
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

Notice of Annual General Meeting Hilton Food Group plc

Notice of the fifth Annual General Meeting which has been convened for Wednesday 16 May 2012 at 12:00 p.m. at The Old Bridge Hotel, 1 High Street, Huntingdon, Cambridgeshire PE29 3TQ.

If you have sold or transferred all of your ordinary shares in Hilton Food Group plc, you should pass this document, together with the accompanying form of proxy, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting.



HILTON FOOD GROUP PLC

2-8 The Interchange, Latham Road, Huntingdon, Cambridgeshire PE29 6YE England

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From the Non-Executive Chairman, Sir David Naish

13 April 2012

To the holders of Hilton Food Group plc shares

Dear Shareholder

Notice of Annual General Meeting 2012

I am pleased to be writing to you with details of our fifth Annual General Meeting ("AGM") which we are holding at The Old Bridge Hotel, 1 High Street, Huntingdon, Cambridgeshire PE29 3TQ on Wednesday 16 May 2012 at 12:00 p.m. The formal Notice of Annual General Meeting is set out in Appendix 1 and Explanatory Notes for the Resolutions in Appendix 2 of this document.

If you would like to vote on the Resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 12:00 p.m. on Monday 14 May 2012.

Explanatory notes on all the business to be considered at this year's AGM appear in Appendix 2 of this document.

Recommendation

The Board considers 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.

Yours sincerely,

Sir David Naish

Non-Executive Chairman

Appendix 1

Company number: 06165540

NOTICE IS HEREBY GIVEN that the fifth Annual General Meeting of Hilton Food Group plc (the "Company") will be held at The Old Bridge Hotel, 1 High Street, Huntingdon, Cambridgeshire PE29 3TQ on Wednesday 16 May 2012 at 12:00 p.m. for the following purposes.

As ordinary business of an annual general meeting to consider and, if thought fit, pass the following ordinary resolutions:

1. To receive and adopt the financial statements of the Company for the 52 weeks ended 1 January 2012 and the reports of the Directors and auditors on those financial statements.
2. To receive, adopt and approve the Remuneration report for the 52 weeks ended 1 January 2012.
3. To re-elect Sir David Naish, who retires by rotation and offers himself for re-appointment by general meeting, as a Director of the Company.
4. To re-elect Mr Philip Heffer, who retires by rotation and offers himself for re-appointment by general meeting, as a Director of the Company.
5. To re-elect PricewaterhouseCoopers LLP as auditors and to authorise the Directors to determine the auditors' remuneration.
6. To declare a final dividend of 8.0 pence per share on each of the Company's ordinary shares for the financial year ended 1 January 2012.

As special business of an Annual General Meeting to consider and, if thought fit, pass resolutions 7 and 8 as ordinary resolutions and resolutions 9, 10 and 11 as special resolutions.

Ordinary resolutions

7. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to:
 - (a) allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £2,343,000; and
 - (b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £4,686,000 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 7) in connection with an offer by way of a rights issue to:
 - (i) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and
 - (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

These authorities shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and shall expire at the end of the next annual general meeting of the Company or, if earlier, 15 months after the date of this resolution, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights granted to subscribe for or convert any security into shares after such expiry and the Directors may allot shares or grant such rights in pursuance of any such offer or agreement as if the power and authority conferred by this resolution had not expired.

8. That the rules of the Hilton Food Group Long Term Incentive Plan 2012 (the "Plan") produced to the meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to:
 - (a) make such modifications to the Plan as they may consider appropriate for the implementation of the Plan and to adopt the Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the Plan; and
 - (b) establish further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Plan.

Special resolutions

9. That, subject to the passing of resolution 7 above, the Directors be generally and unconditionally empowered for the purposes of section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash:

- (a) pursuant to the authority conferred by resolution 7 above; or
- (b) where the allotment constitutes an allotment by virtue of section 560(2)(b) of the Act,

in each case as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (b) of resolution 7, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:
 - (A) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and
 - (B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (ii) the allotment of equity securities, other than pursuant to paragraph (i) above of this resolution, up to an aggregate nominal amount of £351,000.

