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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 consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Shares, please send 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.

IG Group Holdings plc

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of IG Group Holdings plc (the “**Company**”) will be held at the offices of Financial Dynamics, located at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB, on Thursday 7 October 2010 at 10:30am (the “**Annual General Meeting**”).

The business of the Annual General Meeting will be to consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the accounts for the year ended 31 May 2010 together with the report of the directors of the Company (the “**Directors**”) and the report of the auditors of the Company (the “**Auditors**”) on those accounts and the auditable part of the remuneration report.
2. To elect David Currie as a Director.
3. To re-elect Peter Hetherington as a Director.
4. To re-elect Timothy Howkins as a Director.
5. To re-elect Andrew MacKay as a Director.
6. To declare a final dividend for the year ended 31 May 2010 in the amount of 13.5 pence per share.
7. To re-appoint Ernst & Young LLP as Auditors to the Company to hold office until the conclusion of the next Annual General Meeting.
8. To authorise the Directors to determine the Auditors’ remuneration.
9. To approve the Directors’ remuneration report for the year ended 31 May 2010.
10. That the Directors be and are generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the “2006 Act”) to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares:
 - (i) up to a nominal amount of £6,000; and
 - (ii) comprising equity securities (as defined in Section 560(1) of the 2006 Act) up to a further nominal amount of £6,000 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of the next annual general meeting or on 30 November 2011, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

For the purposes of this Resolution, “rights issue” means an offer to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe 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 in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

- 11. That the IG Group Holdings plc Value Share Plan (the “**Plan**”), a summary of which is set out in Appendix I to this Notice, be hereby approved, and the Directors be authorised to adopt the Plan subject to such modifications as they may consider necessary or desirable to take account of the requirements of the UK Listing Authority and best practice and to do all acts, matters and things which they may consider necessary or desirable in order to carry the Plan into effect; and the Directors be and are hereby authorised to establish further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in other overseas countries, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the Plan.

And to consider and, if thought fit, to pass the following as special resolutions:

- 12. That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 701 of the 2006 Act to make market purchases (as defined in Section 693 of that Act) of ordinary shares of 0.005p each in the capital of the Company provided that:
 - (i) the maximum number of shares which may be purchased is 36,158,217 (representing an amount equal to 10 per cent. of the Company’s issued ordinary share capital as at 25 August 2010);
 - (ii) the minimum price which may be paid for each share is 0.005 pence;
 - (iii) the maximum price which may be paid for a share is an amount equal to the higher of: (i) 105 per cent of the average of the closing price of the Company’s ordinary shares as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which such share is contracted to be purchased or (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by article 5(1) of the Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003); and
 - (iv) this authority shall expire at the conclusion of the annual general meeting of the Company held in 2011 or, if earlier 30 November 2011 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.
- 13. That subject to the passing of Resolution 10 above, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash:
 - (i) pursuant to the authority given by paragraph (i) of Resolution 10 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(2)(b) of the 2006 Act in each case:
 - (I) in connection with a pre-emptive offer; and

- (II) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £900; and
- (ii) pursuant to the authority given by paragraph (ii) of Resolution 10 above in connection with a rights issue,

as if Section 561(1) of the 2006 Act did not apply to any such allotment;

such power to expire at the end of the next annual general meeting or on 30 November 2011, whichever is earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this Resolution:

- (i) “**rights issue**” has the same meaning as in Resolution 10 above;
- (ii) “**pre-emptive offer**” means an offer of equity securities open for acceptance for a period fixed by the Directors to holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- (iii) references to an allotment of equity securities shall include a sale of treasury shares; and
- (iv) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

- 14. That a general meeting other than an annual general meeting may be called on not less than 14 clear days’ notice.

BY ORDER OF THE BOARD

Guy Abbi
Company Secretary
25 August 2010

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting convened by the notice set out above is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend and speak and vote in his or her place. A proxy need not be a member of the Company. A member 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.
- 2. A form of proxy is enclosed. To be effective, the instrument appointing a proxy, must be either (a) deposited at the office of the Company’s registrars, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Note 8 below, in each case so as to be received no later than 5 October 2010 at 10.30am. The appointment of a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
- 3. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have 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 member 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.
- 4. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 25 August 2010, which is the latest practicable date before the publication of this document is 361,582,176, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 25 August 2010 is 361,582,176.
- 5. Members should note that the doors to the Annual General Meeting will be open at 9.30am.

