices creating very large worldwide audiences.

In January 2012, Lord Bell approached the Board with a proposal that he and the Senior Managers purchase the Bell Pottinger Businesses. This transaction would be effected through the formation of BPP Communications as the acquisition vehicle, in which Lord Bell, the Senior Managers and certain other executives involved in the management of the Bell Pottinger Businesses would be shareholders and with Lord Bell, Piers Pottinger, James Henderson and David Beck as directors. Since Lord Bell and Piers Pottinger are both Directors of the Company, I established a committee of the Board consisting of the Independent Directors under my chairmanship to consider this proposition.

The Independent Directors considered that, provided that acceptable terms could be agreed, a sale of the Bell Pottinger Businesses would be attractive to the Shareholders and, accordingly, authorised the Related Party Directors to work on a draft proposal. An initial draft proposal was presented to the Independent Directors at the end of February 2012. In response, the Independent Directors determined a set of criteria to be met for them to be able to recommend a transaction to Shareholders, including a minimum EBIT acquisition multiple. In mid-March 2012 principal terms were agreed between the parties which met the criteria required.

Following the Disposal, the Company will continue to develop its sports marketing, advertising and research activities whilst retaining a significant public relations business (focused on Good Relations, Insight, Harvard, Corporate Citizenship and Open Health).

3. Information on the Bell Pottinger Businesses

It is proposed that BPP Communications will acquire the Company's interests in the following businesses:

- Bell Pottinger Public Relations (100 per cent.);
- Pelham Bell Pottinger (60 per cent.);
- Bell Pottinger Public Affairs (100 per cent.);
- Bell Pottinger Sans Frontières (100 per cent.);

- Pelham Bell Pottinger Singapore (52.7 per cent.);
- Bell Pottinger Middle East (100 per cent.); and
- Bell Pottinger Bahrain (100 per cent.).

The minority shareholdings in the entities above are owned by the managers of the respective companies. BPP Communications will also be acquiring the 40 per cent. stake in Pelham Bell Pottinger held by senior management.

In the year to December 2011, adjusting for minority interests, the Bell Pottinger Businesses contributed operating income of £29 million and profit before interest and tax (adjusting for minority interests and after taking into account the full costs of the Related Parties) of £2.4 million. This represents 8 per cent. of the Group's headline profit before interest and tax. As at the end of December 2011, the Bell Pottinger Businesses had gross assets (including goodwill) of £25.5 million.

BPP Communications will also acquire the rights to the 'Bell Pottinger' name and trademarks.

4. Consideration

The total consideration for the transfer of the Bell Pottinger Businesses to BPP Communications is £19.58 million, made up as follows:

- £13.9 million in cash payable at completion;
- £1 million in cash payable on agreement of a completion balance sheet and, in any event, no later than 30 June 2013;
- the issue of 4,100,000 ordinary and 4,100,000 preference shares in BPP Communications amounting to 25 per cent. (or £4.1 million) of its enlarged issued share capital of £16.4 million; and
- the assumption by BPP Communications of the obligation to pay the outstanding deferred consideration relating to the acquisition of 30 per cent. of Bell Pottinger Middle East in April 2011 at a price (capped at £1.5 million) reflecting the performance of the business in 2011, 2012 and 2013 (the "**Deferred Consideration**"). Agreement has been reached that this obligation will be fully discharged by the issue of £400,000 in shares in BPP Communications and £180,000 in cash (to be met by BPP Communications) (a provision of £750,000 was made for this Deferred Consideration obligation in the Company's accounts for 2011).

The total consideration of £19.58 million represents an 8 x EBIT multiple for 2011, which the Independent Directors believe is an attractive multiple relative to trading and transaction comparables, including the Company's own trading multiple.

5. The Group following the Disposal

Following the disposal of the Bell Pottinger Businesses to BPP Communications, the Group will consist of four divisions:

- Sports Marketing;
- Advertising and Marketing Services;

- Public Relations (including Healthcare Communications); and
- Research.