This power shall (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution or, if earlier, on the date 15 months after the passing of such resolution, save that the Company may before the expiry of this power make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

10. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares") in such manner and on such terms as the Directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:

- (a) the maximum number of Ordinary Shares which may be purchased is 7,029,115;
- (b) the minimum purchase price which may be paid for any Ordinary Share is 10p (exclusive of expenses);
- (c) the maximum purchase price which may be paid for any Ordinary Share shall not be more than the higher of (in each case exclusive of expenses):
 - (i) 5% above the average 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 the purchase is made; and
 - (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid as derived from the London Stock Exchange Trading System (SETS); and

this authority shall take effect on the date of passing of this resolution and shall (unless previously revoked, renewed or varied) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, 15 months after the date of passing of this resolution, save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

11 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

Neil George
Company Secretary

13 April 2012

Registered Office:
2-8 Interchange
Latham Road
Huntingdon
Cambridgeshire
PE29 6YE

Registered in England and Wales
No. 06165540

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrar, Equiniti Limited, on 0871 384 2030 (international callers: +44 121 415 7047). Calls to this number cost 8p per minute from a BT landline, other providers' costs may vary. Lines open 8:30 a.m. to 5:30 p.m., Monday to Friday. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 13 below.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 12:00 p.m. on Monday 14 May 2012, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 13(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. 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.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 6:00 p.m. on Monday 14 May 2012 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. 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 (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. As at the date of issue of this notice the Company's issued share capital consists of 70,291,153 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at the date of issue of this notice are 70,291,153.
13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com/CREST. 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. Please note the following.
 - (a) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 RA19) by the latest time(s) for receipt of proxy appointments specified in this notice. 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 Application 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.
 - (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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.
 - (c) 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.

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14. 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 that they do not do so in relation to the same shares.
15. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of issue of this notice (Saturdays, Sundays and public holidays excepted) until the time of the AGM and at The Old Bridge Hotel, 1 High Street, Huntingdon, Cambridgeshire PE29 3TQ from 15 minutes before the AGM until it ends:
- Copies of the Executive Directors' service contracts
 - Copies of letters of appointment of the Non-Executive Directors
 - The annual accounts and reports of the Company for the 52 weeks ended 1 January 2012
- A copy of the draft rules of the Hilton Food Group Long Term Incentive Plan 2012 will be available for inspection at the offices of New Bridge Street at Aon Hewitt, 10 Devonshire Square, London EC2M 4YP during normal business hours on any weekday (Saturday, Sundays and English public holidays expected) 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 Annual General Meeting.
16. A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found at www.hiltonfoodgroupplc.com/agm
17. You may not use any fax number or email address or other electronic address provided in this proxy form to communicate with the Company for any purpose other than expressly stated.

Appendix 2: Explanatory notes

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 8 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 9 to 11 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Report and Accounts (Resolution 1)

The Directors of the Company must present the accounts to the meeting.

Remuneration report (Resolution 2)

In line with legislation, this vote will be advisory and in respect of the overall remuneration package and not specific to individual levels of remuneration. You can find the remuneration report on pages 34-37 of the Company's annual report and accounts.

Re-election of Directors (Resolutions 3 and 4)

The Company's articles of association require that all Directors retire at least every three years and that all newly appointed Directors retire at the first Annual General Meeting following their appointment. Furthermore in line with the UK Corporate Governance Code, it is the Company's practice that any Non-Executive Director having been in post for nine years or more is subject to annual re-election.

At this meeting, Colin Patten will retire and not stand for re-election. Sir David Naish and Philip Heffer will retire and stand for re-election as Directors. Short biographies of these Directors are given below and in the accompanying report. Having considered the performance of and contribution made by each of the Directors standing for re-election the Board remains satisfied that the performance of each of the relevant Directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election.

Philip Heffer – UK and Ireland Business Director

Philip joined the Hilton Food Group at its inception in 1994, as Managing Director of the Group's UK subsidiary Hilton Meats (Retail) Limited. In 2004 Philip was appointed to his current role as Managing Director for the Hilton Food Group's UK and Irish businesses. Prior to this, Philip held senior positions within the RWM Food Group.

