

# Notice of 2009 Annual General Meeting



Spirent Communications plc  
Northwood Park  
Gatwick Road  
Crawley  
West Sussex RH10 9XN  
United Kingdom

10 March 2009

Dear Shareholder

I am writing to invite you to this year's Annual General Meeting ("2009 AGM"), which will be held at 10.30am on Thursday 7 May 2009 at the offices of the Company's PR advisers, Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB, United Kingdom.

I am pleased to announce that shareholders are being asked to approve a final dividend of 0.6 pence per Ordinary Share for the year to 31 December 2008. Together with the interim dividend of 0.5 pence per Ordinary Share paid on 15 October 2008, this amounts to a total dividend for 2008 of 1.1 pence per Ordinary Share. If shareholders approve the recommended final dividend, this will be paid on 8 May 2009 to all Ordinary shareholders who were on the Register of Members at close of business on 6 March 2009.

Most of the business being proposed at the 2009 AGM is routine, but I would like to draw your attention to the following items of non-routine business:

- renewal of the authority to repurchase the Company's own Ordinary Shares. The last authority was given at the Extraordinary General Meeting held on 25 November 2008. The Company is proposing that an authority of up to 14.99 per cent is approved which would continue to give flexibility in returning capital to shareholders;
- renewal of the authority to operate the Spirent Stock Incentive Plan in accordance with the rules approved by shareholders in June 2004 and authority to grant share incentives using new issue shares. This authority will allow the Company to continue to review share incentive arrangements and revert to shareholders with an update on long term share incentive policy at the 2010 AGM;
- approval to maintain the minimum period for notice of general meetings of the Company at 14 clear days. The EU Shareholder Rights Directive (the "Directive") is intended to be implemented in the UK in August this year. One of the requirements of the Directive is that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period. We are currently able to call general meetings (other than annual general meetings) on 14 clear days' notice. We are proposing a Resolution at the 2009 AGM so that we can continue to be able to do so after the Directive is implemented; and
- approval of a number of amendments to our current Articles of Association to reflect certain provisions of the Companies Act 2006 (the "2006 Act"). The 2006 Act is being implemented in phases with the last phase being implemented on 1 October 2009. Accordingly, it is proposed to seek approval to adopt new Articles of Association with effect from 1 October 2009.

Explanatory Notes on all the business to be considered follows the Notice of 2009 AGM.

## Action required

Please complete, sign and return the enclosed Form of Proxy (whether or not you intend to be present at the 2009 AGM) as soon as possible and, in any event, so as to reach the Company's Registrar by 10.30am on Tuesday 5 May 2009. Alternatively, you may wish to appoint a proxy electronically via [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy or, if you hold your shares in CREST, via the CREST system.

Appointment of a proxy does not prevent you from attending, speaking and voting at the 2009 AGM should you subsequently decide to do so.

## Recommendation

The Board considers that the proposed Resolutions set out in the Notice of 2009 AGM will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings.

I look forward to welcoming those of you who are able to attend the 2009 AGM.

Yours faithfully

A handwritten signature in blue ink, appearing to read "E Bramson", written over a light blue horizontal line.

**Edward Bramson**  
Chairman

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## This document and enclosed Form of Proxy are important and require your immediate attention

If you are in any doubt as to the action you should take, you are recommended to obtain your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser.

If you sell, or have sold or otherwise transferred, all your Ordinary Shares in Spirent Communications plc you should send this document together with the enclosed Form of Proxy at once to the purchaser or the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold part only of your holding of Ordinary Shares in Spirent Communications plc, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The Notice of 2009 AGM of Spirent Communications plc is set out in this circular. To be valid for the 2009 AGM, you should lodge your vote by completing the enclosed Form of Proxy or electronically as described above, ensuring your vote arrives no later than 10.30am on Tuesday 5 May 2009.

## Notice of 2009 Annual General Meeting

Notice is hereby given that the 60th Annual General Meeting ("2009 AGM") of Spirent Communications plc (the "Company") will be held at 10.30am on Thursday 7 May 2009 at the offices of the Company's PR advisers, Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB, United Kingdom.

Resolutions 1 to 11 and 14 are proposed as Ordinary Resolutions, requiring a simple majority of votes cast to be in favour of the Resolutions to be passed. Resolutions 12, 13, 15 and 16 are proposed as Special Resolutions, requiring a 75 per cent majority of votes cast to be in favour of the Resolutions to be passed.

