

## Notice of meeting

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Notice is hereby given that the Annual General Meeting of members of Charter plc will be held at the offices of ABN AMRO, 250 Bishopsgate, London EC2M 4AA on Tuesday 26 June 2007 at 12 noon for the purpose of dealing with the following business:

### Ordinary resolutions

1. To receive and consider the accounts and report of the Directors for the year ended 31 December 2006.
2. To approve the Director's remuneration report for the year ended 31 December 2006.
3. To re-elect Grey Denham as a Director of the Company.
4. To re-elect Andrew Osborne as a Director of the Company.
5. To re-elect John Neill as a Director of the Company.
6. To elect James Deeley as a Director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as Auditors.
8. To authorise the Directors to fix the remuneration of the Auditors.
9. 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 £1,111,259, such authority to expire at the conclusion of the next Annual General Meeting of the Company, 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.

### Special resolutions

10. THAT, subject to the passing of Resolution 9, the Directors be and they are empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of sections 94(2) to 94(3A) of that Act) wholly for cash pursuant to the authority conferred by Resolution 9 as if section 89(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) 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 number 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); and
  - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £166,688, and shall expire at the conclusion of the next Annual General Meeting of the Company, 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.
11. THAT the Company be and is hereby generally and unconditionally authorised, pursuant to Section 166 of the Companies Act 1985, to make market purchases (within the meaning of Section 163 of that Act) of ordinary shares of 2 pence each of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:
  - (a) the maximum aggregate number of ordinary shares authorised to be purchased is 16,668,885, representing 10 per cent of the Company's issued ordinary share capital;
  - (b) the maximum price (excluding expenses paid by the Company) which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the closing middle market price for the ordinary shares of the Company (derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date of purchase. The minimum price which may be paid is 2 pence per ordinary share; and
  - (c) the authority conferred by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company or 26 September 2008 (whichever is the earlier), 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.

### Ordinary resolutions

12. THAT the Company and any company that is or becomes a subsidiary of the Company during the period to which the resolution relates, be and is hereby authorised, for the purposes of Part XA of the Companies Act 1985, to: (i) make Donations to EU Political Organisations; or (ii) incur EU Political Expenditure in an aggregate amount not exceeding £25,000 during the period ending on the date of the Annual General Meeting in 2008. For the purposes of this resolution, 'Donations', 'EU Political Organisations' and 'EU Political Expenditure' have the meanings ascribed to them in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000).
13. THAT the Company may send or supply documents or information to members of the Company by publication on a website pursuant to paragraph 10 of Schedule 5 to the Companies Act 2006 and the Disclosure and Transparency Rules of the FSA.

By order of the Board

#### James R. Deeley

Company Secretary  
27 April 2007  
Registered Office:  
52, Grosvenor Gardens  
London SW1W 0AU

## Explanatory notes:

- (i) Shareholders may attend, speak and vote at the Annual General Meeting ('AGM') in person. To have the right to attend, speak and vote you must be registered as holding ordinary shares in the Company at the close of business on 24 June 2007 at the latest.
- (ii) Shareholders who are or may be unable to attend the AGM in person are entitled to appoint a proxy to attend and, on a poll, vote on their behalf. The proxy may also demand or join in a demand for a poll. A form of proxy for shareholders accompanies this notice, and should be returned to the Registrars (Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS13 8FB) to reach them not later than noon on 24 June 2007. A shareholder who has submitted a proxy may amend or cancel that proxy, prior to the deadline, by the submission of a further proxy appointment or letter to cancel.
- (iii) The Directors encourage all shareholders to complete and return the enclosed proxy form, whether or not they intend to be present at the meeting.

- (iv) Number of shares and voting rights

At 27 April 2007 (the last practicable date before this notice), there were 166,688,855 ordinary shares in issue, each of which carries one vote on a poll at the AGM. No shares were held in Treasury. If a vote is taken by a show of hands at the AGM, each shareholder present and voting will have one vote.