Taking account of the transfer of all of the costs of the respective Related Parties, the full-year impact of the Disposal (including the benefit of the Company's 25 per cent. stake in BPP Communications) is expected to be a reduction in reported attributable EBIT of approximately 8 per cent.^{1 2}

The Board intends to develop further the Group's activities in communications and sports marketing, with leading brands such as CSM (Sports Marketing), VCCP (Advertising), Good Relations (PR), Open Health (Healthcare Communications) and CIE (Research). The Company is well placed to take advantage of opportunities to build and develop its business.

The proportion of Group profit attributable to Chime Sports Marketing is expected to increase in 2012 reflecting the impact of the Olympics.²

The Independent Directors have assessed the potential risks associated with the Disposal and have concluded that there are no significant risks. The principal consequence of the Disposal will be the sale of the financial public relations, public affairs and geo-political businesses, which will reduce the range of services that the Group can provide to clients. However, this will be mitigated by an ongoing relationship with BPP Communications and anticipated client referrals. The Company also proposes to reinvest the Disposal proceeds in earnings enhancing acquisitions to continue to broaden the range of services that the Company provides to its clients. These acquisitions will be sought in areas that offer higher potential for growth, particularly in sports marketing, digital and healthcare, although there is a risk that suitable opportunities are not identified.

Other than Lord Bell and Piers Pottinger, the Senior Managers transferring with the Bell Pottinger Businesses do not have roles managing the Wider Group. Additionally, the Chairman of the Public Relations Division, Kevin Murray, will continue to lead and further develop our retained businesses with an emphasis on helping clients to build "trusted" brands and corporations through good relationships.

The sale of the Bell Pottinger brand is not seen as damaging to the Wider Group, whilst the retained holding in BPP Communications ensures that the Company will continue to share in its future profits.

Immediately following completion of the Disposal, the Related Party Directors will resign from the Board. I have agreed to become non-executive chairman on an interim basis whilst a search for a new non-executive chairman takes place. Following the Disposal, the Board will therefore comprise:

Rodger Hughes

Christopher Satterthwaite

Non-Executive Chairman

Chief Executive

¹ This assumes that the Disposal had taken place on 1 January 2011.

² This statement is not intended to constitute a profit forecast for the current financial period or for any future period. In addition, this statement should not be taken to mean that the earnings per share of Chime Communications plc will necessarily match or exceed the historic reported earnings per share of Chime Communications plc.

Mark Smith	Chief Operating Officer and Finance Director
Richard Alston	Director*
Catherine Biner Bradley	Director*
Paul Richardson	Director*

*Non-Executive

6. Retained shareholding in BPP Communications

As part of the consideration, the Company will receive a 25 per cent. shareholding in BPP Communications. This is considered desirable to help ensure that the interests of certain clients, common to both the Company and BPP Communications, are protected and that the Company benefits from any increase in the value of BPP Communications in the future. The Company will enter into a shareholders' agreement with the Related Parties in respect of BPP Communications (the "**Shareholders' Agreement**"), giving it certain rights to facilitate a disposal of its interest in the future. The principal terms of the Shareholders' Agreement are set out in Part II of this document. Separately, BPP Communications has entered into arrangements pursuant to which it will borrow up to £12.5 million to fund the acquisition of the Bell Pottinger Businesses and to fund ongoing working capital requirements. The Company is not a party to these arrangements.

7. Application of Disposal Proceeds

It is intended to use the Disposal proceeds for further acquisitions to complement and expand the range of services that the Company can offer to clients.

8. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy to be used in connection with the General Meeting or at any adjournment thereof. The Form of Proxy is reply-paid for use in the United Kingdom only.