### Resolutions

#### Annual Report 2008

1. To receive the Company's financial statements together with the reports of the directors and auditors for the year to 31 December 2008.

#### Report on directors' remuneration

2. To approve the Report on directors' remuneration as set out on pages 32 to 41 of the Annual Report for the year to 31 December 2008.

#### Final dividend

3. To declare a final dividend of 0.6 pence per Ordinary Share for the year to 31 December 2008.

#### Re-election of directors

4. To re-elect Edward Bramson as a director of the Company.<sup>N</sup>
5. To re-elect Gerard Eastman as a director of the Company.<sup>N</sup>
6. To re-elect Ian Brindle as a director of the Company.<sup>A,N,R</sup>
7. To re-elect Alex Walker as a director of the Company.<sup>A,N,R</sup>

#### Election of director

8. To elect Bill Burns as a director of the Company.

#### Re-appointment of auditors

9. To re-appoint Ernst & Young LLP as auditors of the Company.

#### Remuneration of auditors

10. To authorise the directors to determine the remuneration of the auditors of the Company.

#### Authority to allot securities

11. To authorise the directors generally and unconditionally in accordance with Section 80 of the Companies Act 1985 (the "1985 Act") to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the 1985 Act) up to an aggregate nominal amount of £7,464,582 provided that this authority shall expire at the conclusion of the Annual General Meeting to be held in 2010 or, if earlier, 7 August 2010, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry; and all unexercised authorities previously granted to the directors to allot relevant securities be and are hereby revoked.

#### Authority to disapply pre-emption rights

12. Subject to the passing of Resolution 11 above, to empower the directors pursuant to Section 95 of the 1985 Act to allot equity securities (within the meaning of Section 94 of the 1985 Act) wholly for cash pursuant to the authority conferred by Resolution 11 above or where the allotment constitutes an allotment of equity securities by virtue of Section 94(3A) of the 1985 Act as if Section 89(1) of the 1985 Act did not apply to any such allotment provided that this power shall be limited to:
  - i) the allotment of equity securities in connection with an offer of equity securities open for acceptance for a period fixed by the directors to holders of Ordinary Shares on the Register of Members at such record dates as the directors may determine in proportion (as nearly as may be) to the respective numbers of Ordinary Shares held by them on any such record dates, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, depositary receipts, record dates or legal, regulatory or practical problems in or under the laws of any territory; and
  - ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal amount of £1,119,687;

and shall expire at the conclusion of the Annual General Meeting to be held in 2010 or, if earlier, 7 August 2010, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry.

For the purpose of this Resolution references to an allotment of equity securities shall include a sale of treasury shares, and the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

#### Authority for the Company to make market purchases of its own shares

13. To authorise the Company generally and unconditionally for the purposes of Section 166 of the 1985 Act to make market purchases (within the meaning of Section 163 of the 1985 Act) of Ordinary Shares of 3<sup>1</sup>/<sub>3</sub> pence each in the capital of the Company ("Ordinary Shares") provided that:
  - i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 100,704,674;
  - ii) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share shall be 3<sup>1</sup>/<sub>3</sub> pence;
  - iii) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall be an amount equal to the higher of:
    - a) 105 per cent of the average of the closing price for an Ordinary Share of the Company taken from the Official List maintained by the UK Listing Authority for the five business days immediately preceding the day on which the Ordinary Share is purchased; and
    - b) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
  - iv) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or, if earlier, 7 August 2010 unless such authority is renewed prior to such time; and
  - v) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of such contract.

#### Spirent Stock Incentive Plan renewal and authority to grant share incentives using new issue shares

14. To approve the extended operation of the Spirent Stock Incentive Plan and authority to grant share incentives using new issue shares on the basis set out in this Notice of 2009 AGM.

#### Fourteen day notice period for general meetings of the Company other than annual general meetings

15. To resolve that a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.

#### Adoption of New Articles of Association with effect on or from 1 October 2009

16. To resolve that with effect from 00.01am on 1 October 2009:
  - i) the Articles of Association of the Company 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
  - ii) the Articles of Association produced to the 2009 AGM and for the purpose of identification marked "A" and signed by the Chairman of the Company, be adopted in substitution for, and to the exclusion of, the current Articles of Association of the Company.