6. Mobile phones may not be used in the meeting hall, and cameras, tape or video recorders are not allowed in the meeting hall.
7. The register of interests of the directors and their families in the share capital of the Company, copies of contracts of service of directors with the Company or with any of its subsidiary undertakings, and a copy of the Plan will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and will also be available at the offices of Financial Dynamics, located at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB for at least 15 minutes before and during the Annual General Meeting.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). 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 RA10) by the latest time(s) for receipt of proxy appointments specified in Note 2 above. 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 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.

9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
10. Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company’s register of members at 5.30pm on 5 October 2010 or, if the meeting is adjourned, 24 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.
11. Shareholders should note that, under Section 527 of the 2006 Act, members 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 for the financial year beginning 1 June 2010; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 June 2010 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) 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 for the relevant financial year includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.
12. Any member attending the 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.
13. A copy of this notice and other information required by Section 311A of the 2006 Act can be found at www.iggroup.com.

APPENDIX I

VALUE SHARING PLAN Description of Plan for AGM circular

The Plan allows for the grant of Value Sharing Awards which are intended to be the principal equity incentive for directors and senior management.

To give flexibility, it also allows for other options and awards (**‘Other Awards’**) to be granted, including options which attract favourable tax treatment in the UK (**‘Approved Options’**).

A participant who is granted a Value Sharing Award will not be granted any Other Award (other than an Approved Option) in the same year.

Eligibility

Employees and executive directors of the Company and designated subsidiaries and joint ventures are eligible to participate in the Plan.

It is intended that, initially, Value Sharing Awards will only be granted to approximately 60 employees, all of whom hold senior management roles or whose retention is considered key to the business.

2 Grant of awards

The directors, or in the case of executive directors, the remuneration committee, will decide who will be granted awards and over how many Shares.

Awards will normally only be granted within 42 days of approval of the Plan or the announcement of the Company's results for any period.

It is intended to grant Value Sharing Awards after the AGM. There are currently no plans to grant any Other Awards.

3 Number of Shares subject to Value Sharing Awards

Each Value Sharing Award is a right to a number of ordinary shares in the Company (**‘Shares’**), determined for each participant, for each £1 million of shareholder value generated in excess of a threshold (the **‘Surplus Shareholder Value’**) over the three financial years starting with that in which the award is granted (the **‘Performance Period’**).

The remuneration committee will determine, for each Value Sharing Award, how Surplus Shareholder Value will be determined and will seek to do so in a manner which aims to ensure that the interests of participants in the Plan are aligned with those of shareholders and the long-term interest of the company, and that any award thresholds are appropriately stretching.

For the initial Value Sharing Awards, it is intended that Surplus Shareholder Value will be determined using two measures:

- Under the **‘TSR Measure’** Surplus Shareholder Value is the amount by which the Company's total shareholder return over the Performance Period exceeds that of the FTSE 350 Financial Services Index, as applied to the starting market capitalisation of the Company. Starting market capitalisation will be calculated as the average market capitalisation of the Company over the last three months of the financial year immediately preceding the Performance Period.

- Under the ‘**PBT Measure**’, Surplus Shareholder Value is equal to the GBP growth in the Company’s before-tax profit over the Performance Period times a multiple and plus net equity cashflows to shareholders, over and above a hurdle rate of return (of 12% p.a. for the initial awards) as applied to the starting market capitalisation of the Company. The multiple will be based on the actual multiple calculated from the starting market capitalisation and the reported before-tax profit for that year. Net equity cashflows to shareholders are dividends plus share buybacks, less share issues over the Performance Period, rolled up at the hurdle rate of return.

For the initial Value Sharing Awards to executive directors, Surplus Shareholder Value will be determined on the TSR Measure for 60% of the Shares and on the PBT Measure for the rest. For other participants, the mix may be different but each measure will be used for at least 30% of the Shares.

