
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these comments to the person who now holds the shares.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of William Hill PLC (the "Company") will be held at the Cavendish Conference Centre, 22 Duchess Mews, London W1G 9DT on Tuesday 11 May 2010 at 11.00 am. Each of the resolutions numbered 1 to 11 (inclusive) to be considered at the Meeting will be ordinary business and each of the resolutions numbered 12 and 13 will be special business.

1. To receive the annual report and accounts and the reports of the directors and auditors thereon for the fifty-two weeks ended 29 December 2009.
2. To approve the directors' remuneration report for the fifty-two weeks ended 29 December 2009.
3. To re-elect David Allvey as a director of the Company.
4. To re-elect Ralph Topping as a director of the Company.
5. To elect Neil Cooper, who is expected to join the Company as Group Finance Director in May 2010, as a director of the Company.
6. To re-appoint Deloitte LLP as auditors of the Company until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
7. To authorise the directors to determine the remuneration of the auditors of the Company.
8. To consider the following as an ordinary resolution:
 - (a) the rules of the William Hill PLC Performance Share Plan (the "PSP") produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification be and they are hereby approved and the directors be authorised to adopt the PSP and to do all such acts, matters or things as they consider appropriate to implement the PSP and
 - (b) the directors be and are authorised to establish further plans based on the PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares available under such further plans are treated as counting against any limits on individual or overall participation in the PSP.
9. To consider the following as an ordinary resolution:
 - (a) the rules of the William Hill PLC Share Incentive Plan (the "SIP") produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification be and they are hereby approved and the directors be authorised to adopt the SIP and to do all such other acts, matters and things as they may consider appropriate to implement the SIP, including the making of minor amendments in order to obtain the approval of Her Majesty's Revenue and Customs; and
 - (b) the directors be and are authorised to establish further plans based on the SIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares available under such further plans are treated as counting against any limits on individual or overall participation in the SIP.
10. To consider the following as an ordinary resolution:

That the Company and all the companies that are the Company's subsidiaries at any time during the period for which this resolution has effect be authorised to:

 - (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
 - (c) incur political expenditure not exceeding £50,000 in total, during the period beginning with the date of the 2010 Annual General Meeting and ending at the conclusion of the day on which the 2011 Annual General Meeting is held. For the purposes of this Resolution, the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in Sections 363 to 365 of the Companies Act 2006 ("CA 2006").

11. That, in substitution for all existing authorities, the directors be and are generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company ("Rights"):

- (a) up to an aggregate nominal amount of £23,371,660; and
- (b) in addition to the amount referred to in paragraph (a) above, up to an aggregate nominal amount of £46,743,320 in relation to an allotment of equity securities (within the meaning of Section 560(1) CA 2006 in connection with a Rights Issue, for a period expiring at the Company's next Annual General Meeting save the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired. For the purpose of this Resolution 11, a "Rights Issue" means an offer to:
 - (i) holders of Ordinary Shares made in proportion (as nearly as practicable) to their respective existing holdings of Ordinary Shares; and
 - (ii) holders of other equity securities of any class if this is required by the rights attaching to those securities or, if the directors consider it necessary, as permitted by the rights attaching to those securities, to subscribe for further equity 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 the directors having a right to make such exclusions or other arrangements as they consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems arising in, or under the laws of, any territory or any other matter.

12. To consider the following as a special resolution:

That, subject to the passing of Resolution 11 set out in the Notice of Annual General Meeting of which this resolution forms part:

- (a) the directors be and are empowered pursuant to Section 570 CA 2006 to allot equity securities within the meaning of Section 560(1) CA 2006 for cash pursuant to the authority conferred by paragraph [(a)] of Resolution 11 set out in the Notice of Annual General Meeting of which this resolution forms part as if Section 561 CA 2006 did not apply to the allotment, provided that the power conferred by this paragraph of this resolution is limited to:
 - (i) an allotment of equity securities in connection with a Pre-emptive Offer. For the purpose of this Resolution 12, a "Pre-emptive Offer" means an offer of securities, open for acceptance for a period fixed by the directors, to (i) holders of Ordinary Shares made in proportion (as nearly as practicable) to their respective existing holdings of Ordinary Shares and (ii) holders of other equity securities of any class if this is required by the rights attaching to these securities or, if the directors consider it necessary, as permitted by the rights attaching to those securities, but subject to the directors having a right to make such exclusions or other arrangements as they consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems arising in, or under the laws of, any territory or any other matter; and
 - (ii) the allotment (otherwise than pursuant to (i) above) of equity securities for cash having, in the case of Ordinary Shares, a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into Ordinary Shares having a nominal amount not exceeding in aggregate £3,505,749;
- (b) the directors be and are empowered pursuant to Section 570 CA 2006 to allot equity securities (within the meaning of Section 560(1) CA 2006 for cash pursuant to the authority conferred by paragraph [(b)] of Resolution 11 set out in the Notice of Annual General Meeting of which this resolution forms part as if Section 561 CA 2006 did not apply to the allotment, provided that the power conferred by this paragraph of this resolution is limited to an allotment of equity securities in connection with a Rights Issue (as defined in Resolution 11 set out in the Notice of Annual General Meeting of which this resolution forms part);
- (c) the powers conferred by this Resolution 12 shall also apply to a sale of treasury shares, which is an allotment of equity securities by virtue of Section 560(3) CA 2006, but with the omission of the words "pursuant to the authority conferred by Resolution 11 set out in the Notice of Annual General Meeting of which this resolution forms part"; and
- (d) the powers conferred by this Resolution 12 will expire at the Company's next Annual General Meeting save that the Company may before the expiry of such powers 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 powers conferred by this resolution had not expired.

13. To consider the following as a special resolution:

That the Company be and is generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 693(4) CA 2006 of Ordinary Shares of 10p each in the capital of the Company provided that:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 70,114,980 (representing less than 10% of the issued Ordinary Share capital of the Company);
- (b) the minimum price (exclusive of all expenses) which may be paid for an Ordinary Share is 10p (being the nominal value of an Ordinary Share);
- (c) the maximum price (exclusive of all expenses) which may be paid for an Ordinary Share is an amount equal to the higher of:
 - (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased; and
 - (ii) the higher of the price of the last independent trade and the highest independent current bid on the London Stock Exchange at the time the purchase is carried out; and
- (d) the authority conferred by this resolution shall, unless varied, revoked or renewed prior to such time; expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before the expiry of this authority make a contract to purchase Ordinary Shares which will or might be executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of such contract as if the authority conferred by this resolution had not expired.

By Order of the Board

Thomas Murphy

Company Secretary

23 March 2010

Registered Office:

Greenside House

50 Station Road

Wood Green

London N22 7TP

Registered number: 4212563

Notes to the Resolutions

- (1) The directors must present the report of the directors and the accounts of the Company for the 52 weeks ended 29 December 2009 to shareholders at the Annual General Meeting. The report of the directors, the accounts, and the report of the Company's auditors on the accounts and on those parts of the directors' remuneration report that are capable of being audited are contained within the annual report and accounts.
- (2) In line with best practice in corporate governance, the Board has presented its directors' remuneration report to shareholders in the annual report and accounts. The directors' remuneration report gives details of the directors' remuneration for the 52 weeks ended 29 December 2009 and sets out the Group's overall policy on directors' remuneration. As required by the Remuneration Report Regulations, the Company's auditors have audited those parts of the directors' remuneration report capable of being audited and their report may be found in the annual report and accounts. The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Group's overall objectives and, accordingly, and in compliance with the Remuneration Report Regulations, shareholders will be invited to approve the directors' remuneration report.
- (3) and (4) The Company's Articles of Association state that one-third of the directors should retire at each Annual General Meeting. Information on the directors who served in 2009, including David Alvey and Ralph Topping who are offering themselves for re-election, is provided in the section of the annual report and accounts on the Board of Directors. In addition to the biographical details found in the annual report and accounts enclosed with this notice and made available to enable shareholders to make an informed decision on the election and re-election of directors, the other members of the Board confirm that, following formal performance evaluation, the performance of David Alvey and Ralph Topping continues to be effective and demonstrates commitment to their roles, including commitment of time for Board and Committee meetings and any other duties.
- (5) The Company's Articles of Association state that any director appointed by the Board should retire at the next Annual General Meeting following his appointment. In accordance with these provisions Neil Cooper, (who is expected to join the Company as Group Finance Director in early May 2010) will be appointed by the Board as an executive director on joining. Biographical details on Mr Cooper can be found in the section of the annual report and accounts on the Board of Directors. The Board is of the opinion that Mr Cooper should be elected to the Board.
- (6) The auditors of a company must be re-appointed at each general meeting at which accounts are laid. The resolution proposes the re-appointment of the Company's existing auditors, Deloitte LLP, until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
- (7) To authorise the directors to determine the remuneration of the auditors of the Company.
- (8) The rationale for introducing the William Hill PLC Performance Share Plan ("PSP") can be explained as follows:
 - Over the last 18 months the business has developed its longer term plans which aim to bring about significant transformational change in the Group.
 - This transformational process was started last year through the creation of William Hill Online, and as a result the Group has become one of the top three European online betting and gaming businesses.
 - The Group also remains a market leader in the UK high street betting and gaming industry, through continued development of its estate and broadening its product range.

It is as a result of this strategic emphasis that we now wish to realign our long-term incentive arrangements towards rewarding senior management for the successful delivery of our transformation plans. These arrangements are aimed at aligning, motivating and retaining the senior team during the next four years as the business moves through this transformation process.

The design of the PSP supports the needs of the business, reflects institutional investor guidance and has benefitted from extensive shareholder consultation. The main terms of the PSP are summarised in Appendix 1 of this document, but the key terms of the initial awards proposed to be made under the PSP are as follows:

- In order to focus the new plan on the critical transformation period for William Hill, initial awards in 2010 will vest over a four year period and then revert to three for the 2011 awards and beyond.
- The vesting of shares for initial awards will be dependent on earnings per share ("EPS") and total shareholder return targets, each of which will apply to 50% of the award shares. Payouts will be determined according to a sliding scale from threshold to maximum performance on a straight-line basis. Vesting levels for threshold and maximum performance will be 25% and 100% of the award respectively.
- The EPS range for the 2010 award will be based on the four-year aggregate of EPS over the period, based on our long-term business plan and is also consistent with external analyst expectations. The proposed aggregate EPS range corresponding with the sliding scale for threshold to maximum vesting is 85p to 105p, respectively.
- TSR performance will be measured relative to a selected comparator group of 16 other gaming and leisure sector companies.

- To enhance the initial focus of the PSP, and in line with the four-year horizon, the first awards to the Chief Executive and Group Finance Director will be set at higher than normal levels of 225% and 200% of salary for a four-year period. Awards will be reduced in 2011 to 100% of salary for both the Chief Executive and Group Finance Director before reverting to market norms from 2012.

A copy of the rules of the PSP will be available for inspection at the offices of the Company's solicitors, Pinsent Masons, CityPoint, One Ropemaker Street, London EC2Y 9AH during normal business hours on any weekday (Saturday excepted) from the date of this document until the close of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Meeting.

- (9) The Company wishes to encourage employee share ownership at all levels and believes that the introduction of the SIP will allow the Company to closely align the interests of the employees with the interest of the shareholders. Under this proposed plan, employees may acquire shares in three ways. Firstly, the employee may make savings out of salary on a pre-tax basis. This provides the employees with an effective way to acquire shares in the Company using their own money. Secondly, the Company may, if it wishes, match the shares purchased. The maximum match is two matching shares for every one share the employee has purchased. Finally, the Company can use the scheme as part of its broad incentive arrangements by awarding shares subject to Company performance or such other performance measures as the Board may determine from time to time.