By Order of the Board



**Michael Anscombe**  
Company Secretary  
10 March 2009

#### Registered Office

Northwood Park, Gatwick Road, Crawley,  
West Sussex RH10 9XN, United Kingdom  
Registered in England Number 470893  
www.spirent.com

A Member of the Audit Committee  
N Member of the Nomination Committee  
R Member of the Remuneration Committee

## Explanatory Notes on Resolutions

### Resolution 1: Annual Report 2008

Company law requires that for each financial year, the directors must present the reports of the directors, the audited financial statements and the independent auditors' report to shareholders at a general meeting.

### Resolution 2: Report on directors' remuneration

Company law requires that all companies listed on the London Stock Exchange include a resolution at their annual general meeting which invites shareholders to approve a report on directors' remuneration for the year under review. The Report on directors' remuneration can be found on pages 32 to 41 of the Annual Report 2008.

In accordance with statutory requirements, this Resolution is advisory only, in order to provide shareholder feedback to the Board.

### Resolution 3: Final dividend

A final dividend of 0.6 pence per Ordinary Share for the year to 31 December 2008 is recommended for payment by the directors. If shareholders approve the recommended final dividend, it will be paid on 8 May 2009 to all Ordinary shareholders who were on the Register of Members at the close of business on 6 March 2009.

### Resolution 4: Re-election of Edward Bramson

Edward Bramson was elected as a director of the Company by shareholders at an Extraordinary General Meeting held on 22 December 2006, following which the Board elected him as Chairman. On appointment, Mr Bramson stated that he would seek re-election by shareholders at the 2007 AGM and on an annual basis thereafter.

Mr Bramson assumed responsibility for the management of the Group by becoming Executive Chairman on 7 March 2007. However, on 6 November 2008 Bill Burns was appointed as Chief Executive Officer resulting in a separation of the chairman and chief executive roles; Mr Bramson now holds the position of Non-Executive Chairman.

### Resolution 5: Re-election of Gerard Eastman

Gerard Eastman was elected as a director of the Company by shareholders at an Extraordinary General Meeting held on 22 December 2006. On appointment, Mr Eastman stated that he would seek re-election by shareholders at the 2007 AGM and on an annual basis thereafter.

### Resolution 6: Re-election of Ian Brindle

As the Company's Articles of Association and the Combined Code require that each director must stand for re-election at intervals of no more than every three years, Mr Brindle, having been elected to the Board in December 2006, must stand for re-election by shareholders.

### Resolution 7: Re-election of Alex Walker

As the Company's Articles of Association and the Combined Code require that each director must stand for re-election at intervals of no more than every three years, Mr Walker, having been elected to the Board in December 2006, must stand for re-election by shareholders.

### Resolution 8: Election of Bill Burns

In line with the Company's Articles of Association, Resolution 8 proposes that, having been appointed to the Board since the last annual general meeting, Bill Burns will retire at the 2009 AGM and, being eligible, offers himself for election by shareholders.

Bill Burns was appointed as Chief Executive Officer of Spirent Communications plc on 6 November 2008. He is responsible for overall leadership, strategy, investments, coordination of resources and leveraging Spirent's breadth and depth of technology across all of Spirent's business units.

Prior to this position, he was Chief Executive Officer of Spirent's Communications businesses, Executive Vice President of the Communications businesses and President, Service Assurance Broadband, responsible for global sales and corporate marketing across all divisions. In these roles he drove critical business changes to improve profitability and grow market share.

Prior to joining Spirent in November 2004, he held several executive leadership positions at Tellabs, Inc, including Senior Vice President Global Marketing, Senior Vice President – Europe, Middle East and Africa and Vice President – Competitive Service Provider Sales. In these roles, he led the strategic planning, marketing, sales, financial and operational efforts for multi-million dollar operations. He has been at the forefront of introducing new technologies to the market, delivering unique business value to customers.

Mr Burns is the only director subject to election or re-election who has a service contract with a Group company.

### Board's recommendation on director elections and re-elections

Biographical details of all the directors and the Directors' statement on corporate governance, which provides further information in respect of the corporate governance of the Company, can be found in the Company's Annual Report 2008.