- (v) Details of Director's interests

Details of the interests of Directors and their connected persons in the share capital of the Company (under Section 324 of the Companies Act 1985 and DTR 3.1.2R of the Disclosure and Transparency Rules of the FSA), and copies of the Director's 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 date of the AGM, be available for inspection at the offices of ABN AMRO from 11.45am to the conclusion of the meeting. On 22 March 2007 Michael Foster, Robert Careless and James Deeley were granted 46,673, 29,170 and 23,336 conditional awards respectively over the Company's ordinary shares pursuant to the Charter 2005 Long Term Incentive Plan. There have been no other changes in the interests of Directors between 14 March 2007 and 27 April 2007, being a date not more than one month prior to the notice of the AGM.

- (vi) Substantial shareholdings

Between 14 March 2007 and 27 April 2007, being a date not more than one month prior to the date of the notice of the AGM, there had been no further notification of substantial shareholdings in the Company.

## AGM business

- (i) Consideration of the Annual Report and Accounts

Resolution 1 invites the shareholders to receive and consider the 2006 Annual Report and Accounts. Copies will also be available at the meeting.

- (ii) Report on Directors' Remuneration

Resolution 2 seeks the approval by shareholders of the Directors' remuneration report for the financial year ended 31 December 2006. The report is set out on pages 44 to 49 of the 2006 Annual Report and Accounts of the Company.

- (iii) Re-election of Directors

*Grey Denham, Non-Executive Director*

Resolution 3 proposes the re-election of Grey Denham (age 58) as a Director. A qualified barrister, he is currently Company Secretary of GKN plc and is Chairman of the GKN plc board sub-committee on governance and risk. He is the President of GKN America Corporation and is also a director of GKN Holdings plc and GKN (United Kingdom) plc. He is also a Non-Executive Director of the charity Young Enterprise UK.

*Andrew Osborne, Non-Executive Director*

Resolution 4 proposes the re-election of Andrew Osborne (age 40) as a Director. He is a chartered accountant and serves as the Finance and Corporate Development Director of Geoffrey Osborne Limited. He was appointed as a Director of the Company in February 2005, and serves on the Audit, Nomination and Remuneration Committees.

*John Neill, Non-Executive Director*

Resolution 5 proposes the re-election of John Neill (age 59) as a Director. John Neill was appointed as a Director of the Company in February 1994. He is Group Chief Executive of the Unipart Group of Companies Ltd. and a Non-Executive Director of Royal Mail Group plc. He was formerly a Director of the Bank of England. Although John Neill is no longer considered to be independent by virtue of his length of service on the Board and his relationship with the Unipart Group of Companies, the Board greatly values his extensive industry experience and considers that he continues to make a positive contribution to the Board and the direction of the Company. Accordingly the Board recommends his re-election as a Non-Executive Director.

*James Deeley, Legal Director and Company Secretary*

Resolution 6 seeks the approval of shareholders for the appointment of James Deeley (age 43), who was appointed to the Board as Legal Director since the last AGM. He also serves as Company Secretary. James Deeley is a qualified solicitor with wide experience in public company legal matters. He began his career with Slaughter and May before moving to Charter plc as Group Legal Adviser. He has subsequently held positions as Director of Legal Services at Regus plc, Head of Group Legal at DS Smith plc and was Corporate Services Director and Company Secretary of Numerica Group plc. He is also a Trustee of SeeAbility (formerly The Royal School for the Blind), a registered charity.

The Chairman has confirmed that, following a formal performance evaluation of the Board, its committees and of individual Directors, Messrs. Denham, Osborne and Neill continue to be effective in their roles as Non-Executive Directors of the Company, and demonstrate appropriate commitment in this capacity (including ensuring that sufficient time is available for Board and committee meetings, and other duties as required).