A summary of the rules of the proposed SIP is set out in Appendix 2 of this document and a copy of the rules of the SIP will also be available for inspection at the offices of the Company's solicitors, Pinsent Masons, CityPoint, One Ropemaker Street, London EC2Y 9AH during normal business hours on any weekday (Saturday excepted) from the date of this document until the close of the Annual General Meeting, and at the place of the Annual General Meeting for a least 15 minutes prior to and during the Meeting.

- (10) The Companies Act 2006 requires companies to seek shareholder approval for donations to organisations within the European Community which are, or could be, categorised as EU political organisations or incurring EU political expenditure. The Company's policy is that neither it nor its subsidiaries will normally make donations to, or incur expenditure on behalf of, EU political parties. However, these terms are very widely defined in the legislation and activities which are in the shareholders' interests between the Company and other bodies concerning, for example, law reform, policy review and other business matters affecting the Company may be included in the definitions. In the run up to the general election in the UK in May 2010, William Hill will sponsor the Monster Raving Loony Party as part of a marketing campaign. Normally such expenditure would be considered ordinary marketing spend. The Company is proposing Resolution 10 to ensure that it does not commit any technical breach when furthering its legitimate business interests.

- (11) This resolution, if passed, will renew the authority conferred on the directors at the Annual General Meeting on 12 May 2009 which expires at the end of the forthcoming Annual General Meeting. Paragraph (a) of this resolution will authorise the directors to allot the Company's unissued shares up to a maximum nominal amount of £23,371,660. This amount represents one-third of the Company's issued Ordinary Share capital (calculated exclusive of treasury shares) as at 19 March 2010. In accordance with institutional guidelines issued by the Association of British Insurers, paragraph (b) of this resolution will allow the directors to allot, including the shares referred to in paragraph (a), further of the Company's shares in connection with a pre-emptive offer by way of a rights issue up to a maximum nominal amount of £46,743,320, representing approximately two-thirds of the Company's issued Ordinary Share capital (calculated exclusive of treasury shares) as at 19 March 2010. The Company held 496,400 shares in treasury as at 19 March 2010, which represents approximately 0.07% of the Company's issued share capital. If this resolution is passed, this authority will expire at the end of the next Annual General Meeting of the Company which takes place the year after it is passed.

Although the directors have no present intention to exercise this authority, it is considered prudent to maintain the flexibility it provides. If the directors do exercise this authority, they intend to follow emerging best practice as regards its use, as recommended by the Association of British Insurers.

- (12) This resolution, which will be proposed as a special resolution, if passed, will update the authority conferred on the directors at the Annual General Meeting on 12 May 2009. It is proposed to renew this authority under Section 570 CA 2006. If approved, this resolution would authorise the directors to allot equity shares for cash without first being required to offer such shares to existing shareholders. The authority contained in this resolution will be limited to an aggregate nominal value of £3,505,749 which represents 5% of the issued Ordinary Share capital (calculated exclusive of treasury shares) of the Company as at 19 March 2010. If this resolution is passed, this authority will expire at the end of the next Annual General Meeting of the Company after it is passed.

In accordance with the guidelines issued by the Pre-Emption Group, the directors confirm their intention that no more than 7.5% of the issued share capital will be issued for cash on a non-pre-emptive basis during any rolling three-year period.

(13) This resolution, which will be proposed as a special resolution, will renew the Company's authority granted at the last Annual General Meeting which expires on the date of the forthcoming Annual General Meeting. The resolution gives the Company authority to buy back its own Ordinary Shares in the market subject to the provisions of the CA 2006. The authority limits the number of shares that could be purchased to a maximum of 70,114,980 (representing 10% of the issued share capital of the Company as at 19 March 2010 excluding treasury shares). The maximum price per share for any purchase (exclusive of any expenses) would be the higher of (i) 5% above the average of the middle market values for an Ordinary Share of the Company derived from the London Stock Exchange Daily Official List for each of the five business days immediately preceding the day on which the Ordinary Shares are purchased or (ii) an amount equal to the higher of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System (SETS). The minimum price (exclusive of any expenses) would be 10p being the nominal value of each Ordinary Share. This authority will expire at the conclusion of the Annual General Meeting of the Company next year.