For each participant, the total Surplus Shareholder Value under each measure will be limited to 100% of the starting market capitalisation, thus limiting the maximum number of shares a participant may receive.

4 Individual Limits

The entitlements of all participants under Value Sharing Awards granted in any one financial year will not be more than 5,000 Shares for each £1 million of Surplus Shareholder Value and, of those, no one participant will be entitled to more than 1,000 Shares.

For the initial Value Sharing Awards, the remuneration committee intends to grant the CEO and the other executive directors 400 and 250 Shares per £1m of Surplus Shareholder Value respectively.

The market value of the Shares under Other Awards granted to an executive director of the Company in any one financial year will not exceed 100% of his basic salary at the time of award.

Value Sharing Awards and Other Awards (other than Approved Options) will not be granted to the same person in the same year.

The market value of the Shares under outstanding Approved Options held by any one person (taken at the time of grant of the Option) must not be more than the limit set in the tax rules – which is currently £30,000.

A worked example is set out in the attached schedule.

5 Vesting

Value Sharing Awards will vest three financial years from the date of the award.

Other Awards if granted to executive directors will be subject to performance conditions set by the remuneration committee at the date of grant. These will be stretching and objective and tested over at least three financial years and the Awards will vest at the end of that period. Other Awards will vest over such period as the directors may set at the time of grant.

6 Delivery of Shares

The participant will receive half the Shares under a Value Sharing Award as soon as reasonably practicable after the end of the Performance Period and the balance (the ‘**Deferred Portion**’) one year after that.

The Company will issue or transfer Shares to satisfy Other Awards as soon as reasonably practicable after vesting or, in the case of options, exercise.

7 Exercise and lapse of options

Other Awards which take the form of Options (including Approved Options) can only be exercised to the extent they have vested. They will normally be exercisable for 10 years from the date of grant or for three years from the date of vesting, in the case of a nil-cost option. They will normally lapse earlier if the participant leaves employment or if there is a takeover.

The exercise price of an Approved Option will be the market value of a Share on the date of grant. The exercise price of other options will be set by the directors and may be nil.

8 Clawback

The participant will lose the right to the Deferred Portion of a Value Sharing Award where there is:

- fraud
- professional misfeasance or negligence leading to a breach of any credit control, internal capital adequacy or liquidity control that causes a significant operational loss,
- a breach of any law, regulation, accounting or prudential standard, or misstatement of results; and

in any other circumstances in which the remuneration committee considers it to be in the interests of shareholders.

9 Leaving employment

Awards will normally lapse if the participant leaves employment before vesting.

But if he leaves for one of the 'good leaver' reasons:

- a Value Sharing Award will continue in effect and vest at the end of the Performance Period on the basis of the Surplus Shareholder Value at that time;
- any Other Award will normally vest on the date of leaving or on the normal vesting date, to the extent any performance condition is then satisfied.

In either case, the number of Shares in respect of the Award will normally be reduced to reflect the fact that the participant left early.

The 'good leaver' reasons are disability, ill-health, injury, redundancy, retirement in agreement with the Company, sale of the participant's employer or any other reason which the remuneration committee allows.

If the participant dies, the number of Shares will be calculated on performance against the relevant measures to the date of death.

10 Plan limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the plan and all other employees' share plans operated by the Company. This limit does not include awards which have lapsed.

Treasury shares transferred to satisfy an Award will be counted as if new shares had been issued for so long as it is considered best practice to do so.

11 Takeovers and reorganisations

On a takeover, merger or other corporate reorganisation, participants will get their Shares early and the number of Shares will be calculated on the relevant measures tested to the date of the transaction.

The method for determining Surplus Shareholder Value, for Value Sharing Awards, contemplates outperformance of a benchmark so provides natural pro-rating for time. For Awards vesting based on PBT performance, the transaction price will be used to determine the Surplus Shareholder Value created, rather than the PBT in the prior year times a fixed multiple. Similarly, awards vesting based on TSR performance will be based on the transaction price, rather than an average over three months. The remuneration committee may vary this approach if it is deemed to be fair to participants and shareholders to do so in the circumstances of the transaction.

Instead of delivering the Shares early, the directors may allow or require participants to exchange their awards for equivalent awards over shares in any acquiring company.

