

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your ordinary shares in the Company, please forward this document to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the fifty-first Annual General Meeting of Galliford Try plc will be held at the offices of The Royal Bank of Scotland plc, 3rd Floor Conference Centre, 250 Bishopsgate, London, EC2M 4AA on Friday 13 November 2015 at 11.00 am. The business of the Meeting will be to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 17 are proposed as ordinary resolutions, and Resolutions 18 to 20 are proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the directors' reports and the audited financial statements for the year to 30 June 2015, together with the auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year to 30 June 2015 (other than the part containing the Directors' Remuneration Policy).
3. To declare a final dividend of 46 pence per ordinary share.
4. To re-appoint Greg Fitzgerald as a Director of the Company.
5. To re-appoint Ken Gillespie as a Director of the Company.
6. To re-appoint Andrew Jenner as a Director of the Company.
7. To re-appoint Ishbel Macpherson as a Director of the Company.
8. To re-appoint Terry Miller as a Director of the Company.
9. To re-appoint Graham Prothero as a Director of the Company.
10. To appoint Gavin Slark as a Director of the Company.
11. To appoint Peter Truscott as a Director of the Company.
12. To appoint Peter Ventress as a Director of the Company.
13. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company.
14. To authorise the directors to determine the remuneration of the auditors.
15. To authorise the directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £27,430,284 comprising:
 - a) an aggregate nominal amount of £13,715,142 (whether in connection with the same offer or issue as under (b) below or otherwise); and
 - b) an aggregate nominal amount of £13,715,142 in the form of equity securities (within the meaning of section 560(1) of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by

them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) fifteen months after the date of the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2016, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

16. For the purposes of section 366 of the Companies Act 2006, to authorise the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect to:

- (a) make political donations to political parties or independent election candidates not exceeding £10,000 in aggregate;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in aggregate; and
- (c) incur political expenditure not exceeding £100,000 in aggregate,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000, during the period beginning with the date of the passing of this resolution and ending fifteen months after the date of the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2016.

For the purpose of this Resolution 16, the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' shall have the meanings given by sections 363 to 365 of the Companies Act 2006.

17. That the proposed updated form of the rules of the Galliford Try 2005 Savings Related Share Option Plan (the 'Plan'), the principal terms of which are summarised in the Appendix to this Notice of Annual General Meeting, be approved and the directors be authorised to:

- (a) make such modifications to the Plan as they may consider appropriate to take account of the requirements of HM Revenue & Customs and 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

18. To empower the directors pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of that Act) for cash pursuant to the general authority conferred on them by Resolution 15 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of that Act, in each case as if section 561(1) of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:

- (a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
- (b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into ordinary shares having an aggregate nominal amount, not exceeding the sum of £4,114,542.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by Resolution 15 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

19. That the Company be and is generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 50 pence each provided that in doing so it:

- (a) purchases no more than 8,229,085 ordinary shares of 50 pence each;
- (b) pays not less than 50 pence (excluding expenses) per ordinary share of 50 pence each; and
- (c) pays a price per share that is not more (excluding expenses) per ordinary share than the higher of 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which it purchases that share; and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003).

This authority shall expire eighteen months after the date of the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2016, except that the Company may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

20. 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

Kevin Corbett/Company Secretary
16 September 2015

Registered office:
Cowley Business Park
Cowley
Uxbridge
Middlesex
UB8 2AL
Registered in England and Wales No. 00836539

EXPLANATION OF RESOLUTIONS

Resolution 1 – Annual Report and Financial Statements

The directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the directors and auditors, and the audited financial statements of the Company for the year ended 30 June 2015. The Annual Report including the audited financial statements has been approved by the directors, and the report of the auditors has been prepared by the auditors, PricewaterhouseCoopers LLP.

Resolution 2 – Directors' Remuneration Report

The Companies Act 2006 requires the Company to seek shareholder approval on an annual basis for the Directors' Remuneration Report (excluding the part containing the Remuneration Policy, which received separate shareholder approval at the 2014 Annual General Meeting, and does not need to be reapproved until 2017) at the general meeting before which the Company's annual accounts are laid. The Directors' Remuneration Report is included in the Annual Report, from page 53.

This vote is advisory, in respect of the overall remuneration package, and the directors' entitlement to remuneration is not conditional upon this resolution being passed.

Resolution 3 – Declaration of dividend

The directors are recommending a final dividend of 46 pence per ordinary share, payable on 25 November 2015 to holders on the register as at 23 October 2015. The final dividend will not be paid without shareholder approval and the amount may not exceed the amount recommended by the directors.