Having considered the performance and contribution made by each of the directors standing for election and re-election, the Board remains satisfied that each of the relevant directors continues to be effective and demonstrates commitment to his role and, as such, recommends each election and re-election detailed above.

### Resolutions 9 and 10: Re-appointment and remuneration of auditors

Company law requires that at every general meeting at which accounts are presented to shareholders, the Company is required to appoint auditors to serve until the next such meeting. Ernst & Young LLP have indicated that they are willing to continue as the Company's auditors for another year. Shareholders are asked to re-appoint them and also to authorise the directors to determine their remuneration. Details of work undertaken by the auditors and their remuneration and details of the Company's policy with regard to non-audit work are given in the Company's Annual Report 2008.

### Resolution 11: Directors' authority to allot new securities

This Resolution is proposed to renew the directors' limited authority to exercise the powers of the Company to allot shares, as granted at the 2008 AGM.

This authority would be limited to an aggregate nominal amount of £7,464,582, being a maximum of 223,937,457 Ordinary Shares (known as the "Section 80 Amount"), which is equal to 33 $\frac{1}{3}$  per cent of the issued Ordinary Share capital, as at 24 February 2009. This limit of 33 $\frac{1}{3}$  per cent is derived from guidelines issued by the Association of British Insurers ("ABI") which, for public companies listed in the UK, effectively limit the maximum amount of share capital which can be authorised for allotment to one third of a company's issued share capital. At the date of this Notice of 2009 AGM, the Company holds no Ordinary Shares in treasury.

The directors have no present intention to exercise the authority proposed in Resolution 11, other than in relation to the Company's existing share incentive plans.

### Resolution 12: Directors' authority to disapply pre-emption rights

This Resolution is proposed as a Special Resolution to renew the directors' restricted power to allot shares wholly for cash notwithstanding statutory provisions giving pre-emptive rights to existing shareholders *pro rata* to their existing shareholdings, as granted at the 2008 AGM. The authority will end at the conclusion of the Annual General Meeting in 2010 or, if earlier, 7 August 2010.

This Special Resolution authorises the directors to allot equity securities of the Company and to sell treasury shares for cash, either in connection with a rights issue or to persons other than existing shareholders, as if the pre-emption provisions of Section 89 of the Companies Act 1985 (the "1985 Act") did not apply. Under Section 89, when new securities are allotted or treasury shares are sold for cash, they must first be offered to existing shareholders *pro rata* to their holdings. This provision was designed to prevent the holdings of existing shareholders being diluted against their wishes by the allotment of new equity securities. Shareholders may waive this right of pre-emption. The authority contained in this Resolution would be limited to the allotment of equity securities or the sale of treasury shares for cash having an aggregate nominal value of £1,119,687 being a maximum of 33,590,619 Ordinary Shares representing five per cent of the total Ordinary Share capital of the Company in issue (known as the "Section 89 Amount"), as at 24 February 2009. The limit of five per cent is also derived from the ABI guidelines mentioned in Resolution 11.

Although the directors have no present intention of making use of the authorities sought in Resolution 11 or 12, they wish to retain the flexibility to act quickly and allot securities within these limits if they consider it in the interests of the Company to do so. In any event, no issue will be made which would effectively alter the control of the Company without the prior approval of shareholders in a general meeting.

The Company undertakes to restrict its use of the authority proposed in this Resolution 12 to a maximum of 7.5 per cent of the Company's issued Ordinary Share capital for cash other than to existing shareholders in any rolling three year period.



## Explanatory Notes on Resolutions continued

### **Resolution 13: Authority for the Company to make market purchases of its own shares**

This Resolution is proposed as a Special Resolution to renew the Company's authority (last granted at the 2008 Extraordinary General Meeting) to purchase its own issued Ordinary Shares of 3<sup>1</sup>/<sub>3</sub> pence each within minimum and maximum price parameters as set out in the Resolution.

This authority is sought in respect of up to 14.99 per cent of the Company's issued Ordinary Share capital as at 24 February 2009 and will expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or, if earlier, 7 August 2010. Any Ordinary Shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled or sold for cash.