12 General

Any shares issued to satisfy awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The number of Shares to which a participant is entitled may be adjusted to reflect a rights issue, demerger or any variation in the share capital of the Company.

Awards are not pensionable or transferable.

No awards can be granted more than 10 years after the Plan's approval by shareholders.

13 Amendments

The directors can amend the Plan in any way. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the rights attaching to awards and shares, the adjustment of awards on variation in the Company's share capital and the amendment powers.

The directors can, without shareholder approval, make 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. They can also amend the method for determining Surplus Shareholder Value or performance conditions without shareholder approval but the amendment must not materially increase the number of Shares to which a participant would be entitled for comparable performance.

Schedule to Value Share Plan Summary

Worked example of the proposed calibration of the initial Value Sharing Awards:

Additional shareholder value created £0m implies TSR is in line with the TSR of the FTSE350 Financial Services Index	Number of shares awarded	
	Chief Executive	Other executive directors
Below £0m	0	0
Above £0m and for each £1m	240 shares	150 shares

Additional earnings growth £0m implies growth in PBT (adjusted for net equity cashflows to shareholders) is 12% p.a.	Number of shares awarded	
	Chief Executive	Finance Director
Below £0m	0	0
Above £0m and for each £1m	160 shares	100 shares

In aggregate, the number of shares awarded to all participants under the initial cycle of this plan will be 3,500 shares per £1m of additional shareholder value. Illustrative payouts, as a number of shares, are shown below:

Illustrative awards (# of shares)	Additional shareholder value created over and above a hurdle**				
	£0m	£100m	£250m	£500m	£1,469m** (cap)
Chief Executive	-	40,000	100,000	200,000	587,600
3 other executive directors	-	25,000	62,500	125,000	367,250
Total for all 60 participants	-	350,000	875,000	1,750,000	5,141,500
% of surplus value created for shareholders***	-	98.0%	97.9%	97.6%	96.7%
% of surplus value created for executives***	-	2.0%	2.1%	2.4%	3.3% (cap)

** Assumes a starting market cap of £1,469m (based on 3-month average from 1 March to 31 May 2010)

*** Assumes a constant PE multiple, TSR benchmark grows at 12% p.a. and a share price at grant of £4.30

Note, IG Group must grow shareholder value at 12% p.a. before participants start to share in any of the additional shareholder value created under the PBT element of the plan. This is equivalent to around £595m of shareholder value being created before participants start to earn, under this element of the plan.

The Remuneration Committee retains discretion to adjust awards downwards if it does not deem the recorded TSR to be a genuine reflection of the Company's underlying performance during the performance period.

APPENDIX II

EXPLANATION OF ANNUAL GENERAL MEETING BUSINESS

This explanatory note gives further information on resolutions numbered 1 to 14 listed in the enclosed Notice of the 2010 Annual General Meeting of the Company.

Resolution 1 - Receipt of Company Accounts

The Directors must lay the Company's Accounts, the Director's report and the Auditors' report before the shareholders at a General Meeting. This is a legal requirement after the Directors have approved the Accounts and the Directors report, and the Auditors have prepared their report.

Resolution 2 - Election of David Currie

In accordance with the Company's Articles of Association, David Currie, who was appointed to the board in May 2010, offers himself for election.

Full biographical details are set out on page 7 of the Annual Report.

Resolution 3 - Re-election of Peter Hetherington

In accordance with the Company's Articles of Association, Peter Hetherington, who was appointed to the board in March 2003 and subsequently re-elected in 2007, retires and offers himself for re-election.

Full biographical details are set out on page 8 of the Annual Report.

Resolution 4 - Re-election of Timothy Howkins

In accordance with the Company's Articles of Association, Timothy Howkins, who was appointed to the board in February 2003 and subsequently re-elected in 2007 retires and offers himself for re-election.

Full biographical details are set out on page 7 of the Annual Report.

Resolution 5 - Re-election of Andrew MacKay

In accordance with the Company's Articles of Association, Andrew MacKay, who was appointed to the board in February 2003 and subsequently re-elected in 2007, retires and offers himself for re-election.

Full biographical details are set out on page 8 of the Annual Report.

