

# Notice of annual general meeting

**Important: If the securities have been sold or transferred by the addressee of this Notice, this document and other relevant documents should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.**

**Notice Is Hereby Given** that the Twentieth Annual General Meeting of Shaftesbury PLC will be held at Pegasus House, 37/43 Sackville Street, London W1S 3DL, on Wednesday 1st February 2006 at 12 noon for the following purposes:

## **Ordinary Business**

1. To receive and adopt the audited financial statements for the year ended 30th September 2005, and the reports of the Directors and auditors.
2. To approve the report on Directors' Remuneration for the year ended 30th September 2005.
3. To declare a final dividend for the year ended 30th September 2005 of 3.30p per Ordinary Share payable on 7th February 2006 to holders of Ordinary Shares registered at the close of business on 6th January 2006.
4. To re-elect J S Lane as a Director of the Company.
5. To re-elect S J Quayle as a Director of the Company.
6. To elect W G McQueen as a Director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company from the end of the Meeting until the end of the next general meeting at which financial statements are laid before the Company.
8. To authorise the Directors to agree the remuneration of the auditors.

## **Special Business**

To consider and, if thought fit, pass the following resolutions as ordinary resolutions in the case of resolutions 9, 12 and 13 and as special resolutions in the case of resolutions 10 and 11:

9. THAT, in substitution for all previous authorities pursuant to section 80 of the Companies Act 1985 (the "Act"), which are hereby revoked, but without prejudice to any allotment of securities pursuant thereto, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Act to exercise all powers of the Company to allot relevant securities as defined in section 80(2) of the Act up to an aggregate nominal amount of £11,000,000 consisting of 44,000,000 Ordinary Shares of 25 pence each, such authority to expire at the conclusion of the next Annual General

Meeting or 15 months from 1st February 2006 if earlier save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

10. THAT, the Directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act);

- a. for cash pursuant to the authority conferred by Resolution 9; or
- b. by way of the sale of treasury shares (within the meaning of section 162A of the Act), for cash,

as if, in either case, subsection (1) of section 89 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

- i. in connection with a rights issue or open offer or other issue or offer to ordinary shareholders (other than the Company) on the Company's Register of Members on a fixed record date in proportion (as nearly as may be) to the respective numbers of Ordinary Shares of 25 pence each held by them subject to such exclusion or other arrangement as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or requirements of any recognised regulatory body or any stock exchange, in any territory; and
- ii. otherwise than pursuant to subparagraph (i) above up to an aggregate nominal value of £1,650,000 consisting of 6,600,000 Ordinary Shares of 25 pence each,

and shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months from 1st February 2006 if earlier save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. This power is in substitution of all unexercised existing powers given for the purposes of section 95(1) of the Act.

11. THAT the Company is hereby unconditionally and generally authorised to make market purchases (as defined in section 163(3) of the Act) of Ordinary Shares of 25 pence each in the capital of the Company provided that:

- i. the maximum number of Ordinary Shares of 25 pence each hereby authorised to be purchased is 13,200,000 (representing 10 per cent. of the issued share capital of the Company as at 30th September 2005);
- ii. the minimum price, exclusive of expenses, which may be paid for each such Ordinary Share is £0.25;
- iii. the maximum price, exclusive of expenses, which may be paid for each such Ordinary Share is an amount equal to not more than 5 per cent. above the average of the middle market quotations for such share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is contracted to be purchased;
- iv. unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months from 1st February 2006 if earlier; and
- v. the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly at the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

12. THAT the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates be and is hereby authorised pursuant to Section 347C of the Act to make:

- i. donations to EU political organisations not exceeding £100,000 and
- ii. to incur EU political expenditure not exceeding £100,000;

provided that any such donations and/or EU political expenditure made or incurred by the Company does not exceed an aggregate of £100,000 in the period ending at the conclusion of the Company's next Annual General Meeting or 15 months from 1st February 2006 if earlier; provided further that the Company shall not use the authority granted other than in continuation of its business activities and that the Company's policy of making no direct contributions to political parties shall remain unchanged.

13. THAT the rules of the Shaftesbury Long Term Incentive Plan (the "Plan") referred to in the Chairman of the Board's letter to shareholders dated 7th December 2005 and which have been produced to the meeting (initialled by the Chairman for identification only) be approved and the Directors be authorised to make such modifications to the Plan as they may consider appropriate to take account of the requirements of the UK Listing Authority and best practice and to adopt the Plan as so modified and to do all such acts and things as they may consider appropriate to implement the Plan.