The directors' decision to exercise this authority to purchase the Company's Ordinary Shares will depend on and take into account a number of factors including the Company's share price and other investment opportunities. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally.

As at 19 March 2010 there were options over 13,877,644 Ordinary Shares in the capital of the Company which represent 1.98% of the Company's issued Ordinary Share capital (excluding treasury shares). If the authority to purchase 10% of the Company's Ordinary Shares was exercised in full, these options would represent 2.20% of the Company's issued Ordinary Share capital (calculated exclusive of treasury shares).

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange.

The authority will only be valid until the conclusion of the next Annual General Meeting in 2011.

Appendix 1

Summary of the principal terms of the proposed Performance Share Plan

1. General

The William Hill PLC Performance Share Plan (the "PSP") will enable selected executive directors and employees of William Hill PLC and its subsidiaries (the "Group") to be granted awards ("Awards") in respect of Ordinary Shares in the capital of the Company.

Awards granted under the PSP are not transferable (except on death). Benefits under the PSP are not pensionable benefits.

The operation of the PSP will be overseen by the Company's Remuneration Committee (the "Committee"), which consists entirely of non-executive directors.

Awards granted under the PSP will be either nil-cost options or contingent rights to acquire shares for no cost. The vesting of Awards will be subject to performance conditions measured over a period (the "Performance Period").

Awards under the PSP may be satisfied by new shares issued at par, shares purchased in the market by an employees' trust or by the transfer of treasury shares.

2. Eligibility

Under the PSP all employees of the Group (including executive directors of the Company) are eligible to participate at the discretion of the Committee.

3. Grants of awards

Awards under the PSP may be granted:

- in the period of six weeks following approval of the PSP by the Company's shareholders at the Annual General Meeting;
- in the period of six weeks commencing on the second dealing day following the announcement by the Company of its results for any period;
- within six weeks of a person commencing employment with the Group; and
- exceptionally, and subject to the Model Code and other relevant restrictions on dealings in shares, on any other day on which the Committee determines that exceptional circumstances exist.

If regulatory or statutory restrictions prevent Awards from being granted in these periods, the Awards may be made after the removal of all such restrictions.

No payment will be required for the grant of an Award.

No Awards may be granted more than ten years after the Company's shareholders have approved the establishment of the PSP.

4. Individual limits

The maximum number of shares that may be awarded to a participant in the form of Awards in any financial year will be limited so that the market value of such shares on the award date will not normally exceed 225% of base salary.

This limit may, however, be increased to 300% of base salary in circumstances considered by the Committee to be exceptional, such as for recruitment or retention.

5. Dilution limit

Awards may be granted over unissued or existing shares. No Award may be granted under the PSP if it would cause the number of new shares issued or issuable pursuant to Awards and options granted in the preceding ten years under any of the William Hill share plans to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant. If Awards are to be satisfied by a transfer of existing shares, the percentage limit stated above will not apply. In accordance with the current Association of British Insurers guidelines, the 10% limit will apply to Awards satisfied by the transfer of treasury shares.

6. Vesting of awards and performance conditions

Awards will not normally vest until three years after they have been awarded. Awards made in the first financial year of operation of the PSP will vest four years after they are awarded.

Initial Awards to be made in 2010 will be subject to two performance conditions based on Total Shareholder Return (the "TSR Condition") and Earnings Per Share (the "EPS Condition") (together the "Performance Conditions").

Half of the shares subject to the Award will be subject to the TSR Condition and the other half will be subject to the EPS Condition. The Performance Conditions will apply separately to the shares to which they relate.