Whether or not you are able or intend to attend the General Meeting, please complete and sign the Form of Proxy in accordance with the instructions printed on it and return it to the Company's registrars, by no later than 12 p.m. on 16 June 2012. The Form of Proxy can be delivered by post or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or electronically by visiting www.eproxyappointment.com. Shareholders may access this facility using the "Shareholder Reference Number", PIN and meeting "Control Number" shown on the Form of Proxy accompanying this document.

The return of a completed Form of Proxy will not prevent you from attending the General Meeting and voting in person if you so wish and if you are entitled to do so.

9. Further information

Your attention is drawn to the further information set out in Part III of this document. You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

10. Recommendation

The Board, which has been so advised by Numis, an independent adviser acceptable to the FSA, considers that the terms of the proposed Disposal are fair and reasonable as far as the Shareholders are concerned. In giving its advice, Numis has taken into account the Independent Directors' commercial assessments.

Under the Listing Rules, the Related Party Directors are precluded from taking part in the Board's consideration of the proposed Disposal. Accordingly, the Related Party Directors have not taken part in the consideration of the proposed Disposal.

Paul Richardson, the director nominated by WPP plc, a significant shareholder in the Company, abstained from the vote on the basis of a conflict of interest between his duties as a director of the Company and his duties as a director of WPP plc, which has indicated its opposition to management buy-outs in this industry in principle.

The Board considers the Disposal to be in the best interests of the Shareholders as a whole. Accordingly, the Board recommends that the Independent Shareholders vote in favour of the Resolution set out in the Notice of General Meeting at page 18 of this document, as the Independent Directors intend to do in respect of their own holdings of Chime Shares, which amount to 604,041 Chime Shares (as at 29 May 2012, being the last practicable day before the publication of this document) representing approximately 0.74 per cent. of the existing issued share capital of the Company.

Yours sincerely,

Rodger Hughes
Senior Non-Executive Director

PART II

TRANSACTION DOCUMENTS

A. Acquisition Agreement

On 31 May 2012, the Company entered into the Acquisition Agreement which provides as follows.

Consideration

The total consideration for the sale of the Bell Pottinger Businesses is £19.58 million, comprising a cash payment of £13.9 million at completion, a further £1 million cash payment on agreement of a completion balance sheet and, in any event, no later than 30 June 2013 and 4,100,000 ordinary and 4,100,000 preference shares in BPP Communications, amounting to 25 per cent. of its enlarged issued share capital. BPP Communications will also assume the Deferred Consideration obligation described at paragraph 4 of Part I of this document.

The Company has undertaken to ensure that the Bell Pottinger Businesses have, based on trading forecasts, sufficient cash at completion to enable them to continue to operate the Bell Pottinger Businesses without having to incur further external borrowings.

In the unlikely event that (and to the extent that) BPP Communications is unable to pay the £1 million consideration due on agreement of a completion balance sheet, as above, BPP Communications shall allot and issue to the Company up to 1,000,000 additional ordinary and preference shares in BPP Communications.

Completion

Completion of the Disposal is subject, inter alia, to the passing of the Resolution, as set out in the Notice of General Meeting contained at page 18 of this document, approving the Disposal and BPP Communications' acquisition financing becoming unconditional. The Acquisition Agreement will terminate should these conditions not be satisfied by the Company prior to 13 July 2012.

The shares held by the Company in Pelham Bell Pottinger Singapore are subject to pre-emption rights. If these pre-emption rights are exercised, the shares will be transferred to the minority shareholders.

Warranties

The Related Parties have intimate knowledge of the Bell Pottinger Businesses through their involvement in their day-to-day management. As a result, it was agreed to be inappropriate for the Company to give BPP Communications extensive commercial or financial warranties in relation to the Bell Pottinger Businesses. However, the Company has given warranties to BPP Communications as regards ownership, capacity, insolvency, tax and certain other limited matters.

Non-solicitation

The Acquisition Agreement also provides that none of the parties shall solicit any employees of any other party for a period of 24 months following completion, or any customers of any other party for a period of 12 months following completion, unless prior consent is obtained.

