

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the company will be held at the Renaissance Manchester Hotel, Blackfriars Street, Manchester, M3 2EQ on Wednesday, 3 July 2002 at 2.30 pm for the following purposes:

### Ordinary business

- 1 To receive the Accounts and Reports of the Directors and the Auditors for the 52 weeks ended 2 March 2002.
- 2 To declare a final dividend of 4.10 pence per ordinary share for the 52 weeks ended 2 March 2002.
- 3 To re-elect as a Director Tim Kowalski, who retires by rotation.
- 4 To re-elect as a Director Nigel Alliance, who retires by rotation.
- 5 To re-elect as a Director Robert Youngjohns, who retires by rotation.
- 6 To re-elect as a Director Lord Stone of Blackheath, who, having been appointed as a Director during the year, offers himself for re-election.
- 7 To reappoint Arthur Andersen as the company's auditors and to authorise the directors to fix their remuneration.

### Special business

To consider and, if thought fit, (and subject in the case of resolution 9 to the passing of resolution 8) pass the following resolutions which (in the case of resolutions 8 and 11) will be proposed as ordinary resolutions and (in the case of resolutions 9 and 10) will be proposed as special resolutions:

- 8 That the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the Act") (in substitution for all existing authorities under the said section 80) to exercise all the powers of the Company to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal amount of £9,789,533.33, provided that this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution (or, if earlier 3 October 2003) and provided further that the Company may before such expiry make any offers or agreements which would or might require relevant securities to be allotted after such expiry.
- 9 That the Directors of the Company be and are hereby empowered pursuant to section 95(1) of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred upon the Directors in accordance with section 80 of the Act on 3 July 2002 as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares (notwithstanding that, by reason of such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, the equity securities to be issued are not offered to all such holders in proportion to the number of ordinary shares held by each of them); and
  - (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal value of £1,468,430.00.

and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution (or, if earlier, on 3 October 2003), save that the Company may before such expiry make any offers or agreements which would or might require equity securities to be allotted after such expiry.

- 10 That the Directors of the Company be authorised generally and unconditionally to exercise all powers of the Company to make market purchases (as defined in Section 163(3) of the Act) of its Ordinary Shares of 1p each provided that:
  - (a) the maximum number of Ordinary Shares which may be acquired is 29,368,600 Ordinary Shares of 10p;

- (b) the minimum price which may be paid for any such Ordinary Share is 10p; and
- (c) the maximum price which may be paid for any such Ordinary Shares is an amount equal to 105 per cent of the average of the middle market quotation for an Ordinary Share according to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is contracted to take place;

and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution (or, if earlier, on 3 October 2003) but a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract.

- 11 That the Directors of the Company be authorised to amend the rules of the Company's long term incentive share plan by substituting in Rule 5.1 the figure and words "150 per cent" for the figure and words "75 per cent".

By Order of the Board  
**Philip F Harland LL.B (Hons), Solicitor**  
Secretary  
31 May 2002

Registered Office:  
53 Dale Street  
Manchester  
M60 6ES

#### NOTES:

- 1 The biographies of those directors seeking reappointment appear on page 24 of the annual report and accounts.
- 2 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 attend and, on a poll, to vote in his place. A proxy need not be a member of the company.
- 3 A form of proxy is enclosed for your use.
- 4 To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be received by the company's registrars. Capita IRG plc, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 48 hours before the time appointed for holding the meeting.
- 5 Completion and return of the form of proxy will not preclude a member from attending and voting in person at the annual general meeting should he or she so wish.
- 6 Copies of directors' service contracts and a statement of the directors' share interests and those of their families will be available for inspection at the company's registered office during normal business hours on each business day from the date of this notice and up to and including the date of the annual general meeting. These documents will also be available for inspection at the place of the annual general meeting for at least fifteen minutes prior to and during the annual general meeting.
- 7 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the company specifies that only those shareholders registered in the register of members of the company as at 2.30 pm on Monday 1 July 2002 (or in the case of an adjournment as at 48 hours before the time appointed for holding the meeting) shall be entitled to attend or vote at the above meeting and that the number of votes which any shareholder may cast, on a poll, will be determined by reference to the number of shares registered in such shareholder's name at that time. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

## **EXPLANATORY NOTES**

### **Ordinary Business**

#### Resolution 1 – Annual Report and Accounts

The Directors are under a duty in relation to each financial year to lay the accounts and reports of the Directors and auditors before the Company in general meeting, giving shareholders the opportunity to ask questions on the contents.