The Performance Period in respect of both the EPS Condition and TSR Condition for initial Awards to be made in 2010 will be a period of four financial years beginning with the 2010 financial year.

The EPS Condition for the initial Awards is based on the four year aggregate of EPS achieved by William Hill over the Performance Period. For these purposes, EPS will be EPS as adjusted to exclude the amortisation of intangible items arising from the Playtech acquisition and the impact of any exceptional profits or costs.

The TSR Condition will measure the Company's relative TSR performance as compared to a basket of 16 other gaming and leisure sector companies. For the purposes of measuring the TSR Condition the Company's share price will be averaged over the three months prior to the beginning and end of the Performance Period.

Awards will vest on the following basis:

Performance level	EPS Condition (50% of Award)	TSR Condition (50% of Award)	Potential reward
Benchmark	Aggregate EPS of William Hill achieved in the Performance Period	TSR performance relative to the comparator group	Percentage of total Award that will vest on achievement of the EPS Condition or the TSR Condition
Maximum	105p or more	Upper quartile	50% of the Award
Between threshold and maximum	Between 85p and 105p	Between median and upper quartile performance	Between 12.5% and 50% of the Award on a straight-line basis
Below threshold	Less than 85p	Less than median performance	Nil

For the purposes of the TSR Condition, it is currently intended that the comparator group will comprise the following companies:

888 Holdings	Boyd Gaming	BWIN
Greene King	Ladbrokes	Lottomatica
Marston's	Mitchells & Butlers	OPAP
Paddy Power	PartyGaming	Rank Group
Restaurant Group	SportingBet	Wetherspoon (JD)
Whitbread		

The Committee can set different performance conditions from those described above for future Awards provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than those described above.

The Committee may also vary the performance conditions applying to existing Awards if an event has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less difficult to satisfy than the original conditions would have been but for the event in question.

7. Cessation of employment

If a participant leaves the Group, his or her Awards will normally lapse. However, if the reason for a participant leaving is death, injury, disability or other circumstances at the Committee's discretion, then the Committee may either:

- allow a time-apportioned number of the unvested Award shares (determined having regard to that part of the original vesting period which has then elapsed) to be retained and to vest, if at all, after determination of the applicable performance conditions; or
- exceptionally, allow a time-apportioned number of the unvested Award shares (determined having regard to both the extent to which the original vesting period has then elapsed and the extent to which the applicable performance conditions are likely to be satisfied) to vest immediately.

The Committee will retain a discretion to adjust vesting outcomes if these do not reflect the underlying financial performance of the Company. In addition, the committee may chose to adjust the time apportionment of vesting outcomes where a participant is retiring and the size of that participant's Award was scaled-back when it was made in anticipation of a possible retirement.

8. Takeover, reconstruction etc

In the event of a takeover of the Company, unvested Awards can vest subject to the application of the applicable Performance Conditions until the time of the takeover. The vesting of Award shares on a takeover will also be subject to a time pro-rating requirement.

Additionally, in the event of a scheme of arrangement (not being an internal corporate reorganisation), a winding-up of the Company or (at the discretion of the Committee) a demerger, the Committee may determine that a proportion of any unvested Awards may vest, calculated on the same basis as for a takeover of the Company.

For all Awards, the Committee will retain a discretion to adjust vesting outcomes in the circumstances of a takeover or other corporate event if vesting does not reflect the underlying financial performance of the Company.

9. Variations of capital

If there is a rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the Company's Ordinary Share capital, or the implementation by the Company of a demerger or payment of a special dividend, the Committee may adjust the number of shares subject to Awards.

10. Rights attaching to shares

Awards will not confer any shareholder rights, such as the right to vote the shares or to receive any dividend, until a participant has received the shares after vesting.

At the Committee's discretion, a participant will, however, be entitled to receive a payment in cash (and/or shares) when he receives his vested shares of an amount equivalent to any dividends payable in relation to the vested shares over the relevant vesting period (and assuming re-investment of dividends in further Company shares on the relevant ex-dividend date).

