

annual general meeting

The Company's Annual General Meeting will be held at the offices of Addleshaw Goddard LLP, 150 Aldersgate Street, London EC1A 4EJ at 2.00pm on Thursday 15 May 2008. All shareholders are welcome to attend and there will be an opportunity for shareholders to speak with Directors at the meeting. The Notice of Meeting follows and sets out the business to be transacted. An explanation of each of the resolutions follows below.

1. To receive and adopt the Directors' Report and accounts

This is an Ordinary Resolution to adopt the Directors' Report and accounts for the year ended 31 December 2007.

2. To approve the Directors' Remuneration Report

This is an Ordinary Resolution to approve the Directors' Remuneration Report included in the Directors' Report and accounts.

3. To reappoint Simon Batey as a Director

This is an Ordinary Resolution to reappoint as a Director Simon Batey, who has been appointed by the Board since the last general meeting of the Company, and who accordingly retires and is being proposed for reappointment by shareholders in accordance with the Company's Articles of Association. Biographical details of Simon Batey are included on page 22.

4. To reappoint Deloitte & Touche LLP as auditors

This is an Ordinary Resolution to reappoint Deloitte & Touche LLP as auditors and, as is customary, to authorise the Directors to fix the auditors' remuneration.

5. To authorise the Directors to allot relevant securities

This is an Ordinary Resolution to renew the existing authority of the Directors to allot relevant securities (within the meaning of the Company's Articles of Association) up to a maximum aggregate nominal value of £132,061, representing approximately one third of the Company's issued ordinary share capital as at 7 March 2008. Unless renewed, this authority would expire no later than 15 August 2009. As some shareholders will be aware, it is normal for a UK-Listed company to maintain such an authority irrespective of any intention to exercise it. The Board confirms that it does not currently have any intention to utilise this authority. As at 7 March 2008, no shares were held by the Company as treasury shares.

6. To disapply pre-emption rights

This is a Special Resolution to renew the existing authority of the Directors to allot equity securities (within the meaning of the Company's Articles of Association) for cash (and/or to sell treasury shares for cash) without first offering such shares to existing shareholders on a pro rata basis, such authority to relate to (a) the allotment of shares in a rights issue or other offer where (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems in any territory or the requirements of any regulatory body or stock exchange) the shares attributable to holders of Ordinary shares are proportionate (as nearly as practicable) to their respective holdings of Ordinary shares and (b) the allotment of Ordinary shares having a maximum aggregate nominal value of £19,809, representing approximately 5% of the Company's issued Ordinary share capital as at 7 March 2008. Unless renewed, the authority would expire no later than 15 August 2009. Again, as some shareholders will be aware, it is normal for a UK-Listed company to maintain such an authority irrespective of any intention to exercise it. The Board confirms that it does not currently have any intention to utilise this authority.

7. To authorise the Company to repurchase its own shares

This is a Special Resolution to renew the Directors' existing authority to make market purchases of the Company's Ordinary shares, such authority to be limited to purchases of up to 19,809,237 shares (representing approximately 10% of the Company's issued share capital as at 7 March 2008). Unless renewed, the authority would expire no later than 15 August 2009. Any shares purchased under this authority may either be cancelled or held as treasury shares. As with the previous two resolutions, it is normal for a UK-Listed company to maintain such an authority irrespective of any intention to exercise it. The Board confirms that it does not currently have any intention to utilise this authority. In addition, this authority would only be utilised if such is expected to result in an increase in earnings per share and to be in the best interests of shareholders generally.

As at 7 March 2008 there were options outstanding to subscribe for 3,066,070 Ordinary shares in the Company (although in practice it is intended that exercise of these options will be principally satisfied by the transfer of shares from the Company's employee benefit trust, rather than by the allotment of new shares). This represents approximately 1.5% of the issued share capital of the Company as at 7 March 2008 and would represent approximately 1.9% of the issued share capital if both the Directors' existing authority to buy back shares and the new authority now being sought were to be utilised in full.

8. To amend the Articles of Association

It is proposed that new Articles of Association be adopted, incorporating a small number of amendments from the Company's existing Articles of Association in order to reflect the ongoing implementation of the Companies Act 2006, such adoption to take effect from 1 October 2008 (the date upon which Section 175 of the 2006 Act is to come into force).

The principal amendment is the new Article, inserted as a result of the provisions of Section 175 (which place upon a Director a statutory duty to avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests). The new Article empowers the Directors, as permitted by Section 175, to authorise such a situation. Any such authorisation will be effective only if the interested Director(s) is/are not counted in the quorum for the Directors' meeting at which the matter is considered and the vote(s) (if any) of such Director(s) on any such authorisation will be ignored. The Directors may impose conditions or limitations on any such authorisation. A small number of (essentially consequential) amendments are being made to related Articles dealing with the Directors' interests.

annual general meeting

continued

8. To amend the Articles of Association continued

Other amendments relate to the removal of references to 'extraordinary' general meetings (which terminology is not reflected in the 2006 Act); the removal of the Chairman's casting vote on any Ordinary Resolution at a general meeting; the incorporation of wording to reflect the provisions of the 2006 Act allowing non-working days to be taken into account when calculating the maximum 48-hour period prior to a general meeting for setting the deadline for receipt of proxies; and the removal of certain provisions regarding the appointment by corporate shareholders of multiple corporate representatives for the purposes of a general meeting of the Company (which provisions, although consistent with the 2006 Act, are liable to cause difficulties in practice).

Recommendation

Your Directors consider each of the resolutions set out in the Notice of Annual General Meeting to be in the best interests of the Company and its shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of such resolutions, as they intend to do in respect of their own beneficial shareholdings.