

Mitchells & Butlers plc

Notice of Annual General Meeting

to be held at
The Queen Elizabeth II Conference Centre,
Broad Sanctuary, Westminster, London SW1P 3EE,
on Thursday, 31 January 2008, at 11.00am.

This document is important and requires your immediate attention

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in Mitchells & Butlers plc, please pass this document and the accompanying Form of Proxy to the stockbroker or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach the Company's Registrar by no later than 11.00am on Tuesday, 29 January 2008. Completion and return of the Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish. Alternatively you can register your proxy vote electronically, either by means of a website provided by the Company's Registrar, www.sharevote.co.uk or by using the service provided by CRESTCo. Further details are given in the notes to this document.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mitchells & Butlers plc will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday, 31 January 2008, at 11.00am, or at any adjournment thereof, for the following purposes:

Resolutions

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 7 and 10 will be proposed as ordinary resolutions and numbers 8, 9 and 11 to 15 as special resolutions.

- 1 To receive the Company's financial statements for the year ended 29 September 2007, together with the reports of the Directors and auditors.
- 2 To approve the Remuneration report for the year ended 29 September 2007.
- 3 To declare a final dividend on the ordinary shares.
- 4 To reappoint (a) Mike Bramley, (b) Roger Carr, (c) Drummond Hall and (d) Adam Fowle as Directors of the Company.
- 5 To reappoint Ernst & Young LLP as auditors of the Company until the next general meeting at which accounts are to be laid.
- 6 To authorise the Audit Committee of the Board to agree the auditors' remuneration.

7 Allotment of shares

"THAT the Directors be generally and unconditionally authorised pursuant to, and in accordance with, Section 80 of the Companies Act 1985 and within the terms of Article 12 of the Articles of Association of the Company to exercise, during the period ending on the date of the Annual General Meeting in 2009 or 31 March 2009, whichever is the earlier, all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £11,476,100."

8 Disapplication of pre-emption rights

"THAT during the period ending on the date of the Annual General Meeting in 2009 or on 31 March 2009, whichever is the earlier, the Directors be and are hereby empowered (a) to allot equity securities wholly for cash pursuant to any authority for the time being in force under Section 80 of the Companies Act 1985 and within the terms of Article 12 of the Articles of Association of the Company and (b) to allot equity securities (as defined in Section 94(3A) of the Companies Act 1985):

- (i) in connection with a rights issue (as defined by Article 12.5.1); and
- (ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount of £1,721,400

as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment and shall be in substitution for all previous disapplications of Section 89 of the Act, which shall cease to have effect without prejudice to any allotment of securities pursuant thereto."

9 Authority to purchase own shares

"THAT, subject to and in accordance with Article 9 of the Company's Articles of Association, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 8¹/₄ pence each in the capital of the Company ('ordinary shares') on such terms as the Directors think fit, provided that:

- (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 40,306,400;

- (ii) the minimum price which may be paid for each ordinary share is 8¹/₄ pence per share;
- (iii) the maximum price which may be paid for each ordinary share is an amount equal to the higher of:
 - (a) 105 per cent of the average of the middle market quotations for an ordinary share, as derived from The London Stock Exchange Daily Official List, for the five business days before the day on which such share is purchased; and (b) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and
- (iv) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 31 March 2009, whichever is earlier (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or partly after such date), unless such authority is renewed prior to such time."

10 Political donations

"THAT in accordance with section 366 of the Companies Act 2006 the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised to:

- (i) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (ii) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (iii) incur political expenditure not exceeding £50,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 during the period beginning with the date of the passing of this resolution and ending on the date of the Annual General Meeting of the Company to be held in 2009.

For the purpose of this resolution the terms 'political donations', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Companies Act 2006."

11 Electronic communication

"THAT, with effect from the conclusion of the Annual General Meeting, Article 150 of the Company's Articles of Association be substituted by the following:

150 Service of notice

150.1 Any notice to be given to or by any person pursuant to these Articles may be in hard copy form or, subject to the Statutes, in electronic form or given by electronic means.

150.2 Any notice or document (including a share certificate) in hard copy form may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid.

150.3 Subject to the Statutes, a document or notice may be sent or supplied by the Company to any member in electronic form to such address as may from time to time be authorised by the member concerned or by making it available on a website and notifying the member concerned in accordance with the Statutes that it has been made available. A member shall be deemed to have agreed that the Company may send or supply a document

or information by means of a website if the conditions set out in the Statutes have been satisfied.