#### Resolution 2 – Declaration of dividend

A final dividend of 4.10p per ordinary share payable on 19 July 2002 has been recommended by the Directors for the 52 weeks ended 2 March 2002. In accordance with the Inland Revenue, all dividends are declared and paid net of income tax at the standard rate.

#### Resolutions 3, 4, 5 and 6 – Re-election of Directors

In accordance with the Articles of Association Tim Kowalski, Nigel Alliance and Robert Youngjohns will retire by rotation and will seek re-election by the shareholders. Lord Stone of Blackheath, having been appointed since the date of the last annual general meeting, retires and will seek re-election by the shareholders.

#### Resolution 7 – Re-appointment of auditors/auditors' remuneration

This resolution proposes the re-appointment of Arthur Andersen as auditors of the Company and authorises the Directors to determine the remuneration. The Company is aware of the issues surrounding this firm of auditors. However it intends to retain them as auditors for the time being.

### **Special Business**

#### Resolution 8 – Authority to allot shares

The authority of shareholders is required to enable Directors to allot shares. Accordingly, in line with the Company's usual procedure, which is also standard practice amongst other public companies, this resolution seeks authority for the Directors to issue shares (within the limits of the existing authorised share capital) until the conclusion of next year's Annual General Meeting or 3 October 2003, if sooner.

The resolution will provide for the Directors to be able to allot shares up to a nominal amount of £9,789,533. This represents one third of the issued share capital together with the amount of shares that the Company may be obliged to allot to satisfy its obligations under the various option schemes, long term incentive plan and deferred annual bonus scheme that the Company operates. With the exception of shares to be issued in respect of these, the Directors have no current intention of exercising this authority.

#### Resolution 9 – Permission to allot a limited number of shares other than to existing shareholders

When shares are issued for cash, they normally have to be offered first to existing shareholders in proportion to their current shareholding. This resolution will enable the Directors to allot for cash up to £1,468,430, representing approximately 5 per cent of the current issued ordinary share capital, other than to existing shareholders in order to take advantage of these opportunities as and when they arise.

The authority will lapse at the earlier of the next annual general meeting of the Company or 3 October 2003, if sooner.

#### Resolution 10 – Authority to purchase own shares

In certain circumstances, it might be advantageous to the Company to purchase its own shares. Resolution 10 specifies the maximum number of shares which may be acquired (approximately 10 per cent of the Company's issued ordinary share capital as at the date of this Notice) and the maximum and minimum prices at which shares may be bought.

The Directors intend to use the authority only if, in the light of market conditions prevailing at the time, they believe that the effect of such purchase will be to increase earnings per share and will be in the best interest of the shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account in reaching such a decision. Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly.

As at 22 May 2002, options over a total of 5,785,727 ordinary shares were outstanding and not exercised. That number of ordinary shares represents 2.0 per cent of the Company's issued ordinary share capital at 22 May 2002. It would represent 2.2 per cent of the issued ordinary share capital if the authority to buy the Company's own shares had been used in full at that date.

#### Resolution 11 – Authority to amend the long term incentive share plan

The rules of the Company's long term incentive share plan currently provide that the maximum value of shares which may be awarded to a participant for any performance period is 75 per cent of their contractual rate of salary as at the first review date in the performance period. The Directors seek shareholders' authority to increase this limit to 150 per cent. The new limit will give the Directors flexibility to offer appropriately increased levels of awards if the circumstances require. In particular, the Directors intend that awards will be made to Alan White following his taking up office at a value equal to 105 per cent of his applicable salary. Apart from awards at this level to Alan White, the Directors do not currently intend to increase the general level of awards from those now applicable.