Shares allotted or transferred under the PSP will rank alongside shares of the same class then in issue. The Company will apply to the UK Listing Authority for the listing of any newly issued shares.

11. Amendments

The Committee may amend the PSP. However, the provisions governing eligibility requirements, equity dilution, individual award levels, the basis for determining participants' rights to acquire shares and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of participants without the prior approval of the Company's shareholders in general meeting. There is an exception for minor amendments to benefit the administration of the PSP, to take account of a change in legislation or developments in the law affecting the PSP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the PSP or for any member of the Group.

The directors may also establish further share plans based on the PSP for non-UK participants, provided that the individual limits and dilution limits of the PSP apply to any Awards made.

This summary does not form part of the rules of the PSP and should not be taken as affecting the interpretation of their detailed terms and conditions. The directors reserve the right up to the time of the AGM to make such amendments and additions to the rules of the PSP as may be necessary to take account of comments of the UK Listing Authority and otherwise provided that such amendments do not conflict in any material respect with this summary.

Appendix 2

Summary of the principal terms of the proposed Share Incentive Plan (“SIP”)

The SIP will be a share incentive plan approved by Her Majesty’s Revenue and Customs (“HMRC”).

1. Eligibility

All UK employees of the Company and its subsidiaries (the “Group”) shall be eligible to participate, provided that the Company’s Remuneration Committee (the “Committee”) may exclude employees with less than 18 months’ service.

The Company may also set up similar plans for employees outside the UK.

2. Grant of awards

From time to time, the Committee may invite applications from, or determine to make awards to, eligible employees in accordance with the rules of the SIP. The Company may not grant awards under the SIP more than ten years after its adoption. Employees may use money from their gross salary to acquire Ordinary Shares (“Partnership Shares”). Partnership Shares may be acquired monthly, or money may be accumulated for a period as determined by the Committee, which may be no more than one year. If money is accumulated, the number of Partnership Shares awarded to each employee shall be calculated using lower of the market value of the Ordinary Shares at the beginning of the accumulation period and the market value of the Ordinary Shares on the date the Partnership Shares are acquired.

Alternatively, or in addition to the above, the Committee may, in its discretion, and in accordance with the rules of the SIP, award a number of shares to each employee being:

- an outright award of Ordinary Shares (“Free Shares”), on such basis as determined by the Committee; and/or
- if an employee agrees to buy a certain number of Partnership Shares, an award of shares (“Matching Shares”), on such basis as is determined by the Committee.

All Ordinary Shares acquired in accordance with the SIP shall be held in a trust and may be subject to a retention period to be determined by the Committee.

Any share purchases by employees and any awards made by the Company may be subject to such additional requirements as the Committee shall determine and/or as may be necessary to comply with legislation.

3. Individual limits

The number of Free Shares over which awards may be granted to an eligible employee under the SIP in any year shall be determined from time to time by the Committee and may be dependent upon performance. The performance may be based on either Group, subsidiary, divisional or personal measures.

The aggregate market value per employee of those Free Shares subject to such awards shall not exceed the statutory maximum for HMRC approved share incentive plans (currently £3,000 per annum). The method of distributing Free Shares may vary between participants as the Committee may determine from time to time.

The Committee shall determine the number of Partnership Shares that an eligible employee may acquire from his or her salary under the SIP in any year from time to time. The aggregate market value of those Partnership Shares shall not exceed the statutory maximum for HMRC approved share incentive plans, (currently the lesser of £1,500 per annum or 10% of taxable earnings).

The number of Matching Shares that the Company may award if an eligible employee has acquired Partnership Shares under the SIP in any year shall be determined from time to time by the Committee and shall not exceed the two Matching Shares for every one Partnership Share acquired or such other statutory maximum for HMRC approved share incentive plans.

4. Restrictions on shares and release of shares

Partnership Shares may be withdrawn from the SIP at any time. Awards of Free Shares and Matching Shares shall normally be subject to a statutory period of retention of three years. If an employee leaves the Group, other than for a good leaver reason, prior to the end of the three-year retention period for Free Shares or Matching Shares then those shares may be forfeited.