150.4 Any document or notice (excluding a share certificate) which, in accordance with these Articles, may be sent by the Company by electronic means shall, if so sent, be deemed to be received at the expiration of 24 hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that a communication in electronic form was sent by the Company shall be conclusive evidence of such sending. If the Company receives a delivery failure notification following a communication by electronic means in accordance with article 150.3 the Company shall send or supply the document or notice in hard copy or electronic form (but not by electronic means) to the member either personally or by post addressed to the member at his registered address or by leaving it at that address. This shall not affect when the document or information was deemed to be received in accordance with this article.

150.5 Subject to the Statutes, a document or notice may be given to the Company in electronic form only if it is given in such form and manner and to such address as may have been specified by the Directors from time to time for the receipt of documents in electronic form.

150.6 Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or, where second-class mail is employed, 48 hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

150.7 Where a notice or document is sent or supplied by means of a website, it shall be deemed to have been received:

- (i) when the material was first made available on the website; or
- (ii) if later, when the recipient was deemed to have received notice of the fact that the material was available on the website.

150.8 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

And to reflect the revised Article 150, consequential amendments be made to Article 2 (Definitions), Article 52 (Notice of General Meetings), Article 53 (Contents of notice of General Meetings), Article 76 (Deposit of form of proxy), Article 153 (Overseas members), Article 154 (Suspension of postal services), and Article 156 (Signature of documents).”

A copy of the new Articles of Association and a copy of the current Articles of Association marked to show changes proposed by this resolution are available for inspection as noted on page 8 of this Notice.

12 Conflicts of interest

“THAT subject to the passing of resolutions 11, 13, 14 and 15 and with effect on and from 1 October 2008 the following be added as new Articles 89 and 90 of the Company’s Articles of Association and that subsequent articles of the Company’s Articles of Association be renumbered and all cross references be altered to reflect such addition:

89 Directors’ interests other than in relation to transactions or arrangements with the Company

89.1 If a situation (a “**Relevant Situation**”) arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it, but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:

89.1.1 If a Relevant Situation arises from the appointment or proposed appointment of a person as a Director of the Company, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Director and the Relevant Situation on such terms as they may determine;

89.1.2 If the Relevant Situation arises in circumstances other than in article 89.1.1 above, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the Director of his duties on such terms as they may determine.

89.2 Any reference in Article 89.1 above to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

89.3 Any terms determined by Directors under Article 89.1.1 or 89.1.2 above may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):

- (i) whether the interested Director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- (ii) the exclusion of the interested Director(s) from all information and discussion by the Company of the Relevant Situation; and
- (iii) (without prejudice to the general obligations of confidentiality) the application to the interested Director(s) of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.

89.4 An interested Director must act in accordance with any terms determined by the Directors under Articles 89.1.1 or 89.1.2 above.

89.5 Except as specified in Article 89.1 above, any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these Articles.

89.6 Any authorisation of a Relevant Situation given by the Directors under Article 89.1 above may provide that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company’s affairs in circumstances where to do so would amount to a breach of that confidence.

Notice of Annual General Meeting (continued)

89.7 A Director shall not, by reason of his holding an office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:

89.7.1 any Relevant Situation authorised under Article 89.1 or permitted under Article 88; or

89.7.2 any interest permitted under Article 88,

and no contract shall be liable to be avoided on the grounds of any Director having any type of interest authorised under Article 89.1 or permitted under Article 88.

90 Provisions applicable to declarations of interest

90.1 A Director shall declare the nature and extent of his interest in a Relevant Situation within Article 89.1.1 or 89.1.2 above to the other Directors.

90.2 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.

90.3 Where a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other Directors, unless the interest has been declared under Article 90.2, above.

90.4 The declaration of interest must (in the case of Article 90.3) and may, but need not, (in the case of Article 90.1 or 90.2) be made:

90.4.1 at a meeting of the Directors; or

90.4.2 by notice to the Directors in accordance with:

- (i) section 184 of the Act (notice in writing); or
- (ii) section 185 of the Act (general notice).

90.5 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

90.6 Any declaration of interest required by Article 90.1 must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

90.7 Any declaration of interest required by Article 90.2 must be made before the Company enters into the transaction or arrangement.

90.8 Any declaration of interest required by Article 90.3 must be made as soon as is reasonably practicable.

90.9 A declaration in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question, is not required.

For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware.

