

Notice of meeting

Notice is hereby given that the thirteenth annual general meeting of members of Charter plc will be held at the offices of ABN AMRO, 250 Bishopsgate, London EC2M 4AA on Tuesday 27 June 2006 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 2005.
2. To re-appoint Mr D Gawler as a Director of the Company who retires and offers himself for re-election.
3. To re-appoint Mr R A Careless as a Director of the Company who retires and offers himself for re-election.
4. To re-appoint the Hon. James Bruce as a Director of the Company who retires and offers himself for re-election.
5. To re-appoint Mr J M Neill as a Director of the Company who retires and offers himself for re-election.
6. To re-appoint PricewaterhouseCoopers LLP as auditors.
7. To authorise the Board to fix the remuneration of the auditors.
8. To approve by an Ordinary Resolution the Directors' remuneration report for the year ended 31 December 2005.
9. To consider the following resolution, which will be proposed as an Ordinary Resolution:

"THAT the authorised share capital of the Company be increased from £4,300,000 to £4,600,000 by the creation of 15,000,000 new ordinary shares of 2 pence each to rank pari passu in all respects from the date of their allotment with the existing ordinary shares of 2 pence each in the share capital of the Company."
10. To consider the following resolution, which will be proposed as an Ordinary Resolution:

"THAT, the Directors be and 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 £1,102,776 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."
11. To consider the following resolution, which will be proposed as a Special Resolution:

"THAT the Directors be and 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 and/or where such allotment constitutes an allotment of equity securities by virtue of Section 94 (3A) of the said Act, 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, open offer, or any other pre-emptive offer in favour of shareholders (excluding any shareholder holding shares as Treasury shares) 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 £165,416, and 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 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."
 12. To consider the following resolution, which will be proposed as a Special Resolution:

"THAT the Company be and is hereby authorised, pursuant to section 166 of the Companies Act 1985 to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of up to an aggregate of 16,000,000 ordinary shares of 2 pence each of the Company in such manner as the Directors may from time to time determine, at a price (exclusive of expenses) which is:-

 - (a) not less than 2 pence per share; and
 - (b) not more than 5 per cent above the arithmetical average of the middle market quotations of ordinary shares of 2 pence each of the Company (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding any such purchase; and that the authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 26 September 2007, save that the Company may before the resolution expires make a contract of purchase which will or may be executed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract."

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

R A Careless – Secretary
25 May 2006
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, The Pavilions, Bridgwater Road, Bristol, BS13 8FB, 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 D Gawler (age 66) (Chairman and Chief Executive)
Mr Gawler was appointed as a Non-Executive Director of the Company on 18 December 2000 and became an Executive Director on 15 March 2001 and Chairman and Chief Executive on 25 April 2001. He was formerly Chief Executive of Semara Holdings Plc.
Mr Gawler steps down as Chief Executive on 30 June 2006 but has agreed to remain as Chairman.
- (v) Mr R Careless (age 52) (Finance Director)
Mr Careless joined the Company in 2002 and has been responsible for corporate restructuring and was appointed Finance Director on 22 April 2004. He was formerly Finance Director and Company Secretary of Semara Holdings Plc.
- (vi) The Hon. James Bruce (age 57) (Senior Independent Non-Executive Director)
The Hon. James Bruce joined the Company as a Director in December 2001. He is a Non-Executive Director of Yes Television plc and Cadogan Group Limited.
- (vii) Mr J M Neill (age 58) (Independent Non-Executive Director)
Mr Neill was appointed on 28 February 1994. He is Group Chief Executive of the Unipart Group of Companies Limited and a Non-Executive Director of Royal Mail Group plc. He was formerly a Director of the Bank of England.
Mr Neill has extensive industry experience and, notwithstanding the fact that he has been a Non-Executive Director for more than nine years, the Board still considers that Mr Neill remains independent of thought, character and judgement and continues to make a positive contribution to the Board and to the direction of the Company and should be re-elected as a Non-Executive Director.
- (viii) The Chairman has confirmed that following formal performance evaluation of the board, its committees and individual Directors, both the Hon. James Bruce and Mr J M Neill continue to be effective in their roles as Non-Executive Directors and demonstrate appropriate commitment in this capacity including making sure that sufficient time is made available for board and committee meetings and any other duties as may be required.
- (ix) John Neill purchased 8,662 ordinary shares of 2 pence each in the Company at a price of £7.23 per share on 22 March 2006. On 24 March 2006, Michael Foster and Robert Careless were granted 46,378 and 30,691 conditional awards respectively over the Company's shares pursuant to the Charter plc Long Term Incentive Plan 2005. There have been no other changes in the interests of the Directors between 16 March 2006 and 28 April 2006, being a date not more than one month prior to the date of the notice of the annual general meeting.
- (x) 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.
- (xi) Resolution 9 authorises the increase in the authorised share capital of the Company from £4,300,000 to £4,600,000 by the creation of 15,000,000 new ordinary shares of 2p each, representing an increase of 7.0 per cent. in the authorised share capital of the Company of that class of share. The increase in the authorised share capital reflects the new ordinary shares issued during 2005.
- (xii) Resolution 10 authorises the Directors to allot authorised but unissued ordinary shares of the Company up to a total of 55,138,800 shares representing approximately 33 per cent of the issued share capital as at 28 April 2006, being the latest practicable date before publication of this notice.
- (xiii) Resolution 11 authorises the Directors to allot equity securities as if the pre-emption provisions in Section 89(1) of the Companies Act 1985 did not apply in respect of rights issues, or otherwise for cash up to an amount equal to 5 per cent. of the issued share capital of the Company (representing 8,270,800 shares) as at 28 April 2006, which is the level permitted by the current guidelines of the investment committee of the Association of British Insurers and the National Association of Pension Funds.
- (xiv) Resolution 12 authorises the Company to make market purchases of its ordinary shares up to an aggregate of 16,000,000 shares, at a price not exceeding 5 per cent. above the arithmetical average of the middle market quotation for these shares for the five business days prior to the date of purchase. There is at present no intention to use this authority. At 28 April 2006 there were 779,248 options to subscribe for shares outstanding, being the latest practicable date prior to the publication of this notice. This figure represents 0.47 per cent. of the issued share capital at that time and would represent 0.5 per cent should the full authority to buyback shares be utilised.
- (xv) Between 16 March 2006 and 28 April 2006, being a date not more than one month prior to the date of the notice of the annual general meeting, the Company has not been informed of any changes in substantial shareholdings in the Company.
- (xvi) Refreshments will be available at the venue from 11.30 a.m.