This proposal should not be taken as confirmation that the Company will definitely continue to operate an on-market share repurchase programme at any particular price or, indeed, at all or to imply any opinion on the part of your directors as to the market or other value of the Company's Ordinary Shares. No on-market share repurchases will be made unless it is expected that the effect will be to increase earnings per share and the Board considers it to be in the best interests of shareholders as a whole. The directors would only authorise such purchases after careful consideration, taking account of other investment opportunities, appropriate gearing levels, the effect on earnings per share and the overall financial position of the Company.

In any event, no on-market share repurchases will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

There are approximately 50.1 million share incentives currently outstanding. This represents approximately 7.5 per cent of the Company's issued Ordinary Share capital as at 24 February 2009. If the Company bought back the maximum number of shares permitted pursuant to the passing of Resolution 13 and all such shares were cancelled, the total number of share incentives outstanding would represent approximately 8.8 per cent of the Company's issued Ordinary Share capital. There are currently no outstanding warrants to subscribe for equity shares in the Company.

### **Resolution 14: Spirent Stock Incentive Plan renewal and authority to grant share incentives using new issue shares**

The Company is mindful of the need to manage shareholder dilution in a responsible manner. At the 2008 AGM, shareholders granted the Company authority to award share incentives over new issue shares of no more than half of one per cent of the then issued Ordinary Share capital under the 2005 Employee Incentive Plan ("EIP") and Spirent Stock Incentive Plan ("SSIP"). This authority is due to expire at the 2009 AGM. It was also stated in the Notice of 2008 AGM that the Employee Share Ownership Trust ("ESOT") held 1.7 million unallocated shares as a result of share incentives lapsing on termination of employees and that the Company would utilise these unallocated shares before making any significant awards over new issue shares.

Between the 2008 AGM and 24 February 2009 the Company's Remuneration Committee approved awards of share incentives over 1.2 million Ordinary Shares, just under one million of which were sourced from unallocated Ordinary Shares held in the Company's ESOT. The remainder of the awards to be satisfied with new issue shares equated to just 0.02 per cent of the issued Ordinary Share capital on 8 May 2008 (the date of the 2008 AGM). In addition, wherever practical, stock appreciation rights ("SARs") are awarded rather than share options. SARs are more efficient than share options in terms of actual dilution as only the appreciation value and not the full value of the award needs to be funded in shares when awards are exercised. To demonstrate this efficiency, during 2008 the Company issued only 1.6 million new Ordinary Shares to cover the exercise of 5.4 million SARs.

Overall shareholder dilution resulting from the Company's share incentive plans (on a rolling 10 year basis) has fallen by 0.9 per cent when comparing the positions at 31 December 2008 (14.1 per cent) and 31 December 2007 (15.0 per cent). The overall number of share incentives outstanding at 31 December 2008 has fallen by 17 million when compared to the number outstanding at 31 December 2007 (2008 50.1 million, 2007 67.1 million). However, the Company's efforts to manage shareholder dilution have been significantly offset by the Company's share repurchase programme, as this has resulted in a large drop in the issued Ordinary Share capital over the year (2008 671.8 million, 2007 792.4 million). Ignoring the impact of the share repurchase programme the dilution position at 31 December 2008 would have been 11.2 per cent, a drop of 3.8 per cent.

The Company's Remuneration Committee considers SARs and options to be meaningful share incentives. Accordingly, in line with its sustainable dilution strategy, and to give management flexibility, the Company will seek shareholder authority at the 2009 AGM to award share incentives over new issue shares of no more than half of one per cent of the current issued Ordinary Share capital, such authority to expire at the 2010 AGM. In order to further mitigate the impact on dilution, the Company intends to utilise the 0.8 million unallocated Ordinary Shares currently held in the ESOT (these Ordinary Shares were allocated to awards which have since lapsed) before making any significant awards over new issue Ordinary Shares.

At the 2008 AGM, the Company was also given authority by shareholders to continue to operate the SSIP until the 2009 AGM. As outlined above, during 2008 a minimal number of share incentives were granted under the SSIP. The Company continues to review share incentive arrangements and as such it will seek shareholder authority to further extend the operation of the SSIP until the 2010 AGM at which time the Company will revert to shareholders with an update on long term share incentive policy. Accordingly, a resolution is being placed before shareholders at the 2009 AGM to renew the authority to operate the SSIP and to grant share incentives using new issue shares.

