

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares of 25 pence ("Ordinary shares") each in Shaftesbury PLC, please forward this document, together with the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

21 December 2011

# Shaftesbury PLC

**To shareholders and for information purposes to debenture holders and participants in the Company's share schemes**

**Dear Shareholder**

## **Notice of Annual General Meeting**

I am pleased to invite you to our Annual General Meeting which will be held in The Committee Room, The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS on Friday 10 February 2012 at 11.00 am. The formal Notice of Meeting and proxy form are enclosed herewith.

If you would like to vote on the resolutions but cannot come to the Annual General Meeting, please fill in the proxy form and return it to our registrar as soon as possible, in any event, so that the proxy form is received no later than 11 am on 8 February 2012.

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

**Yours sincerely**



**P John Manser  
Chairman**

# notice of annual general meeting

**Notice Is Hereby Given that the twenty-sixth Annual General Meeting of Shaftesbury PLC (the "Company") will be held in the Committee Room, the Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS on Friday 10 February 2012 at 11.00 am for the following purposes:**

## ORDINARY BUSINESS

As ordinary business of the Annual General Meeting to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive and adopt the audited financial statements for the year ended 30 September 2011, and the reports of the Directors and auditors.
2. To approve the report on Directors' Remuneration for the year ended 30 September 2011.
3. To declare a final dividend for the year ended 30 September 2011 of 5.75p per Ordinary share payable on 17 February 2012 to holders of Ordinary shares registered at the close of business on 27 January 2012.
4. To re-elect P J Manser as a Director of the Company.
5. To re-elect W G McQueen as a Director of the Company.
6. To re-elect O J D Marriott as a Director of the Company.
7. To re-elect H S Riva as a Director of the Company.
8. To re-elect J C Little as a Director of the Company.
9. To re-elect J S Lane as a Director of the Company.
10. To re-elect B Bickell as a Director of the Company.
11. To re-elect S J Quayle as a Director of the Company.
12. To re-elect T J C Welton as a Director of the Company.
13. To elect C P A Ward as a Director of the Company.
14. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company from the end of the Annual General Meeting until the end of the next general meeting at which financial statements are laid before the Company.
15. To authorise the Directors to agree the remuneration of the auditors.

## SPECIAL BUSINESS

As special business of the Annual General Meeting, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions in the case of resolutions 16 and 19 and as special resolutions in the case of resolutions 17, 18 and 20:

### Authority to allot shares

**16. THAT**, in substitution for all previous authorities pursuant to section 551 of the Companies Act 2006 (the "2006 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 551 of the 2006 Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

- a. within the meaning of section 551 of the 2006 Act up to an aggregate nominal amount of £20,874,750 consisting of 83,499,000 Ordinary shares of 25 pence each; and
- b. in connection with a rights issue by the Company of 83,499,000 Ordinary shares up to a further aggregate nominal amount of £20,874,750. For the purpose of this resolution a rights issue means an offer to ordinary shareholders in proportion as may be practicable to their existing holdings to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlement, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any matter whatsoever.

Such authority shall expire (unless previously renewed, varied or revoked) at the conclusion of the Company's next Annual General Meeting or 15 months from the passing of this resolution if earlier save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted or rights to be granted after such expiry and the Directors may allot shares in the Company or grant such rights in pursuance of those offers or agreements as if this authority had not expired.

**Authority to disapply pre-emption rights**

17. THAT, the Directors be and they are hereby empowered pursuant to sections 570 and 573 of 2006 Act to allot equity securities (within the meaning of section 560 of the 2006 Act):
- a. for cash pursuant to the authority conferred by resolution 16; or
  - b. by way of the sale of treasury shares (within the meaning of section 724 of the 2006 Act),

as if, in either case, section 561(1) of the 2006 Act did not apply to any such allotment provided that this power shall be limited to the allotment or sale 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 or any other matter; and
- ii. otherwise than pursuant to subparagraph (i) above up to an aggregate nominal value of £3,125,000 consisting of 12,500,000 Ordinary shares of 25 pence each, and shall expire (unless previously renewed, varied or revoked) at the conclusion of the Company's next Annual General Meeting or 15 months from the passing of this resolution 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 570 of the 2006 Act.

