

NOTICE OF MEETING

Notice is hereby given that the eleventh annual general meeting of members of Charter plc will be held at the offices of ABN AMRO, 250 Bishopsgate, London EC2M 4AA on Friday 25 June 2004 at 12 noon for the following purposes:

- 1 To receive and consider the accounts and the report of the directors for the year ended 31 December 2003.
- 2 (a) To re-appoint each of the following as directors of the Company who retire and offer themselves for re-election:
 - (i) Mr H P R Mullan;
 - (ii) Mr J M Neill;
 - (iii) Mr M G Foster; and
 - (iv) The Hon. James H M Bruce.(b) To re-appoint Mr R A Careless as a director following his appointment on 22 April 2004.
- 3 To re-appoint PricewaterhouseCoopers LLP as auditors and authorise the board to fix their remuneration.
- 4 To approve the directors' remuneration report for the year ended 31 December 2003.
- 5 To consider the following resolution, which will be proposed as an Ordinary Resolution:

"THAT the authorised share capital of the Company be increased from £3,319,788 to £4,300,000 by the creation of 49,010,600 ordinary shares of 2p each to rank pari passu in all respects from the date of their allotment with the existing ordinary shares of 2p each in the share capital of the Company."
- 6 To consider the following resolution, which will be proposed as an Ordinary Resolution:

"THAT, subject to the passing of resolution 5 above, the directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £1,004,245, PROVIDED THAT this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution 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 an offer or agreement as if the authority conferred hereby had not expired."
- 7 To consider the following resolution, which will be proposed as a Special Resolution:

"THAT, subject to the passing of resolutions 5 and 6 above, the directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the previous resolution as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment, PROVIDED THAT this power shall be limited:

 - (a) to the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever); and
 - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £150,636,

and shall expire upon the renewal of this power or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 24 September 2005 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 an offer or agreement as if the power conferred hereby had not expired."
- 8 To consider the following resolution, which will be proposed as an Ordinary Resolution:

"THAT the Charter (DG-2004) Incentive Plan, a summary of the Rules of which is set out in the Appendix to the notice of meeting, be and is hereby approved and the directors be and they are hereby authorised to do all acts and things necessary to establish and carry it into effect."

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy accompanies this notice.

By order of the board
A R Yapp Secretary
21 May 2004

Registered office
52 Grosvenor Gardens
London SW1W 0AU

Notes

- (i) To have the right to attend and vote at the annual general meeting you must hold ordinary shares in the Company and your name must be entered on the share register of the Company at least 48 hours before the meeting.
- (ii) Forms of proxy must reach the Company's registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol, BS99 3ZZ, not less than 48 hours before the meeting. A form of proxy accompanies this notice.
- (iii) Holders of share warrants to bearer who wish to attend in person or by proxy or to vote at the meeting must comply with the relevant conditions governing share warrants to bearer.
- (iv) Mr R A Careless was appointed Finance Director of the Company on 22 April 2004 having replaced Mr D M Eilbeck who resigned as Finance Director on that date. Mr Careless, 50, joined the Company in February 2002 and has been responsible for corporate finance and restructuring. He was formerly Finance Director and Company Secretary of Semara Holdings plc.
- (v) As a result of the recent Rights Issue, the interests of the current directors as at 30 April 2004, being a date not more than one month prior to the date of the notice of the annual general meeting, have changed as follows: D Gawler now has an interest in 40,000 ordinary shares of 2p each and J M Neill now has an interest in 4,371 ordinary shares of 2p each.
- (vi) The register of interests of the directors and their families in the share capital of the Company and copies of directors' service contracts will be available for inspection by members at the registered office of the Company during normal business hours on any working day (Saturdays and Bank Holidays excepted) from the date of this notice and will, on the day of the annual general meeting, be available for inspection at the offices of ABN AMRO, 250 Bishopsgate, London EC2M 4AA, from 11.45 a.m. until the conclusion of the meeting.
- (vii) Between 9 March 2004 and 30 April 2004, being a date not more than one month prior to the date of the notice of the annual general meeting, the Company has been informed of the following changes in non-beneficial interests in its ordinary shares: Guinness Peat Group plc 10.99 per cent; Jupiter Asset Management Limited 12.06 per cent; Ennismore Fund Management 3.75 per cent; Hermes Pensions Management Limited 3.21 per cent; and Legal & General Group PLC 3.02 per cent.
- (viii) Refreshments will be available at the venue from 11.30 a.m.