Shareholder approval was given in 2005 to operate the EIP until 2015, subject to further shareholder approval being required on the use of new issue shares and any material changes to the plan. No material changes to the EIP are proposed and therefore no shareholder approval is required at the 2009 AGM to continue to operate this plan.

### **Resolution 15: Fourteen day notice period for general meetings of the Company other than annual general meetings**

At the 2008 AGM, new Articles of Association were adopted which included a provision allowing general meetings of the Company to be called on the minimum notice period provided for in the Companies Act 2006 (the "2006 Act"). For meetings other than annual general meetings this is currently a period of 14 clear days (rather than the 21 clear days' notice previously required by the old Articles of Association and the 1985 Act). The 2006 Act provisions relating to meetings are due to be amended in August 2009, as a result of the UK implementation of the EU Shareholder Rights Directive (EU Directive 2007/36/EC) (the "Directive"). The UK Government is still consulting on the detail of the amendments that are to be made and will not publish the final form regulations making the amendments until later this year. One of the amendments to be made will, in accordance with the Directive, increase the minimum notice period for listed company general meetings to 21 clear days, but with an ability for companies to reduce this period back to 14 clear days (other than for annual general meetings), provided that two conditions are met. The first condition is that shareholders must have approved the calling of a meeting on 14 clear days' notice. The second condition is that the Company will need to meet the requirements enabling shareholders to vote by electronic means under the Directive. The Board is therefore proposing Resolution 15 as a Special Resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than annual general meetings. The approval will be effective until the 2010 AGM, when it is intended that a similar resolution will be proposed.

### **Resolution 16: Adoption of New Articles of Association with effect on or from 1 October 2009**

This Resolution is proposed as a Special Resolution to adopt new Articles of Association (the "New Articles") in order 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 the implementation on 1 October 2009 of the last parts of the 2006 Act. The Resolution adopting the New Articles would become effective on 1 October 2009.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature and also some additional minor changes which merely reflect changes made by the 2006 Act, or conform to the language of the New Articles with that used in the model articles for public companies set out in the Companies (Model Articles) Regulations 2008 ("Model Articles") have not been noted. The New Articles marked to show all the changes to the Current Articles are available for inspection, as outlined on page 6 of this document.

### **The Company's objects**

The provisions regulating the operations of the Company are currently set out in the Company's current Memorandum and Articles of Association. The Company's Memorandum contains, amongst other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

## Explanatory Notes on Resolutions continued

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act 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 2006 Act 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 2006 Act states that, unless a company's articles of association 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 to remove its objects clause together with all other provisions of its Memorandum which, by virtue of the 2006 Act, are to be treated as forming part of the Company's Articles of Association with effect from 1 October 2009. Resolution 16 confirms the removal of these provisions. As the effect of this Resolution will be to remove the statement currently in the Company's Memorandum of Association regarding limited liability, the New Articles contain an express statement regarding the limited liability of the shareholders.

### Authorised share capital and unissued shares

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New 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 2006 Act, save in respect of employee share schemes.

### Redeemable shares

At present if a company wishes to issue redeemable shares, it must include in its articles of association the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead, provided they are so authorised by the articles of association. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholder authority to issue new shares in the usual way.

### 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 a 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 director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The New Articles reflect these powers.

### Authority to purchase own shares, consolidate and sub-divide shares

Under the law currently in force, a company requires specific enabling provisions in its articles of association to purchase its own shares, to consolidate or sub-divide its shares as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the 2006 Act a company will require only shareholder authority to do any of these things and it will no longer be necessary for articles of association to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.

### Votes of members

Under the 2006 Act proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the 2006 Act so that the articles of association cannot provide that they should be received more than 48 hours before the meeting, or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. 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 reflect all of these provisions.

### Chairman's casting vote

The definition of an ordinary resolution in Section 282 of the 2006 Act refers to a resolution of the members, removing the possibility of the chairman having a casting vote. This Article has therefore been deleted.

### Authority to allot securities and to disapply pre-emption rights

The Current Articles of Association contain authority to allot shares and a disapplication of pre-emption rights, which the Company would renew at each annual general meeting. These provisions have been removed as the Company intends to seek these authorities by proposing resolutions at the annual general meeting instead of having the authorities set out in the Articles of Association.