**Authority to make market purchases**

18. THAT the Company is hereby unconditionally and generally authorised to make market purchases (as defined in section 693(4) of the 2006 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 25,049,000 (representing 10 per cent. of the issued share capital of the Company as at 28 November 2011);
  - 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 Company's next Annual General Meeting or 15 months from the passing of this resolution 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.

**Authority to make political donations**

19. 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 sections 366 and 367 of the 2006 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 the passing of this resolution 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.

**General meeting notice period**

20. THAT a general meeting of the Company other than an annual general meeting may be called at any time up to the end of the Company's next Annual General Meeting on not less than 14 clear days' notice.

By Order of the Board  
**Penny Thomas**  
 Company Secretary  
 21 December 2011

Pegasus House  
 37-43 Sackville Street  
 London W1S 3DL

**Dress requirements for the RAC Club:**

**For those persons attending the meeting, the RAC Club operates a dress code. Please see <http://www.royalautomobileclub.co.uk/guestarea/dressregext.asp> or call the Company Secretary on 020 7333 8118**

**Refreshments will be provided prior to the meeting.**

## general notes to the notice of meeting

### Entitlement to attend and vote

1. 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 8 February 2012 (or, in the event of any adjournment, 6.00 p.m. on the day which is two days before the time of the adjourned meeting) shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

### Appointment of proxies

2. Shareholders who are entitled to attend, speak and vote at the Annual General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If more than one proxy is appointed, the appointment of each proxy must specify the shares held by the shareholder in respect of which each proxy is to vote. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the registrar.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who has been nominated to receive communications from the Company in accordance with Section 146 of the 2006 Act ("nominated persons"). Nominated persons may have a right under an agreement with the shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. To be valid, the proxy form, together with any power of attorney or other authority under which it was signed (or a notorially certified copy or duly certified copy thereof), must be lodged with the registrars not less than 48 hours before the Annual General Meeting.

### Appointment of proxies through CREST

5. 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 10 February 2012 and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). 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.
6. 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 RA19) 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 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.

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.

**Corporate representatives**

7. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

**Shareholders' power to requisition website publication of audit concerns**

8. Under section 527 of the 2006 Act shareholders meeting the threshold requirements set out in that section have the right to require the Company 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; or (ii) any circumstance connected with an auditor of the Company 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 includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

**Shareholders' right to ask questions**

9. Any shareholder attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

**Shareholders' right to give notice of a resolution**

10. Under sections 338 and 338A of the 2006 Act, shareholders meeting the threshold requirements in those sections have the right to require the Company (i) to give to shareholders of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 29 December 2011, being the date 6 clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

**Documents for inspection**

11. The Register of Directors' Interests in the Company kept under section 809 of the 2006 Act, and copies of executive Directors' contracts of service and non-executive Directors' letters of appointment may be inspected at the Company's registered office during normal business hours on weekdays (public holidays excepted) from the date of this Notice of Meeting until the conclusion of the Annual General Meeting and at the place of Annual General Meeting of the Company from 10.30 am on 10 February 2012 until conclusion of the meeting.
12. A copy of this notice, and other information required by section 311A of the 2006 Act, can be found at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).
13. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

**Total Voting Rights**

14. As at 28 November 2011 (being the latest practicable date prior to the publication of this Notice of Meeting, the Company's issued share capital consists of 250,498,809 Ordinary shares of 25 pence each, carrying one vote each. There are no treasury shares. Therefore total voting rights in the Company at this date are 250,498,809.

**General**

15. Biographical details of the Directors standing for re-election and election are set out in the 2011 Annual Report.

The "Vote Withheld" option on the proxy form 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.

If you have any questions regarding the Annual General Meeting please telephone the Company Secretary on 020 7333 8118.

## explanatory notes to the resolutions to be proposed at the annual general meeting as special business

### Resolution 16 – Authority to allot shares

The 2006 Act requires that to allot unissued shares the Directors must receive authority from shareholders. The Company's Articles of Association give a general authority to the Directors to allot unissued shares which is subject to renewal by the shareholders.