Resolution 6 - Declaration of Dividend

Resolution 5 is for a final ordinary dividend of 13.5p per share. Commentary on our dividend policy is set out on page 27 of the Annual Report.

Resolution 7 - Re-election of Ernst & Young LLP as Auditors

The board, on the recommendation of the audit committee, recommends the re-election of Ernst & Young LLP as Auditors, to hold office until the next meeting at which accounts are laid.

Resolution 8 - Remuneration of the Auditors

It is normal practice for a Company's Directors to be authorised to agree the Auditor's fees. This resolution authorises the Board of Directors to agree the remuneration of the Auditors.

Resolution 9 - Adoption of the Remuneration Report

The Annual General Meeting business includes the usual ordinary resolution to approve the Directors' Remuneration Report for the year ended 31 May 2010. This is set out on page 48 of the Annual Report.

Resolution 10 - Authority to allot shares

The purpose of Resolution 10 is to renew the Directors' power to allot shares.

The authority in paragraph (i) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of £6,000, which is equivalent to approximately 33 per cent of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 25 August 2010.

The authority in paragraph (ii) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £6,000, which is equivalent to approximately 33 per cent of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 25 August 2010. This is in line with corporate governance guidelines.

At 25 August 2010, the Company did not hold any shares in treasury.

There are no present plans to undertake a rights issue or to allot new shares other than in connection with employee share and incentive plans. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

If the resolution is passed the authority will expire on the earlier of 30 November 2011 and the end of the annual general meeting in 2011.

Resolution 11 - Approval of the Value Share Plan

See Appendix I

Resolution 12 - Purchase by the Company of its own shares

The effect of this resolution is to renew the authority granted to the Company to purchase its own ordinary shares, up to a maximum of 36,158,217 ordinary shares, until the annual general meeting in 2011 or 30 November 2011 whichever is the earlier. This represents 10% of the ordinary shares in issue as at 25 August 2010 and the Company's exercise of this authority is subject to the stated upper and lower limits on the price payable.

Pursuant to the 2006 Act, the Company can hold the shares which have been repurchased itself as treasury shares and either resell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee share schemes. The Directors believe that it is desirable for the Company to have this choice and therefore intend to hold any shares purchased under this authority as treasury shares. Holding the repurchased shares as treasury shares will give the Company the ability to re-sell or transfer them in the future, and so provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares.

Shares will only be repurchased if the directors consider such purchases to be in the best interests of shareholders generally and that they can be expected to result in an increase in earnings per share or for the purposes of the Company's employee share schemes. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

As at 25 August 2010 (being the latest practicable date prior to the publication of this Notice), there were: 668,304, vested but unexercised options granted under all share option schemes operated by the Company and

no outstanding warrants; and 84,981 share option awards under the 2007 Long Term Incentive Plan due to vest within the next few months which, if exercised altogether would represent 0.21% of the issued ordinary share capital of the Company (excluding any shares held in treasury). In 2008 and 2009 the Company granted Long Term Incentive Plan share option awards for 6,783,372 shares that are subject to performance criteria being attained by the Company. If these share option awards vest at 100% the issued ordinary share capital of the Company would increase by a further 1.90%.

Resolution 13 - Disapplication of pre-emption rights

If the Directors wish to allot new shares or other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of paragraph (i) of Resolution 13 is to authorise the Directors to allot new shares pursuant to the authority given by paragraph (i) of Resolution 11, or sell treasury shares, for cash (I) in connection with a pre-emptive offer or rights issue or (II) otherwise up to a nominal value of £900, equivalent to five per cent of the total issued ordinary share capital of the Company as at 25 August 2010, in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

The purpose of paragraph (ii) of Resolution 13 is to authorise the Directors to allot new shares pursuant to the authority given by paragraph (ii) of Resolution 10, or sell treasury shares, for cash in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings. This is in line with corporate governance guidelines.

The Board considers the authority in Resolution 13 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions. The Board has no immediate plans to make use of this authority.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company within a rolling three-year period without prior consultation with shareholders.

Resolution 14 - Notice of General Meetings

As stated in the notice of the 2009 annual general meeting, 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 annual general meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 14 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 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.