Anti-embarrassment

Should BPP Communications be sold in the second year following completion without the consent of the Company, the Company shall receive 50 per cent. of the profit realised by the other shareholders of BPP Communications. Should BPP Communications be sold in the third year following completion, the Company shall receive 25 per cent. of the profit realised by the other shareholders of BPP Communications.

Costs

If the Disposal does not proceed because it is not approved by shareholders or because of a material breach of warranty prior to completion, the Company shall indemnify BPP Communications for reasonable costs and expenses in pursuing the Disposal, up to a maximum amount of £200,000.

B. Shareholders' Agreement

On 31 May 2012, the Company entered into the Shareholders' Agreement and at completion BPP Communications will be adopting articles of association, which provide as follows.

Board Appointments

Whilst the Company retains a shareholding in BPP Communications of 20 per cent. or more it shall be entitled to appoint the greater of (i) one; and (ii) the number corresponding to its equity percentage of the total number of board members, non-executive director(s) to the board of BPP Communications.

Sale Restrictions

The non-Chime shareholders of BPP Communications have agreed not to sell their interests for two years following completion without the consent of the Company.

Disposal Rights

At any time in the third quarter of 2014 and in each subsequent year, the Company may notify BPP Communications that it wishes to sell its shares at their market value. BPP Communications shall use reasonable endeavours to acquire the Company's shares itself, following which the Company may sell its shares to a third party with the consent of the board of BPP Communications (not to be unreasonably withheld) at not less than market value.

If at any time in the third quarter of 2017 and in each subsequent year, the Company notifies BPP Communications that it wishes to sell its shares and the sale does not complete within 3 months of such notice, the Company may serve an exit notice obliging BPP Communications to initiate and use all reasonable endeavours to consummate a formal sale process for the entire issued share capital of BPP Communications, whereby the consideration payable for the Company's shares is at least their market value.

Exchange Rights

The Company may exchange its shares for loan notes at any time upon written notice to BPP Communications. The exchange will take place at the market value of the Company's shares. Interest

will be payable at a rate no lower than the rate payable under the BPP Communications' financing facilities from time to time and will roll-up until the loan notes are repaid.

Dividend and redemption payments shall be applied, in the same proportions as if the exchange had not occurred, to pay rolled-up interest on and to repay the loan notes. Subject thereto, the loan notes will be repaid (together with rolled-up interest) at the option of BPP Communications, upon a sale of BPP Communications or upon customary insolvency events.

Change of Control of the Company

Upon becoming aware of a change of control of the Company, BPP Communications may notify the Company of its intention to acquire the Company's shares at market value. Within 10 business days of the market value being determined, BPP Communications may serve a call notice on the Company requiring it to sell its shares and the sale must take place between 5 and 10 business days from the date of the call notice.

Sale of BPP Communications

Prior to 1 July 2014 the shareholders of BPP Communications shall not effect a sale which would result in a single person holding 50 per cent. or more of the voting rights in BPP Communications without the Company's consent, unless there is no reasonable prospect of BPP Communications avoiding an insolvent liquidation. Upon a sale which would result in a single person holding 60 per cent. or more of the voting rights, customary drag along provisions apply. Upon a sale which would result in a single person holding 50 per cent. or more of the voting rights, customary tag along provisions apply.

Dividends

Subject to compliance with the terms of its financing documents, BPP Communications intends to apply 40 per cent. of the BPP Communications group's annual consolidated profits in redemption of the preference shares and, once the preference shares are fully redeemed, in paying dividends on the ordinary shares.

