

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in Yule Catto & Co plc, please pass this document and the accompanying documents at once to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



Yule Catto & Co plc

(registered in England number 98381)

Registered Office:
Temple Fields
Harlow
Essex
CM20 2BH

7 April 2011

To the ordinary shareholders.

Dear Shareholder

Annual General Meeting

I enclose the Company's Report and Accounts for the year ended 31 December 2010. This year's Annual General Meeting will be held on Thursday 12 May 2011 at 2.30 pm at the Manor of Groves Hotel, High Wych, Sawbridgeworth, Hertfordshire, CM21 0JU. Notice of the Annual General Meeting is set out in the Report and Accounts on pages 84 and 85.

Re-election of Directors (Resolutions 4-8)

Resolutions 4 to 8 inclusive deal with the re-election of Directors.

Resolutions 4 to 7 inclusive deal with the re-election of the Hon. A G Catto, Dato' Lee Hau Hian, Dr A A Dobbie and Mr J K Maiden respectively. All of them bring wide, varied and relevant business and boardroom experience gained from past and current involvement with a number of companies and areas of commerce. I can confirm that, following formal performance evaluation, the performance of each of them continues to be effective and to demonstrate commitment to the role of Non-executive Director of the Company.

Resolution 8 deals with the re-election of Mr D C Blackwood who serves as an executive director of the Company.

The following biographical details are provided in order for you to take an informed decision on the re-election of the above named.

The Hon. A G Catto joined the Board as a Non-executive Director in 1981. He was educated at Westminster School and Trinity College Cambridge. For over twenty years he worked in investment banking, first with J P Morgan then with Morgan Grenfell & Co Limited where he was the Director in charge of new issues. Then for six years he was a Managing Director of Lazard Brothers heading up their capital markets business. In 1995 he left to concentrate on initiating and managing investments, setting up CairnSea Investments, of which he is Managing Director, with a particular focus on the provision of seed and development capital to private companies. His current other directorships include Neptune Investment Management Limited. The Hon. A G Catto is a grandson of the first Lord Catto, the founder of the company that became Yule Catto & Co plc. Age 58.

Dato' Lee Hau Hian is Malaysian and joined the Board as a Non-executive Director in 1993. He stood down in 2000 to become an Alternate Director and re-joined the board in 2002. He is the Managing Director of Batu Kawan Berhad, a listed Malaysian investments holding company, with interests in plantations and chemicals manufacturing. He graduated with a Bachelor of Science (Economics) degree from the London School of Economics and has a MBA degree from Stanford University, California. He is a Director of Kuala Lumpur Kepong Berhad and is the President of the Perak Chinese Maternity Association. He also serves as a Director of Yayasan De La Salle. Age 57.

Dr A A Dobbie joined the Board on 20 August 2007 and is considered to be an independent Non-executive Director. He holds a doctorate in chemistry from the University of Glasgow and has some 30 years' international industrial experience in speciality chemicals having held senior positions at the Kelco division of Merck & Co Inc, Brent International plc and Octel Corporation. He is a founding director of Cogency Chemical Consultants Limited, which provides specialist advice on investment in the chemical sector, a director of NiTech Solutions Limited and Marine Biopolymers Limited and is chairman of Chemical Sciences Scotland. Age 59.

Mr J K Maiden joined the Board on 20 August 2007 and is considered to be an independent Non-executive Director. He holds a Bachelor of Arts (Economics) degree from the University of Durham and is a Fellow of the Chartered Institute of Management Accountants. He has extensive financial experience in the chemical industry, having previously been group finance director at both British Vita plc and Hickson International plc. He is Group Finance Director of National Express Group PLC. Age 49.

Mr D C Blackwood joined the Board on 1 October 2007 and is Group Finance Director. He holds a Bachelor of Science (Mathematics) degree from the University of Durham and is a member of the Institute of Chartered Accountants in England and Wales and a Fellow of the Association of Corporate Treasurers. During a long career at ICI he held a number of senior finance roles including Group Financial Controller and Group Treasurer. He is a member of the Board for Actuarial Standards. Age 52.