Sir David Naish – Non-Executive Chairman

Sir David joined the Hilton Food Group in 2007 as a Non-Executive Director after retiring from the Chairmanship of Arla Foods UK plc and was elected Chairman in 2010. He is a past President of the National Farmers Union and is currently Chairman of his family farming business as well as a Director of Wilson Insurance Broking Group Limited and Caunton Engineering Limited and is also a Non-Executive Director of Produce Investments plc. Sir David is Chairman of the Nomination and Related Party Supply Committees.

Reappointment and remuneration of auditors (Resolution 5)

Resolution 5 proposes the reappointment of PricewaterhouseCoopers LLP as auditors of the Company and authorises the Directors to set their remuneration.

Declaration of a dividend (Resolution 6)

A final dividend can only be paid after the shareholders at a general meeting have approved it. A final dividend of 8.0 pence per Ordinary Share is recommended by the Directors for payment to shareholders who are on the register of members at the close of business on 1 June 2012. If approved, the date of payment of the final dividend will be 29 June 2012.

Directors' authority to allot shares (Resolution 7)

The purpose of resolution 7 is to renew the Directors' authority to allot shares.

The authority in paragraph (a) will allow the Directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to a nominal value of £2,343,000, which is equivalent to approximately one-third of the total issued Ordinary Share capital of the Company as at the date of this notice. There is no present intention of exercising this general authority.

The authority in paragraph (b) will allow the Directors to allot new shares or to grant rights to subscribe for or convert any security into shares in the Company only in connection with a pre-emptive rights issue up to an aggregate nominal value of £4,686,000, which is approximately two-thirds of the Company's issued share capital as the date of this notice (inclusive of the nominal value of £2,343,000 sought under paragraph (a) of the resolution). This is in line with corporate governance guidelines. There is no present intention to exercise this authority.

As at the date of this notice the Company did not hold any shares in treasury.

If the resolution is passed, the authority will expire on the earlier of 15 August 2013 (the date which is 15 months after the date of the resolution) and the end of next annual general meeting of the Company in 2013.

Long Term Investment Plan (Resolution 8)

Resolution 8 seeks to adopt The Hilton Food Group Long Term Incentive Plan 2012 and below is a summary of the principal terms.

Operation

The remuneration committee of the Board of Directors of the Company (the "Committee") will supervise the operation of the Plan.

Eligibility

Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the Plan at the discretion of the Committee.

Grant of awards

The Committee may grant awards to acquire Ordinary Shares in the Company ("Shares") within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards within six weeks of shareholder approval of the Plan or at any other time when the Committee considers there are exceptional circumstances which justify the granting of awards. It is intended that the first awards will be made shortly following the approval of the Plan. The Committee may grant awards as conditional shares or as nil (or nominal) cost options. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so. An award may not be granted more than ten years after shareholder approval of the Plan. No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

Individual limit

An employee may not receive awards in any financial year over Shares having a market value in excess of 100% of his annual base salary in that financial year. In exceptional circumstances, such as recruitment or retention, this limit is increased to 200% of an employee's annual base salary.

Performance conditions

The vesting of awards granted to Executive Directors and other senior executives will be subject to performance conditions set by the Committee. Awards may be granted to other, less senior, employees without performance conditions being imposed. For the initial awards to be granted to the Executive Directors, the performance condition that will determine the vesting of awards will be based on compound annual "EPS" growth over three financial years. "EPS" is the earnings per share of the Company calculated on such basis as specified by the Committee. An award will vest as follows:

Compound annual EPS growth over three financial years	Percentage of an award that vests
Less than 6% per annum	0%
6% per annum	25%
Between 6% per annum and 14.5% per annum	On a straight-line basis between 25% and 100%
14.5% per annum or more	100%

The Committee can set different performance conditions from that described above for future awards. The Committee may also vary any performance condition applying to existing awards if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance condition, provided the Committee considers the varied condition is fair and reasonable and not materially less challenging than the original condition would have been but for the event in question.

Vesting of awards

Awards normally vest three years after grant to the extent that the applicable performance condition (see above) has been satisfied and provided the participant is still employed in the Company's group. Awards granted as nil (or nominal cost) options are then normally exercisable up until the tenth anniversary of grant unless they lapse earlier.