PART III

ADDITIONAL INFORMATION

1. The Company – incorporation, registered office and Directors

- 1.1 The Company trades under the name Chime Communications Plc.
- 1.2 The Company's registered and head office is at 14 Curzon Street, London W1J 5HN.
- 1.3 The Company is domiciled and registered in England and was incorporated in England on 29 January 1986 as a public company with the name Glarmead Plc and with registered number 01983857. On 9 June 1986, the Company changed its name to The Carpet Tile Company Plc; on 21 September 1989, the Company changed its name to The Chartwell Group Plc; and on 3 June 1994, the Company changed its name to Chime Communications Plc. The Company is tax domiciled in the United Kingdom.
- 1.4 The principal legislation under which the Company operates, and under which the shares in the Company were created, is the Companies Act 2006 and subordinated legislation made under the Companies Act 2006.
- 1.5 The Directors of the Company and their respective functions are as follows:

Lord Bell (*Chairman*)

Piers Pottinger (*Deputy Chairman*)

Christopher Satterthwaite (*Group Chief Executive*)

Mark Smith (*Chief Operating Officer & Finance Director*)

Rodger Hughes (*Senior Non-Executive Director*)*

Richard Alston*

Catherine Biner Bradley*

Paul Richardson*

*Non-Executive Directors

2. Related Parties

2.1 Related Parties' interests

The Related Parties and their respective interests in Chime Shares are as follows:

<i>Name of Director</i>	<i>Number of Chime Shares</i>	<i>Percentage %</i>	<i>Co-Investment Plan (Max. Awards)</i>	<i>Deferred Shares</i>	<i>Options over Chime Shares ^{1,2}</i>
Lord Bell*	726,797	0.89	646,986	0	61,290 ¹
Piers Pottinger*	164,289	0.20	109,547	0	0
David Beck	20,943	0.025	115,045	0	1,935 ²
Jeremy Deedes	0	0	0	0	0
James Henderson	0	0	0	0	0
John Leece	4,147	0.005	0	0	19,036 ^{1,2}
Tom Mollo	0	0	0	81,521	1,500 ¹
David Wilson	13,961	0.02	91,610	27,173	30,774 ^{1,2}

* Directors of the Company

¹ Executive Share Option Scheme

² Savings-Related Share Option Scheme

The Disposal would have the following effect on the incentive scheme grants for each individual above:

Co-Investment Plan

Under the Co-Investment Plan the awards would vest under the good leaver provisions after measurement of Company performance against targets as approved by shareholders in 2010. Awards would then be scaled back pro rata to the period of membership of the Plan. This would result in the following shares vesting with the individuals above: Lord Bell, 30,121; and Piers Pottinger, 4,462. The balance of the awards to Lord Bell and Piers Pottinger will lapse together with the awards for the other named individuals.

Deferred Share Plan

The deferred shares granted to Tom Mollo and David Wilson will vest within 14 days of the publication of this document. Vesting has been delayed from the original vesting date in March due to the individuals' knowledge relating to the Disposal.

Executive Share Option Plan

Under the Executive Share Option Scheme the following awards would become exercisable within 6 months of completion of the Disposal:

<i>Name of Director</i>	<i>Shares Under Option</i>	<i>Date of Option Granted</i>	<i>Exercise Price (£)</i>
Lord Bell	61,290	Apr 2003	0.775
John Leece	2,000	Apr 2003	0.775
	2,000	Dec 2003	1.625
	5,000	Apr 2004	1.975
	2,000	Oct 2004	1.450
	2,000	Apr 2005	1.450
Tom Mollo	1,500	Apr 2005	1.450
David Wilson	6,000	Apr 2003	0.775
	2,738	Dec 2003	1.625
	8,000	Apr 2004	1.975
	4,000	Oct 2004	1.450
	4,000	Apr 2005	1.450

Savings-Related Share Option Scheme

Under the Savings-Related Share Option Scheme members would be subject to the good leaver rules which would result in the maximum number of options being exercisable within 6 months of completion of the Disposal as follows: David Beck, 1,935; John Leece, 6,036; and David Wilson, 6,036.