In addition to the routine business normally conducted at the Annual General Meeting it is proposed to seek shareholders' approval for the following:

Authority to allot shares (Resolution 11)

Resolution 11, which is proposed as an ordinary resolution, gives the Directors a new authority to allot shares under the provisions of the Articles of Association. This authority replaces all previous authorities. The maximum amount of the relevant securities that the Directors will have authority to allot is £11,329,358 which is one third of the nominal amount of the total issued share capital of the Company as at 25 March 2011. The Directors have no present intention of exercising this authority which will lapse on the earlier of the date of the 2012 Annual General Meeting and 30 June 2012.

Authority to disapply pre-emption rights (Resolution 12)

Under the Companies Act 2006 the Directors may only allot shares for cash otherwise than to existing shareholders pro rata to their holdings if so authorised by the shareholders in general meeting. Resolution 12, which is proposed as a Special Resolution, gives authority to the Directors to allot and issue ordinary shares which they will be authorised to allot, pursuant to the authority conferred by Resolution 11 for cash, as though the pre-emption rights contained in Section 561 of the Companies Act 2006 did not apply to such allotment and issue, in respect of issues in favour of ordinary shareholders and otherwise generally up to an aggregate nominal value of £1,699,403. This amount is equal to 5% of the nominal amount of the total issued share capital of the Company as at 25 March 2011.

Authority to purchase own shares (Resolution 13)

The effect of Resolution 13, which is proposed as a Special Resolution, if duly passed will be to renew the general authority of the Company to make market purchases of its own ordinary shares. The maximum number of ordinary shares which may be purchased is 33,988,076 (representing 10% of the Company's issued ordinary share capital as at 25 March 2011) at a minimum price of 10p and a maximum price of 105% of the average of the closing middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased (exclusive of expenses).

The Directors have no specific intention of using this authority and the authority will only be exercised if the Directors believe that to do so would result in an increase in earnings per share and would be in the best interests of the Company's shareholders generally.

Holding of general meetings at 14 days' notice (Resolution 14)

Before the introduction of the Shareholders' Rights Regulations 2009 the minimum notice period permitted by the Companies Act 2006 for general meetings (other than AGMs) was 14 days. One of the amendments made to the Companies Act 2006 by the Shareholders' Rights Regulations was to increase the minimum notice period for general meetings of listed companies to 21 days, but with an ability for companies to reduce this period back to 14 days (other than for AGMs) provided that two conditions are met. The first condition is that the company offers a facility for shareholders to vote by electronic means. This condition is met if the company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days. Your Board is therefore proposing Resolution 14 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than AGMs. The approval will be effective until the Company's next AGM, when it is intended that the approval be renewed. The Company will use this notice period when permitted to do so in accordance with the Companies Act 2006 and when the Directors consider that it is appropriate to do so.

Voting arrangements

May I draw to your attention that the Company includes a "vote withheld" option on the Proxy Form in order to reflect clearly the views of those shareholders who wish to abstain from voting on a particular resolution. You should note however, that a "vote withheld" is not a vote in law and will not be counted in the calculation of the votes "For" or "Against" a resolution.

Meeting, action to be taken and available information

The Resolutions, to be proposed at the Annual General Meeting of the Company to be held on Thursday 12 May 2011, are set out in the Notice of Meeting in the Report and Accounts of the Company accompanying this circular. Your Directors believe that these proposals are in your best interests and those of the Company and recommend you to vote in favour of them. Your Directors intend to vote in favour of the resolutions in respect of their own beneficial holdings, which amount to 2,295,841 ordinary shares, representing 0.68% of the issued ordinary share capital.

To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or at the electronic address provided in the proxy form, in each case no later than 48 hours before the time appointed for holding the meeting or any adjourned meeting. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 of the notes to the Notice of Meeting) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

The terms of appointment and service contracts of the Directors will be available for inspection at the place of the Annual General Meeting noted above from 15 minutes before the Annual General meeting until its end.

Yours faithfully



P S Wood
Chairman



YULE
CATTO

Yule Catto & Co plc
Temple Fields
Harlow
Essex CM20 2BH
UK

T +44 (0)1279 442 791
F +44 (0)1279 641 360

www.yulecatto.com