Resolutions 4 to 12 – Re-appointment of directors

The Company's Articles of Association state that any director appointed by the Board since the last Annual General Meeting should seek appointment by shareholders at the Annual General Meeting and accordingly, Gavin Slark, Peter Truscott (who in accordance with the previous announcement made by the

Company on 30 April 2015 will become a director on 1 October 2015) and Peter Ventress are standing for appointment. In addition, the UK Corporate Governance Code recommends that all directors of FTSE 350 companies stand for re-appointment on an annual basis and the Board has resolved that all directors should again stand for re-appointment in 2015, as explained in the Corporate Governance Report on page 40 of the Annual Report. The biographical details of the current directors can be found on pages 38 and 39 of the Annual Report. Peter Truscott's biographical details are as follows:

Peter Truscott: appointed to the Board as Chief Executive effective from 1 October 2015. He was formerly Divisional Chairman, South at Taylor Wimpey plc and a member of the Group Management team. Peter joined George Wimpey in 1984 and worked at CALA Homes from 1993 to 1996, before re-joining George Wimpey where he held a succession of senior management positions. Aged 53.

Resolutions 13 and 14 – Auditors and their remuneration

The Companies Act 2006 requires that auditors be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. These resolutions seek shareholder approval for the re-appointment of PricewaterhouseCoopers LLP, in accordance with the recommendation of the directors, and permit the directors to determine the auditors' remuneration for the audit work to be carried out by them in the next financial year.

Resolution 15 – Allotment of shares

The Companies Act 2006 provides that the directors may only allot shares if authorised by shareholders to do so. Resolution 15 will, if passed, authorise the directors to allot shares up to an aggregate nominal amount of £27,430,284 which represents an amount which is approximately equal to two-thirds of the issued ordinary share capital of the Company as at 16 September 2015, being the date of this Notice of Meeting. As at 16 September 2015, the Company did not hold any treasury shares.

As provided in paragraph (a) of the resolution, up to half of this authority (equal to one-third of the issued share capital of the Company) will enable directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the resolution provides that the remainder of the authority (equal to a further one-third) may only be used in connection with a rights issue in favour of ordinary shareholders. As paragraph (a) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue. This reflects the best practice guidance issued by the Investment Association.

The authority will expire at the earlier of the date that is fifteen months after the date of the passing of the resolution and the conclusion of the next Annual General Meeting of the Company.

Passing Resolution 15 will ensure that the directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

Resolution 16 – Political donations and expenditure

Part 14 of the Companies Act 2006 provides that political donations or political expenditure made or incurred by a company must be authorised in advance by the company's shareholders. It is not the policy of the Company to make political donations or incur political expenditure, and the Company has no intention of using the authority granted by this resolution for this purpose, but, because the definitions in the Companies Act 2006 are broadly framed, normal business activities of the Company, which might not be thought to be political expenditure or political donations in the usual sense, could be caught such as membership of industry and trade bodies. This resolution is a precautionary measure to ensure that the Company and its subsidiaries do not inadvertently breach the Companies Act 2006. If passed, this resolution will authorise the Company and its subsidiaries to make political donations and to incur political expenditure up to an aggregate limit of £100,000 in the period beginning with the date of the passing of this resolution and ending fifteen months after the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company. The directors intend to seek renewal of this authority at the 2016 Annual General Meeting and annually thereafter in accordance with current corporate governance best practice.

Resolution 17 – Update to the rules of the Savings Related Share Option Plan

The Galliford Try 2005 Savings Related Share Option Plan (the 'Plan') is a tax-advantaged all-employee plan which encourages employee share ownership. Resolution 17 seeks authority from shareholders to update the terms of the Plan and to renew the Plan for a further ten years.

The principal terms of the Plan are summarised in the Appendix.

A copy of the draft rules of the Plan will be available for inspection at the offices of AonHewitt, 10 Devonshire Square, London EC2M 4YP and at the Company's registered office at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from 16 September 2015 until the close of the Annual General Meeting on 13 November 2015 and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

Resolution 18 – Disapplication of statutory pre-emption rights

The Companies Act 2006 requires that, if the Company issues new shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the directors be authorised to issue shares for cash and/or sell shares from treasury (if any are so held) up to an aggregate nominal amount of £4,114,542 (representing approximately 10% of the Company's issued share capital as at 16 September 2015, being the date of this Notice of Meeting) without offering them to shareholders first. In accordance with the Pre-Emption Group's Statement of Principles, the directors confirm that, to the extent that this part of the authority is used for an issue of shares representing more than 5% of the Company's issued share capital at that date, the directors intend that such authority will be used only in connection with an acquisition or specified capital investment that is announced contemporaneously with the issue, or that has taken place in the preceding six-month period and is disclosed in the announcement of the issue. This part of the

authority is designed to provide the directors with flexibility to raise further equity funding and to pursue acquisition opportunities as and when they arise. The other part of the authority disapplies statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. If passed, this authority will expire at the same time as the authority to allot shares given pursuant to Resolution 15. The directors do not intend to issue more than 7.5% of the issued share capital on a non pre-emptive basis in any rolling three-year period in accordance with the Pre-Emption Group's Statement of Principles.