90.10 A Director need not declare an interest:

90.10.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

90.10.2 if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

90.10.3 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered;

- (i) by a meeting of the Directors; or
- (ii) by a committee of the Directors appointed for the purpose under the Articles.

And to reflect further changes in the Companies Act 2006 that are due to come into effect at a later stage, consequential amendments also be made on and with effect from 1 October 2008 to Article 88 (Directors' interests), Article 109 (Directors' interests) and Article 110 (Directors may have interests) as set out in the document marked "B" and signed by the Chairman for the purposes of identification."

A copy of the new Articles of Association and a copy of the current Articles of Association marked to show changes being proposed by this resolution are available for inspection as noted on page 8 of this Notice.

13 Chairman's casting vote

"THAT Article 66 be and is hereby amended by the insertion of the word "not" in front of "be entitled to a casting vote"."

A copy of the new Articles of Association and a copy of the current Articles of Association marked to show changes being proposed by this resolution are available for inspection as noted on page 8 of this Notice.

14 Directors' retirement age

"THAT Article 100 of the Company's Articles of Association be and is hereby removed and that subsequent articles of the Company's Articles of Association be renumbered and all cross references be altered to reflect such deletion."

A copy of the new Articles of Association and a copy of the current Articles of Association marked to show changes being proposed by this resolution are available for inspection as noted on page 8 of this Notice.

15 Consequential amendments to Articles

"THAT various minor and technical amendments to the Articles of Association be and hereby are made to reflect the implementation of the Companies Act 2006 as set out in the document marked "A" and signed by the Chairman for the purpose of identification."

A copy of the new Articles of Association and a copy of the current Articles of Association marked to show changes being proposed by this resolution are available for inspection as noted on page 8 of this Notice.

By order of the Board

Bronagh Kennedy
Company Secretary
28 November 2007

Registered Office:
27 Fleet Street
Birmingham B3 1JP

Explanation of business

This Notice of Meeting contains items of business which are of a technical nature and are therefore explained below.

Resolution 2 – Remuneration report

Shareholders are given the opportunity by law to vote on whether or not they approve the Remuneration report and this vote will be in respect of the content of the Remuneration report and not specific to any Director's level or terms of remuneration.

The full Remuneration report is contained in the Annual report and financial statements 2007, copies of which have been sent to those shareholders who elected to receive them and are obtainable from the Registered Office of the Company or from the Company's website – www.mbplc.com/reports. A summary of the Remuneration report is contained in the Annual review and summary financial statement 2007, which has been sent to all shareholders.

Resolution 4 – Directors

The following Directors, whose biographical details are shown on page 28 of the Annual review and summary financial statement 2007, are standing for reappointment at the Annual General Meeting on 31 January 2008 in accordance with the Company's Articles of Association. Each reappointment will be proposed as a separate resolution. The Board recommends these reappointments to shareholders for the reasons given below:

Mike Bramley

Mike has been Managing Director, Pubs & Bars since September 2002 and has had a long and varied career in various aspects of brewing and licensed retail businesses. He has been responsible for managing the pubs business through the recent reform of licensing laws and for managing the changes brought about by the introduction of smoking bans throughout Britain. Under his leadership the Pubs & Bars division has grown its food sales from £106.6m to £154.3m since 2003. His performance was specifically evaluated as part of the 2007 Board effectiveness review and the Board confirmed that it values his experience and commitment to the business.

Roger Carr

Roger has provided a steadfast leadership since the demerger of the business from Six Continents in 2003. His wealth of business experience, energy and commitment to the Company has been exemplary. Led by the Senior Independent Director, the Non-Executive Directors considered his performance as part of the Board effectiveness review and agreed that his wisdom and positive, inclusive approach enables him to manage the Board effectively.

Drummond Hall

Drummond's background in consumer marketing enables him to bring a beneficial insight to the Board. Formerly Chief Executive of Dairy Crest plc, his experience led to appointment as Senior Independent Director during 2007 upon Sara Weller stepping down from that role. His performance was specifically evaluated during the Board effectiveness review and the Board confirmed that his continuing contribution to the Company was much appreciated.

Adam Fowle

Adam has twenty years' experience in the licensed retail business, having originally joined the Company in 1985. He was Managing Director, Pubs & Bars before working for Sainsbury's as Retail Director for two years. He rejoined Mitchells & Butlers in March 2005 as Business Development Director and took responsibility for the acquisition and integration of the acquired Whitbread sites. He became Managing Director, Restaurants on 1 October 2007. Although it is too early for a formal evaluation of his performance as a Director, the Board considers that his background and experience will enable him to make a valuable contribution to the Board.