Appendix

Summary of the Main Provisions of the Charter (DG - 2004) Incentive Plan

1. Eligibility

David Gawler is the only director or employee of the Company who is entitled to participate in the Plan. It will operate as an incentive for Mr. Gawler as his service agreement has been extended until 30 June 2006.

2. Grant of Awards

An award representing a contingent right to receive a payment in cash or securities will be made within 42 days of the date when the Plan is adopted. The award is personal to the participant and his personal representatives and may not be transferred. No payment will be required for the grant of the award and the award is not pensionable.

3. Circumstances in which Awards vest

The award will vest on 30 June 2006. The award may vest earlier in the event of the participant's cessation of employment in certain permitted circumstances (e.g. injury, ill-health, redundancy, death, or circumstances where the Company terminates the employment and vesting is approved by the Remuneration Committee in its absolute discretion) or on a change of control of the Company.

In the event of early vesting due to a change of control of the Company the award will only vest in proportion to the part of the period between 25 April 2001 (the date the original Incentive Plan was established) and 30 June 2006 which has expired by the date the award vests. If the participant ceases to be employed prior to the date the award vests other than for a permitted reason, voluntarily resigns or there is any purported transfer of his award the award shall immediately lapse.

4. Payment on vesting

On vesting the participant becomes entitled to an amount in Pounds Sterling which may be satisfied, at the Company's discretion, by a payment in cash or the issue or transfer of shares in the Company or any of its subsidiaries, or a combination of all or any of the above. For these purposes, any shares will generally be valued on the same basis as the Relevant Share Price described below.

Payment will be made as soon as reasonably practicable after vesting of the award. The gross amount of the total payment will be calculated in accordance with the following formula:

$$£1 \times ((V-158) \times 96V)$$

where V is a number, being the lesser of the number of pence in the "Relevant Share Price" and 395.

For these purposes the "Relevant Share Price" is based on the average share price in the period comprising the 20 dealing days following the date the annual results for the calendar year ending 31 December 2005 are announced. In the event of early vesting it is based on an average share price in the 20 dealing days immediately prior to the date the award vests or, in the event of a change of control, the price per share of the relevant offer.

NOTICE OF MEETING

continued

5. Variation of Capital

In the event of any variation of the share capital of the Company including a consolidation, a sub-division or rights issue, or in the event of any demerger of a part of the Company's undertaking or any subsidiary, or any material special distribution to shareholders, the Remuneration Committee may make such adjustment to the terms of the award (including as to the definition of Relevant Share Price and the formula described in paragraph 4 above) as it considers appropriate (and are confirmed by the Company's auditors as being reasonable in their opinion).

6. Limits

The number of shares in the Company which may be issued to satisfy the award will be limited so that the total number of shares issued or remaining issuable in a ten year period under this scheme and all other discretionary share option schemes shall not exceed 5% of the Company's issued share capital at the relevant time.

7. Amendment

The Remuneration Committee may suspend, amend or alter the Plan at any time but no action may impair or adversely affect the rights of the participant without the participant's consent and no alteration (except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the participant in the Plan, the Company or any member of its group) shall be made to benefit the participant without the prior approval of the Company in general meeting.

Copies of the Charter (DG - 2004) Incentive Plan will be available for inspection at the registered office of the Company during normal business hours from the date of despatch of the notice of meeting up to the date of and during the Annual General Meeting, and at the place of the meeting from 15 minutes prior to the start of the meeting until the close of the meeting.

SHAREHOLDER INFORMATION

Internet

Internet users will be able to view this report, together with other information about Charter plc at the Company's web site www.charterplc.com

Calendar

Annual general meeting	25 June 2004
Interim report	September 2004

Registered office

52 Grosvenor Gardens
London SW1W 0AU
Telephone +44 (0)20 7881 7800
Facsimile +44 (0)20 7259 9338

Registered in England
Number 2794949

Registrars

Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

Shareholder enquiries: Telephone 0870 702 0000

If you are a shareholder you may check your holding on the Computershare Services web site at www.computershare.com