## Notice of meeting (continued)

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(iv) Re-appointment of Auditors

The current Auditors, PricewaterhouseCoopers LLP, have indicated that they are willing to be re-appointed as the Auditors of the Company for the period to the next AGM, and Resolution 7 proposes that they are re-appointed for that period.

Resolution 8 authorises the Directors to set the remuneration of the Auditors. This is delegated by the Board to the Audit Committee, which is entirely composed of Independent Non-Executive Directors.

(v) Authority to allot shares

Resolution 9 authorises the Directors to allot authorised but unissued ordinary shares of the Company up to a total of 55,562,951 shares, representing one-third of the of the issued share capital as at 27 April 2007, the last practicable date prior to the publication of this notice. This authority will expire at the close of the 2008 AGM of the Company.

(vi) Disapplication of pre-emption rights

Resolution 10 authorises the Directors to allot shares as if the normal pre-emption requirements did not apply. The Resolution grants two authorities:

(a) in respect of a broadly pre-emptive offer, it permits the Directors to deal with fractional entitlements and to provide for jurisdictions where there are legal or practical restrictions on allotting shares;

(b) for allotments which are not pre-emptive, the Directors are limited to allotting a maximum of 8,334,442 shares, representing approximately 5 per cent of the issued share capital of the Company as at 27 April 2007, the last practicable date prior to the publication of this notice.

This corresponds with the guidance level indicated by the Association of British Insurers and the National Association of Pension Funds.

This authority will also expire at the end of the 2008 AGM of the Company. The Directors have no present intention of exercising this authority or that in Resolution 9, except for allotments of shares pursuant to the Company's share option schemes and long term incentive plan ("LTIP"), and would not seek to issue more than 7.5 per cent of the issued share capital of the Company in any rolling three-year period without prior consultation with the investment committees of the Association of British Insurers and National Association of Pension Funds.

(vii) Authority to purchase shares on the market

Resolution 11 authorises the Company to make market purchases of ordinary shares at a price not in excess of the average price for the five business days before the date of purchase. The authority is limited to a maximum of 16,668,885 shares, representing about 10 per cent of the issued share capital of the Company as at 27 April 2007, the last practicable date prior to the publication of this notice. This corresponds with the guidance level indicated by the Association of British Insurers and the National Association of Pension Funds.

At the present, the Directors have no intention to use this authority except to ensure that obligations under the Company's share option schemes and LTIP can be met in an appropriate and timely way. The Directors anticipate that any shares bought under this authority would be held as treasury shares rather than cancelled.

At 27 April 2007, (the last practicable date prior to the publication of this notice) 242,146 options to subscribe for shares in the Company were outstanding, representing approximately 0.15 per cent of the issued share capital at that date. If the full authority granted in Resolution 11 were exercised, they would represent approximately 0.16 per cent of the reduced issued share capital.

(viii) Approval for political donations

The law currently prohibits any company from making a donation or providing other support to a political party without the prior consent of the shareholders.

It is the policy of the Board that Charter will not provide financial or other support for or to a political party in the form of donations. However, certain activities that are undertaken in the usual course of the business may fall within the legal definition of support for a political party. Therefore, the Directors have decided that authority should be sought from the shareholders to ensure that all of the activities of the Company fully comply with the law.

Resolution 12 authorises the Directors to make political donations for the five-year period commencing with the date of the AGM. The law does not currently permit the shareholders to formally restrict the discretion of the Directors to make donations when authorised. However, the Board intends to use this authority only where incidentally necessary in the normal course of business, and will not be making direct donations to political parties.

(ix) Shareholder communication through the internet

Resolution 13 seeks the agreement of shareholders to permit the Company to communicate with them electronically by placing shareholder documents (including but not limited to, notices of meetings and copies of the Annual Report and Accounts) on a website and notifying them in writing that such documents are available, thereby taking advantage of new provisions in the Companies Act 2006 and the Disclosure and Transparency Rules of the FSA.

(x) Refreshments

Prior to the meeting refreshments will be available for shareholders at the venue from 11.30am.