Dividends received by the trust may be reinvested or paid out to participants. Awards of Ordinary Shares may be released, withdrawn or exchanged for shares in a new company in the event of a sale, takeover, merger, reconstruction, or winding-up of the Company.

5. Non-transferability of awards

Awards are not transferable.

6. Amendments to the SIP

Amendments to the rules relating to the SIP may be made at the discretion of the Committee. However, the basic structure and in particular the limitations on participation, the basis for determining a participant's entitlement to an award of shares, the maximum value of shares that may be awarded to participants and the adjustment that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the SIP, to take account of a change in legislation or to maintain HMRC approval, or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group.

7. Scheme limits

The aggregate number of shares which may be issued at any date of grant when aggregated with shares issued or issuable pursuant to options or awards granted in the preceding ten years under any employee share plan operated by the Company shall not exceed 10% of the issued Ordinary Share capital.

8. Allotment and transfer of shares

Awards may be satisfied by a new issue of Ordinary Shares, the transfer of Ordinary Shares from treasury or by buying Ordinary Shares in the market. Shares issued under the SIP will not rank for dividends payable by reference to a record date falling before the date on which the allottee is entered on the register of members of the Company but will otherwise rank pari passu with existing shares. Application will be made to the UK Listing Authority for admission to the Official List for new shares that are to be issued under the SIP.

9. General

Any benefits granted or shares awarded under the SIP will not be pensionable.

End Notes

- (a) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered in the register of members of the Company at 11.00 am on 9 May 2010, or if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries in the register of members after 11.00 am on 9 May 2010 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
- (b) The accompanying proxy form invites members to vote in one of three ways: “for”, “against” and “vote withheld”. Please note that a “vote withheld” has no legal effect and will count neither for nor against a resolution.
- (c) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy (who need not be a member of the Company) to attend and to speak and vote on his or her behalf. 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 share or shares held by that shareholder. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. Lodging a form of proxy will not prevent a member from attending the Meeting and voting in person. In order to be valid an appointment of proxy must be returned by one of the following methods:
- sending the Form of Proxy enclosed with this document by post or (during normal business hours only) by hand to Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU not less than 48 hours before the time of the Meeting; or
 - electronically, by logging on to Capita Registrars’ website at www.capitaregistrars.com. Members’ IVC numbers (the code number printed on a member’s admission card/form of proxy) will be required. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by the Company’s registrars not later than 11.00 am on 9 May 2010.
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer’s agent, Capita Registrars, (under CREST participant ID RA10) by not later than 11.00 am on 9 May, 2010. 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (d) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him /her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- (e) If you are a Nominated Person, the statement of the rights of shareholders in relation to the appointment of proxies in note (c) above does not apply. The rights described in those paragraphs may only be exercised by registered shareholders of the Company.
- (f) As at 19 March 2010, being the last business day prior to the publication of this notice, the Company’s issued share capital consists of 701,149,800 Ordinary Shares carrying one vote each. The Company also holds 496,400 shares in Treasury. Therefore, the total voting rights of the Company as at 19 March 2010 are 701,149,800.
- (g) In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that (1) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions: and (2) if more than one corporate representative for the same corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that corporate representative.
- (h) The following documents are available for inspection during normal business hours on any weekday at the Company’s registered office at Greenside House, 50 Station Road, Wood Green, London N22 7TP until the conclusion of the Annual General Meeting. They will also be available for inspection at Cavendish Conference Centre, 22 Duchess Mews, London W1G 9DT on 11 May 2010 for at least 15 minutes prior to and until the conclusion of the Annual General Meeting:
- (i) copies of the service contracts between the Company and the executive directors and the terms of appointment of non-executive directors;
 - (ii) the biographies of directors seeking re-election; and
 - (iii) a copy of the current Articles of Association of the Company.