Resolution 16 authorises the Board, for a period of 15 months from the passing of the resolution or, if earlier, to the end of the Company's next Annual General Meeting to allot, or grant rights to subscribe for or convert any security into, Ordinary shares of 25 pence each up to:

- a. an aggregate nominal value of £20,874,750 consisting of 83,499,000 Ordinary shares of 25 pence each and which is equal to approximately 33 per cent. of the total Ordinary share capital in issue on 28 November 2011 (the last practicable date prior to the publication of this document); and
- b. a further nominal amount of £20,874,750 which is equal to approximately 33 per cent. of the total Ordinary share capital in issue on 28 November 2011 (the last practicable date prior to the publication of this document) in connection with a pre-emptive offer to existing shareholders by way of rights issue.

The Company does not currently hold any shares as treasury shares within the meaning of section 724 of the 2006 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 make use of the general and additional authorities granted pursuant to resolution 16 but as in previous years, the Directors believe it to be in the interests of the Company for the Board to be granted these authorities to enable the Board to act in the best interests of shareholders if and when appropriate opportunities arise in the future.

The authority granted pursuant to paragraph (b) of resolution 16 is in accordance with guidance on directors' powers to allot shares published by the Association of British Insurers ("ABI") on 30 November 2009. The guidance states that ABI members would support resolutions authorising the allotment of an additional one-third of the issued Ordinary share capital provided that the additional authority can only be used for fully pre-emptive rights issues.

In accordance with the ABI guidance, in the event that the general and additional authorities were used and:

- a. the number of Ordinary shares in issue is thereby increased, in aggregate, by more than one-third; and
- b. in the case of any issue being in whole or part by way of a fully pre-emptive rights issue, where the monetary proceeds exceed one-third (or such lesser relevant proportion) of the pre-issued market capitalisation of the Company,

all members of the Board who wish to remain in office will stand for re-election at the Company's next Annual General Meeting following the decision to make the issue in question.

The intention of the authority granted pursuant to paragraph (b) of resolution 16 is to preserve maximum flexibility and to keep the Company in line with what is expected to become standard practice for listed companies.

### Resolution 17 – Authority to disapply pre-emption rights

The 2006 Act requires that, subject to certain exceptions, before Directors of a company can issue any new shares (including the sale of treasury shares) for cash, the new shares must first be offered to existing members of the company in proportion to the number of shares which they hold at the time of the offer.

The Company's Articles of Association give a general authority to the Directors so that this statutory pre-emption requirement does not apply to allotments of shares or the sale of treasury shares for cash up to a specific amount which is subject to renewal by shareholders.

This resolution, which will be proposed as a special resolution, seeks to disapply the pre-emption right provisions of section 561(1) of the 2006 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 £3,125,000 being approximately 5 per cent. of the issued Ordinary share capital on 28 November 2011 (the last practicable date prior to the publication of this document). This means that the rights of existing shareholders are protected. If a share issue is not a rights issue, the proportionate interest of existing shareholders could not, without their agreement, be reduced by more than 5 per cent by the issue of new shares or the sale of treasury shares for cash to new shareholders. If approved by shareholders, this power will expire 15 months after the passing of this resolution or, if earlier, at the end of the Company's 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. There is no current intention to issue more than 7.5% of the Company's share capital for cash over 3 years in line with ABI guidelines.

#### **Resolution 18 – Authority to make market purchases**

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 25,049,000 Ordinary shares of 25 pence each, being 10 per cent. of the issued Ordinary share capital on 28 November 2011 (the last 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 UK Listing Authority. Purchases would only be made after the most careful consideration, where the Directors believe 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 have any current intention to use this authority.

The total number of options to subscribe for equity shares that are outstanding on 28 November 2011 (the latest practicable date prior to the publication of this document) is 2,630,186. This represents 1.05 per cent. of the issued share capital of the Company at that date. If the Company were to purchase the maximum number of Ordinary shares of 25 pence each permitted pursuant to the authority under this resolution, then these options would represent 1.17 per cent. of the reduced issued share capital (excluding any treasury shares).

The 2006 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 19 – Authority to make political donations**

This resolution authorises the Board to make donations under section 366 of the 2006 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 issues affecting its business. Under the 2006 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 2006 Act, any expenditure or donations in excess of £2,000 which is within the ambit of the definitions of the 2006 Act. No such donations have been made during the financial year.

#### **Resolution 20 – General meeting notice period**

Changes made to the 2006 Act by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (annual general meetings will continue to be held on at least 21 clear days' notice).

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining shareholder approval. In order to preserve this ability, resolution 20 seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The authority has not been used during the financial year.

Note that the changes to the 2006 Act mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