### Nomination of directors

It is proposed to remove the requirement in the Current Articles that a director cannot be elected at a general meeting unless a specific length of notice is given before the meeting. This requirement used to appear in the Listing Rules of the UK Listing Authority but is not contained in the Model Articles and there is no longer a requirement for such notice to be given. Accordingly, it is no longer necessary.

### Reserves and liquidators' powers

Articles dealing with the creation of reserves and liquidators' powers have been deleted as they are obsolete and unnecessary in light of the provisions of statute and applicable accounting standards.

## Notes

1. Registered holders of fully paid Ordinary Shares or their duly appointed representatives are entitled to attend, speak and vote at the 2009 AGM. To be entitled to attend, speak and vote in respect of the number of Ordinary Shares registered in their name, shareholders must be entered on the Register of Members of the Company, as at 6.00pm on Tuesday 5 May 2009, or if the 2009 AGM is adjourned, on the Register of Members at 6.00pm two days prior to the date of any adjourned meeting. Changes to entries on the Register of Members after 6.00pm two days prior to the date of any adjourned meeting will be disregarded in determining the rights of any person to attend, speak or vote at the reconvened Meeting.
2. A registered shareholder entitled to vote at the 2009 AGM is entitled to appoint a proxy or proxies (who need not be a member of the Company) to exercise all or any of the rights to attend, speak and vote at the 2009 AGM. A shareholder may appoint more than one proxy in relation to the 2009 AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
3. A proxy may be appointed by any of the following methods:
  - a) completing and returning the enclosed Form of Proxy to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6BN;
  - b) by logging on to the Registrars' electronic proxy appointment website at [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders will need their Voting ID, Task ID and Shareholder Reference Number printed on the face of the Form of Proxy accompanying this Notice of 2009 AGM. Full details of the procedures are given on the website. Alternatively, if you have already registered with the Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on Company Meetings. Instructions are given on the website; or
  - c) if you are a member of CREST, by using the CREST electronic proxy appointment service.
4.
  - a) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the 2009 AGM to be held on Thursday 7 May 2009 and any adjournment(s) thereof 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 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.
  - b) 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 & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Number RA19) by the latest time(s) for receipt of proxy

## Notes continued

appointments specified in this Notice of 2009 AGM. 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 which the issuer'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.

- c) CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear UK & Ireland Limited 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) 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 service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- d) 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.

**IMPORTANT:** Whichever method you choose to use to return your instructions, the information must be received by the Company's Registrars no later than 10.30am on Tuesday 5 May 2009.

- 5. Shareholders who return the Form of Proxy or register the appointment of a proxy electronically will still be able to attend the 2009 AGM and vote in person if they so wish.
- 6. Any person to whom this Notice is sent who is a person nominated under Section 146 of the 2006 Act 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 2009 AGM. 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.
- 7. The statement of rights of members in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.

### Inspection of documents

The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the 2009 AGM for at least 15 minutes before the 2009 AGM commences until the conclusion of the 2009 AGM:

- a) copies of executive directors' service contracts;
- b) copies of letters of appointment of the non-executive directors; and
- c) a copy of the rules of the Spirent Stock Incentive Plan, as approved by shareholders in 2004.

From the date of this Notice until the conclusion of the 2009 AGM the Current Articles of Association showing the changes proposed by Resolution 16 (marked "A" and signed by the Chairman of the Company) will be available for inspection at the registered office of the Company, at the offices of the Company's lawyers, Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom and, for at least 15 minutes before the 2009 AGM commences and during the 2009 AGM.

- 8. As at 24 February 2009 (being the last practicable date prior to the publication of this Notice) the Company's issued Ordinary Share capital consists of 671,812,370 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 24 February 2009 are 671,812,370.
- 9. In order to facilitate voting by corporate representatives at the 2009 AGM, arrangements will be put in place at the 2009 AGM so that: (i) if a corporate shareholder has appointed the Chairman of the 2009 AGM as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the 2009 AGM, 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 (ii) if more than one corporate representative for the same corporate shareholder attends the 2009 AGM but the corporate shareholder has not appointed the Chairman of the 2009 AGM as its corporate representative a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – [www.icsa.org.uk](http://www.icsa.org.uk) – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.
- 10. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting for the financial year beginning 1 January 2009; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 January 2009 ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.

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