Resolution 7 – Allotment of shares

This resolution authorises the Directors to allot ordinary shares up to an aggregate nominal amount of £11,476,100. This is equivalent to 33% of the issued ordinary share capital (excluding shares held in treasury) of the Company as at 28 November 2007. The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting or on 31 March 2009, whichever is the earlier. Although the Directors have no present intention of exercising this authority, it is considered prudent to maintain the flexibility it provides. This resolution complies with the Institutional Investment Committee guidelines and will replace the authority given to the Directors at the Annual General Meeting in 2007.

As at 28 November 2007 the Company held 715,677 ordinary shares in treasury, which represents approximately 0.18% of the total ordinary share capital of the Company in issue as at 28 November 2007.

Resolution 8 – Disapplication of pre-emption rights

It is proposed to renew the authority to the Directors to allot equity securities for cash without first being required to offer such securities to existing shareholders. This will include the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The authority relates to up to £1,721,400 of nominal capital, being 5% of the issued ordinary share capital of the Company as at 28 November 2007 and the authority will expire at the next Annual General Meeting or on 31 March 2009, whichever is the earlier. This resolution complies with the Institutional Investment Committee guidelines.

The Directors do not intend to issue more than 7.5% of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with the Institutional Investment Committee.

Resolution 9 – Authority to purchase own shares

The Company is seeking authority to purchase up to 10% of its ordinary shares at, or between, the minimum and maximum prices specified in this resolution. This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The Directors would exercise the authority to purchase ordinary shares only if they considered it to be in the best interest of shareholders and if the purchase could be reasonably expected to result in an increase in earnings per share.

Under the Companies Act 1985, the Company is allowed to hold its own shares in treasury following a buyback, instead of cancelling them as previously required. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Board exercises the authority conferred by Resolution 9, the Company will have the option of holding repurchased shares in treasury.

At 28 November 2007, options were outstanding to subscribe for 18.7 million ordinary shares, representing 4.62% of the issued share capital and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and sought) is used is 5.13 per cent.

The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting or on 31 March 2009, whichever is the earlier.

Notice of Annual General Meeting (continued)

Resolution 10 – Political donations

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Group of £5,000 or less in any 12 month period will not be caught.

Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure. However, the Companies Act 2006 defines 'political party', 'political organisation', 'political donation' and 'political expenditure' widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting may be included in these definitions.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred.

As permitted under the Companies Act 2006, the resolution extends not only to the Company but also covers all companies which are subsidiaries of the Company at any time the authority is in place. The resolution authorises the Company and its subsidiaries to:

- (i) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (ii) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (iii) incur political expenditure not exceeding £50,000 in total

provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 in the period up to the Company's Annual General Meeting in 2009, as defined in the Companies Act 2006.

As required by the Companies Act 2006, the resolution is in general terms and does not purport to authorise particular donations.

Resolution 11 – Electronic communication

With effect from 20 January 2007 the Companies Act 2006 introduced new provisions enabling companies to communicate with shareholders by electronic and/or website communication. The Company will be allowed to send documents to a shareholder in electronic form (subject to consent of the shareholder) and by a website. Before the Company can communicate with a shareholder by means of website communication, the relevant shareholder must be asked individually by the Company to agree that the Company may send or supply documents or information to him or her by means of a website. The Company must then either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. This resolution amends the Articles of Association with immediate effect to permit the Company to take advantage of these provisions. The Company will contact shareholders for their consent to receive communications from the Company via its website or to elect to receive communications either electronically or in hard copy.

The Company will notify the shareholder (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a shareholder retains the right to request a hard copy version of the document or information.

Resolution 12 – Conflicts of interest

The Companies Act 2006 sets out directors' general duties. The provisions largely codify the existing law but with some changes. The Companies Act 2006 will introduce new provisions requiring directors to avoid a situation where they have or can have a direct or indirect interest that conflicts or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows the board to authorise a director's conflict or potential conflict of interest where the articles contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. This resolution amends the Articles with effect from 1 October 2008 to give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. These include only independent directors (those who have no interest in the matter being considered) will be able to take the relevant decision, and in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation, or subsequently if they think fit.