2.2 Related Party Directors' service contracts

Lord Bell entered into a service contract with the Company on 10 May 1994. He was last re-elected to the Board by rotation on 9 May 2012. In December 2006 the Company agreed a new service contract

with Lord Bell in order that he may continue as a Director beyond age 65. The terms of this are identical to the previous contract. His current basic salary is £675,000.

Piers Pottinger entered into a service contract with the Company on 10 May 1994. He was last re-elected to the Board by rotation on 9 May 2012. His current basic salary is £401,000.

These service contracts are terminable upon not less than 12 months' notice from the Director or upon not less than 12 months' notice from the Company.

A bonus capped at 50 per cent. of salary may be paid to each of the Related Party Directors; of this up to 25 per cent. of the relevant Related Party Director's salary may be payable if the Company meets the profit targets set by the Board. A further maximum of 25 per cent. may be paid to each of them, based on performance against personal key performance indicators linked to the Group's stated strategy and tailored to their individual roles.

2.3 Senior Managers' service contracts

David Beck is Joint Managing Director of the Bell Pottinger Group. He entered into an employment contract on 1st May 2009 which is subject to six months' notice.

Jeremy Deedes is a former Non-Executive Director of Pelham Bell Pottinger Ltd. He entered into a letter of appointment on 14 January 2010 and resigned on 30 May 2012.

James Henderson is Managing Director of Pelham Bell Pottinger Ltd and entered into an employment contract on 1 October 2004 prior to Pelham's acquisition by Chime. His contract is subject to twelve months' notice. James Henderson is a minority shareholder in Pelham Bell Pottinger Ltd (23.25 per cent.).

Tom Mollo is Chief Executive of Bell Pottinger Middle East having entered into a contract on 3 July 2000 which is subject to six months' notice.

David Wilson is Joint Managing Director of Bell Pottinger Group having joined the company on 2 May 2000. His contract is subject to three months' notice.

John Leece is Finance Director of Bell Pottinger Communications Ltd having joined the company on 9 April 2001. His contract is subject to three months' notice.

2.4 Incentive Schemes

During 2006 the Company introduced a Deferred Share Plan, under which restricted rights over existing Chime Shares are granted to, inter alia, executive Directors. A participant in the Deferred Share Plan must remain employed by the Group for a fixed period as determined by the Remuneration Committee at the date of grant after the date of grant for the shares to vest with the relevant Director. There are no other performance criteria attached to the restricted shares.

At the Company's AGM in May 2010, Shareholder approval was granted to introduce the 2010 Co-Investment Plan. The scheme was established in order to continue to incentivise the executive Directors after the 2006 Co-Investment Plan had matured. Participants receive an award of shares which will vest after a three-year performance period, dependent on the achievement of demanding performance conditions to be set by the Remuneration Committee for each award. Participation will be dependent upon the participant maintaining an investment in the Company throughout the period between award and

vesting. For the Related Party Directors, this investment will be 25 per cent. of each award under the Co-Investment Plan. The maximum award of shares to a participant in a year will be set by the Remuneration Committee but will normally be no more than 100 per cent. of annual salary.

As a consequence of the proposed transaction, the Company will pay BPP Communications the sum of £260,496, representing the value of certain incentive options over its shares in Pelham Bell Pottinger held by senior management. The amount is net of certain option exercise proceeds that will be paid to the Company.

3. Interests of major shareholders

As at 23 May 2012 (being the last practicable date prior to the publication of this document), in so far as it is known to the Company, the name of each person who holds voting rights (within the meaning of Chapter 5 of the Disclosure and Transparency Rules as incorporated by reference under the Articles) representing 3 per cent. or more of the total voting rights in respect of the shares in the Company, are as follows:

<i>Name</i>	<i>Chime Shares</i>	<i>% of Issued Chime Shares</i>
WPP Group plc	16,828,134	20.56
Fidelity Investments	7,374,890	9.01
JPMorgan Asset Management	5,731,289	7.00
Aberforth Partners	4,888,324	5.97
Brandes Investment Partners	3,413,621	4.17
BlackRock	2,980,251	3.64
Legal & General Investment Management	2,895,580	3.54
F&C Asset Management	2,535,007	3.10

4. Material Contracts

Save for the Acquisition Agreement and the Shareholders' Agreement (details of which are set out at Part II of this document), the Company has not been a party to any material contracts during the two year period immediately preceding the date of this document which contain information which Shareholders would reasonably require to make a properly informed assessment of how to vote on the Resolution.