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy for use by members is enclosed. Forms of proxy must be lodged with the Registrar not less than 48 hours before the Meeting.
2. Appointment of a proxy will not preclude a member from attending and voting in person at the Meeting.
3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 30th January 2006 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after 6.00 p.m. on 30th January 2006 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
4. The Register of Directors' Interests in the Company kept under section 325 of the Act and copies of Directors' contracts of service may be inspected at the registered office (and place of AGM) of the Company during normal business hours on weekdays (public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.
5. A copy of the draft rules of the Shaftesbury Long Term Incentive Plan will be available for inspection at the registered office (and place of AGM) of the Company during normal business hours on weekdays (public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.
6. Biographical details of the Directors standing for election and re-election are set out on page 37 of the Annual Report.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on 1st February 2006 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.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with 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 to 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) by the latest time(s) for receipt

of proxy appointments specified in the notice of 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.

9. The "Vote Withheld" option on the Form of Proxy is provided to enable a member to abstain on any particular resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" a particular resolution.

# **Explanation of special business to be dealt with at the 2005 annual general meeting**

## **Resolution 9 – Authority to issue shares**

This resolution authorises the Board, for a period of 15 months from 1st February 2006 or to end of the next Annual General Meeting whichever is the earlier, to allot ordinary shares up to an aggregate nominal value of £11,000,000, consisting of 44,000,000 ordinary shares of 25 pence each and which represents approximately 33 per cent. of the total ordinary share capital in issue on 1st December 2005 (the last practicable date prior to the publication of this document). The Company does not currently hold any shares as treasury shares within the meaning of Section 162A of the Act (“Treasury shares”). Save in respect of the issue of new ordinary shares pursuant to the share incentive schemes, the Directors currently have no present intention to allot relevant securities but the Directors believe it to be in the interests of the Company for the Board to be granted this authority to enable the Board to take advantage of appropriate opportunities which may arise in the future.

## **Resolution 10 – Disapplication of pre-emption rights**

This resolution, which will be proposed as a special resolution, seeks to disapply the pre-emption right provisions of section 89 of the Act in respect of the allotment of equity securities (including a sale of treasury shares) pursuant to rights issues and other pre-emptive issues or offers and in respect of other issues of equity securities (including sales of treasury shares) for cash up to an aggregate nominal value of £1,650,000, being approximately 5 per cent. of the issued ordinary share capital on 1st December 2005 (the last practicable date prior to the publication of this document). If approved by shareholders, this power will expire 15 months after the passing of this resolution or, if earlier, at the end of the next Annual General Meeting. The Directors have no present intention of exercising their authority pursuant to this disapplication, but, as in previous years, they consider it desirable that they have the flexibility to act in the best interests of the Company when opportunities arise.

## **Resolution 11 – Purchase of own shares**

This resolution, which will be proposed as a special resolution, seeks authority for the Directors to purchase the Company’s own shares. The Directors are of the opinion that it would be advantageous for the Company to be in a position to purchase its own shares through the London Stock Exchange, should market conditions and price justify such action. The proposed authority would enable the Company to purchase up to a maximum of 13,200,000 Ordinary Shares, being 10 per cent. of the issued ordinary share capital on 1st December 2005 (the latest practicable date prior to the publication of this document), with a stated upper limit on the price payable which reflects the requirements of the Listing Rules of the Financial Services Authority. Purchases would only be made after the most careful consideration, where the Directors believed that an increase in earnings or net assets per share would result and where purchases were, in the opinion of the Directors, in the best interests of the Company and its shareholders. The Directors consider that it is prudent to obtain the

proposed authority, although the Board does not yet have the intention to implement this strategy.

The total number of options to subscribe for equity shares that are outstanding on 1st December 2005 (the latest practicable date prior to the publication of this document) is 4,272,179. This represents 3.23 per cent. of the issued share capital at that date. If the Company was to purchase the maximum number of ordinary shares permitted pursuant to the authority under this resolution, then these options would represent 3.59 per cent. of the reduced issued share capital (excluding any treasury shares).

The Act permits companies to hold shares acquired by way of market purchases (as described above) in treasury, rather than having to cancel them. The Company would consider holding any of its own shares that it purchased pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively, and would provide the Company with additional flexibility in the management of its capital base.

No dividends would be paid on shares whilst held in treasury and no voting rights would attach to treasury shares.

#### **Resolution 12 – Political donations**

This resolution authorises the Board to make donations under Section 347C of the Act. Any donations to political organisations or political expenditure by a company in excess of an aggregate of £5,000 must be authorised by the Company's shareholders. There is no present intention to make cash donations to any political party. The Company as part of its normal business activity may wish to have contact with political parties to ensure that they are aware of the key business issues affecting its business. Under the Act, the definition of political expenditure is extremely wide and may be construed as covering such areas of the Company's normal business activities. It is therefore considered appropriate that a resolution be put to shareholders in general terms. The Company will disclose in its annual report, in compliance with the Act, any expenditure or donations in excess of £200 which is within the ambits of the definitions of the Act.

#### **Resolution 13 – Long Term Incentive Plan**

This resolution is fully explained in the accompanying circular.