It is proposed to include provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises in the consequential amendments to the Articles. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

Resolution 13 – Chairman's casting vote

This resolution amends the Articles of Association to remove the casting vote of the Chairman at general meetings of the Company which would otherwise contravene new provisions of the Companies Act 2006.

Resolution 14 – Directors' retirement age

It is proposed to remove Article 100 of the Articles of Association which provides for the automatic retirement of a director on attaining the age of 67. This is in order to comply with the spirit of the age discrimination legislation which came into force on 1 October 2006.

Resolution 15 – Consequential amendments to the Articles

This resolution amends the Articles of Association with immediate effect in order to make various other amendments which are of a minor, technical or clarifying nature either required by or consequential to provisions of the Companies Act 2006 which are already in force at the date of the meeting. These include:

- (i) *Extraordinary resolutions*
The current Articles of Association contain references to decisions which must be sanctioned by extraordinary resolution of the shareholders. The concept of extraordinary resolution has been abolished under the Companies Act 2006 with such decisions to be decided by special resolution. It is proposed that the relevant changes are made to the Articles of Association.

(ii) *Timing of Annual General Meetings*

The Companies Act 2006 provides that companies must hold their annual general meeting within six months beginning with the day following the end of the accounting period. It is proposed that the appropriate change be made to the Articles of Association.

(iii) *Convening and notice of general meetings*

It is proposed that the provisions in the Articles of Association dealing with the convening of general meetings and the length of notice required to convene general meetings be amended to conform to the new provisions in the Companies Act 2006. In particular, a general meeting (other than an Annual General Meeting) to consider a special resolution can be convened with 14 days' notice whereas previously 21 days' notice was required.

(iv) *Proxies*

A proxy has a statutory right under the Companies Act 2006 to speak at any general meeting. Under the Companies Act 2006, proxies are also entitled to vote on a show of hands whereas under the current Articles of Association proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. It is proposed that the Articles of Association are amended to reflect these new rules.

(v) *Directors' indemnities*

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors. In particular, a company can now indemnify a director of a company that is a trustee of an occupational pension scheme against liability incurred in connection with the company's activities as trustee of that scheme. It is proposed that this is reflected in the Articles of Association. The opportunity is also being taken to clarify that, subject to the Companies Act 2006, the Company may grant indemnities to directors of associated companies.

A copy of the Articles of Association marked to show the changes being proposed by this resolution will be on display at the meeting.

Due to the phased nature of implementation of the Companies Act 2006, it is likely that further related changes to the Articles of Association will be proposed at a later Annual General Meeting to incorporate provisions currently scheduled to come into force at a later time. All such changes will be shown on a blacklined copy of the Articles displayed at that meeting.

Notice of Annual General Meeting (continued)

Notes

- 1 Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend, vote and speak at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, vote and speak on his/her behalf.
- 2 A Form of Proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person.
- 3 If you wish, you may register the appointment of a proxy for this meeting electronically, by contacting the website www.sharevote.co.uk where full details of the procedure are given. The proxy appointment and instructions must be received by Equiniti not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service should follow 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.
- 5 A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 6 The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
- 7 Copies of contracts of service and letters of appointment between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof) will be available at the Registered Office of the Company during normal business hours until the conclusion of the Annual General Meeting, and at the place of the Meeting from at least 15 minutes prior to the Meeting until its conclusion. In addition, a copy of the Articles of Association of the Company marked to show the changes being proposed by resolutions 11 and 13-15 together with a copy of the revised Articles of Association of the Company marked to show the changes proposed by resolution 12 will be available for inspection at Allen & Overy LLP, One Bishops Square, London E1 6AO and at the AGM location on 31 January 2008 for at least 15 minutes prior to and during the meeting.
- 8 The Company specifies that only those shareholders on the Register of Members as at 6.00pm on 29 January 2008 shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their names at the time. Changes to entries on the ordinary register after 6.00pm on 29 January 2008 shall be disregarded in determining the right of any person to attend or vote at the Meeting.
- 9 As at 10 December 2007 (being the last business day prior to the publication of this notice) the Company's issued share capital amounts to 403,064,016 shares carrying one vote each. Therefore the total voting rights in the Company as at 10 December 2007 are 403,064,016.
- 10 The meeting will be held on Thursday, 31 January 2008 at 11.00am at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE.

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 CRESTCo'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 7RA01) not less than 48 hours before the time for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo 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.

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.