5. No significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2011, being the date to which the Group's most recently published audited financial information has been published.

6. Consent

Numis has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

7. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Slaughter and May which

are located at One Bunhill Row, London, EC1Y 8YY, until the General Meeting and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the General Meeting:

- (a) the Memorandum and the Articles of Association;
- (b) the annual report and accounts of the Company for each of the two financial years ended 31 December 2011 and 31 December 2010;
- (c) the interim results for the six month period ended 30 June 2011;
- (d) the Acquisition Agreement;
- (e) the Shareholders' Agreement;
- (f) the Related Parties' service contracts;
- (g) the consent letter referred to above in paragraph 6; and
- (h) this document.

Dated 31 May 2012

DEFINITIONS

The following principal definitions apply throughout this document unless the context requires otherwise:

“Acquisition Agreement”	the agreement dated 31 May 2012, between Bell Pottinger Communications Limited, the Company and BPP Communications which sets out the terms of the Disposal;
“Articles” or “Articles of Association”	the articles of association of the Company;
“associate”	an associate, as that term is defined in the Listing Rules;
“Bell Pottinger Businesses”	Bell Pottinger Public Relations, Pelham Bell Pottinger, Bell Pottinger Public Affairs; Bell Pottinger Sans Frontières, Pelham Bell Pottinger Singapore, Bell Pottinger Middle East and Bell Pottinger Bahrain;
“Board”	the board of directors of the Company;
“BPP Communications”	BPP Communications Limited (registered no. 08024999);
“Chime Shares”	ordinary shares of 25 pence each in the capital of the Company;
“Companies Act 2006”	the United Kingdom's Companies Act 2006;
“Company” or “Chime”	Chime Communications Plc;
“Computershare”	Computershare Limited;
“CREST”	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001;
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear UK & Ireland Limited describing the CREST system and supplied by Euroclear UK & Ireland Limited to users and participants thereof;
“CREST Proxy Instruction”	the instruction whereby CREST members send a CREST message appointing a proxy for the meeting and instructing the proxy on how to vote;
“Directors”	the directors of the Company, whose names are set out on page 11 of this document;
“Disclosure and Transparency Rules”	the rules made by the FSA under Part VI of FSMA relating to the disclosure of information (as amended from time to time);
“Disposal”	the proposed sale by the Company of its interests in the Bell Pottinger Businesses to BPP Communications pursuant to the Acquisition Agreement;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in relation to the General Meeting;
“FSA”	the Financial Services Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“General Meeting”	the general meeting of the Company to be held on 18 June 2012 at 12 p.m., or any adjournment thereof, notice of which is set out at page 18 of this document;