Leaving employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a Director within the Company's group. However, if a participant ceases to be an employee or a Director because of his ill-health, injury, disability, retirement, redundancy, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee, then his award will vest on the date when it would have vested if he had not ceased such employment or office, subject to (i) the extent to which the performance condition has been satisfied at that time; and (ii) the pro-rating of the award to reflect the period of time between its grant and the date of cessation of employment, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances. If a participant ceases to be an employee or Director in the Company's group for one of the "good leaver" reasons specified above, the Committee can decide that his award will vest on the date of cessation of employment or office, subject to (i) the extent to which the performance condition has been satisfied by reference to the date of cessation; and (ii) the pro-rating of the award by reference to the time of cessation as described above. If a participant ceases to be an employee or Director in the Company's group because of his death, then his award will vest on a similar basis as would apply in the case of "good leavers" as described above. In the case of "good leavers", awards structured as nil (or nominal) cost options will be exercisable for a period of 12 months from the date of vesting. Any such options which have already vested (but which have not been exercised) on the date of cessation of employment will be exercisable for 12 months from the date of cessation.

Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that any performance condition has been satisfied at that time; and (ii) the pro-rating of the awards to reflect the reduced period of time between their grant and vesting, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances. In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover. If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

Clawback

The Committee may decide at any time within three years of the date of vesting of an award that a participant will be subject to clawback in circumstances where there has been a material misstatement of the Company's accounts or an error in assessing the performance condition which resulted in an award vesting at a higher level than it would otherwise have done or in the event of termination of service for gross misconduct. The Committee may require the satisfaction of the clawback by way of a reduction in the vesting, or size of, any other award or bonus and/or a requirement to make a cash payment.

Participants' rights

Awards will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their Shares.

Rights attaching to Shares

Any Shares allotted when an award vests or is exercised will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

Overall limits

The Plan may operate over new issue Shares, treasury Shares or Shares purchased in the market. In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the Plan and any other employee share plan adopted by the Company. Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investors decide that they need not count.

Alterations to the Plan

The Committee may, at any time, amend the Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of awards. The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award.

Overseas Plans

The shareholder resolution to approve the Plan will allow the Board to establish further plans for overseas territories, any such plan to be similar to the Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Plan.

Disapplication of pre-emption rights (Resolution 9)

If the Directors wish to allot new shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) company law requires that these shares are first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer to existing shareholders. This cannot be done unless the shareholders have first waived their pre-emption rights.

Resolution 9 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of shares for cash up to a maximum number of 3,500,000 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which is equivalent to approximately 5% of the Company's issued ordinary share capital as at the date of this notice. The Company undertakes to restrict its use of this authority to a maximum of 7.5% of the Company's issued ordinary share capital in any three year period. Shareholders will note that this resolution also relates to treasury shares and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next Annual General Meeting of the Company in 2013 or, if earlier, 15 August 2013 (the date which is 15 months after the passing of the resolution).

Authority to purchase own shares (Resolution 10)

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 10 seeks the authority from shareholders to continue to do so. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority.

Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly, save that the Company may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

The resolution specifies the maximum number of Ordinary Shares that may be acquired (approximately 10% of the Company's issued ordinary share capital as at the date of this notice) and the maximum and minimum prices at which they may be bought.

Resolution 10 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next annual general meeting of the Company in 2013 or, if earlier, 15 August 2013 (the date which is 15 months after the date of passing of the resolution).

The Directors intend to seek renewal of this power at subsequent Annual General Meetings.

General meetings: length of notice (Resolution 11)

The Companies (Shareholder Rights) Regulations 2009 (which implemented the EU Shareholder Rights Directive with effect from 3 August 2009) increased the notice period for general meetings (other than annual general meetings) of listed companies, such as the Company, to 21 days from 14 days, unless certain conditions are met.

A shareholder resolution reducing the period of notice to not less than 14 clear days must be passed at an immediately preceding AGM to ensure that the general meetings of the Company (other than AGMs) may continue to be held on 14 clear days' notice. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. Note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders as a whole.