“Group”	the Company and each of its subsidiaries and subsidiary undertakings from time to time;
“Independent Directors”	all of the members of the Board other than the Related Party Directors;
“Independent Shareholders”	all Shareholders other than Related Parties and their associates;
“Listing Rules”	the listing rules made by the FSA under Part VI of FSMA (as amended from time to time);
“London Stock Exchange”	London Stock Exchange plc;
“Memorandum”	the memorandum of association of the Company;
“Nominated Person”	a person or company meeting the definition of “nominated person” in the Companies Act 2006;
“Numis”	Numis Securities Limited;
“Official List”	the Official List of the UK Listing Authority;
“Related Party” and “Related Parties”	a person or company meeting the definition of a “related party” for the purposes of the Listing Rules being Lord Bell, Piers Pottinger and the Senior Managers;
“Related Party Directors”	Lord Bell and Piers Pottinger;
“Resolution”	the ordinary resolution to be proposed at the General Meeting as set out in the Notice of General Meeting in connection with the Disposal;
“Senior Managers”	David Beck, Jeremy Deedes, James Henderson, John Leece, Tom Mollo and David Wilson;
“Shareholders”	holders of Chime Shares;
“Shareholders’ Agreement”	the agreement dated 31 May 2012, between BPP Communications Limited, the Related Party Directors and Senior Managers, and the Company;
“subsidiary”	a subsidiary, as that term is defined in section 1159 of the Companies Act 2006;
“subsidiary undertaking”	a subsidiary undertaking, as that term is defined in section 1162 of the Companies Act 2006;
“UK Listing Authority”	the FSA in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to the Official List otherwise than in accordance with Part VI of FSMA;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland; and
“Wider Group”	the Group excluding the Bell Pottinger Businesses.

CHIME COMMUNICATIONS PLC

(Registered in England and Wales No. 01983857)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Chime Communications Plc (the “**Company**”) will be held at 14 Curzon Street, London W1J 5HN at 12 p.m. on 18 June 2012 to consider and, if thought fit, pass the following resolution to be proposed as an ordinary resolution.

THAT the proposed sale by the Company of its interests in Bell Pottinger Public Relations, Pelham Bell Pottinger, Bell Pottinger Public Affairs, Bell Pottinger Sans Frontières, Pelham Bell Pottinger Singapore, Bell Pottinger Middle East and Bell Pottinger Bahrain to BPP Communications on the terms of a share purchase agreement dated 31 May 2012 (the “**Acquisition Agreement**”), be and is hereby approved and the independent directors of the Company (being Rodger Hughes, Richard Alston, Catherine Biner Bradley, Paul Richardson, Christopher Satterthwaite and Mark Smith) (which expression includes any duly constituted committee thereof) be and are hereby authorised to do all such things as may be necessary or desirable to complete and give effect to the transactions and arrangements contemplated by the Acquisition Agreement and to make such non-material modifications, variations, waivers and extensions of any of the terms of the Acquisition Agreement and of any other documents connected with such transactions and arrangements as they think necessary or desirable.

By order of the Board
Robert Davison
Company Secretary

Registered Office
 14 Curzon Street
 London
 W1J 5HN

31 May 2012

Notes

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different Chime Share (or Chime Shares) held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC on 0870 8893278.
2. To be valid any Form of Proxy or other instrument appointing a proxy must be received by hand (during normal business hours only) or by post at the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, or electronically by visiting www.eproxyappointment.com. Shareholders may access this facility using the “Shareholder Reference Number” (“SRN”), PIN and meeting “Control Number” shown on the Form of Proxy accompanying this notice. Forms of Proxy should be received by the Company’s registrars no later than 12:00

p.m. on 16 June 2012 (or, in the event of any adjournment, not later than 48 hours before the time of the adjourned meeting).

3. In the case of a Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company
4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
6. The return of a completed Form of Proxy, other such instrument or CREST Proxy Instruction (as described in paragraphs 7 to 10 below) will not prevent a Shareholder attending the General Meeting and voting in person if he or she wishes to do so.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK and Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s registrars, Computershare Investor Services PLC (ID 3RA50) by 12:00 p.m. on 16 June 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST). After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK and Ireland Limited do not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers, are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
12. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
13. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him or her and the Shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General

Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

14. The statement of the rights of the Shareholders in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
15. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at 6:00 p.m. on 15 June 2012 (or, in the event of any adjournment, not later than 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
16. As at 29 May 2012 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 81,854,813 ordinary shares carrying one vote each. There were no shares held in Treasury. Therefore the total voting rights in the Company as at 29 May 2012 are 81,854,813.
17. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its power as a member provided that they do not do so in relation to the same shares.

31 May 2012