Resolution 19 – Purchase of own shares

This resolution seeks to renew the Company's authority to purchase its own shares. It specifies the maximum number of shares which may be acquired as 10% of the Company's issued ordinary share capital as at 16 September 2015, being date of this Notice of Meeting, and specifies the minimum and maximum prices at which shares may be bought. The directors will only use this authority if, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be (where such shares are to be purchased for cancellation) to increase earnings per share, and that taking into account other investment opportunities, purchases will be in the best interests of the shareholders generally. Any shares purchased in accordance with this authority will be cancelled or held in treasury for subsequent transfer to an employee share scheme. The directors have no present intention of exercising this authority, which will expire at the earlier of the date that is eighteen months after the date of the passing of the resolution and the conclusion of the next Annual General Meeting of the Company. Under the Company's share option and restricted share schemes, at 16 September 2015, options and restricted share awards over a total of 2,609,611 ordinary shares in the Company (of which 449,715 shares are held by the Employee Share Trust), were outstanding representing 3.17% of the issued share capital. This would represent 3.52% of issued share capital if the proposed authority to purchase the Company's shares was exercised in full.

Resolution 20 – Notice period for general meetings

The Company must give at least 21 clear days' notice of any general meeting, but is permitted to call meetings other than the Annual General Meeting on at least 14 clear days' notice if annual shareholder approval is obtained beforehand. The Company must also offer, for any meeting held on less than 21 clear days' notice, a facility to vote by electronic means that is accessible to all shareholders. The directors do not intend to call a meeting on less than 21 clear days' notice unless they consider it would be to the advantage of shareholders as a whole.

Recommendation

The directors consider that all the Resolutions to be put to the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend shareholders vote in favour of them as they intend to do so in respect of their own beneficial holdings.

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 Annual General Meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights

attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice.

2. To be valid any proxy form or other instrument appointing a proxy must be either (a) deposited at the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so that it is received no later than 11.00 am on 11 November 2015 (b) lodged using the CREST Proxy Voting Service – see paragraph 9 below or (c) lodged electronically by visiting www.sharevote.co.uk – see paragraph 13 below.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. 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.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 pm on 11 November 2015 (or, in the event of any adjournment, 6.00 pm 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.
7. As at the date of this Notice the Company's issued share capital consists of 82,290,856 ordinary shares of 50 pence each, carrying one vote each. Therefore, the total voting rights in the Company as at the date of this Notice are 82,290,856.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.
9. 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 instruction, as described in the CREST Manual (available via www.euroclear.com). 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 7RA01 by 11.00 a.m. on 11 November 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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.

10. 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 message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. 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.
12. 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.
13. Shareholders may, if they wish, register the appointment of a proxy electronically by visiting www.sharevote.co.uk. To use this service a shareholder will need his reference number, card ID and account number printed on the accompanying proxy form. Full details of the procedure are given on the website at www.sharevote.co.uk.
14. Under section 527 of the Companies Act 2006, 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 the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, 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 includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
15. 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.
16. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.gallifordtry.co.uk.
17. The service agreements of the executive directors and copies of the letters of appointment of the non-executive directors are available for inspection during normal business hours at the registered office of the Company and will be available for inspection for fifteen minutes prior to and during the Annual General Meeting.
18. Any electronic address, within the meaning of section 334(4) of the Companies Act 2006, provided in this Notice, or any related documents including the proxy form, may not be used to communicate with the Company for any purpose other than those expressly stated.

APPENDIX TO NOTICE OF AGM

Summary of principal terms of the updated Galliford Try 2005 Savings Related Share Option Plan (the 'Plan')

Operation

The operation of the Plan is supervised by the board of directors of the Company (the 'Board'). It is intended that the Plan will continue to meet the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 ('ITEPA') as amended and re-enacted from time to time in order to provide UK tax-advantaged options to UK employees.

Eligibility

Employees and full-time directors of the Company and any designated participating subsidiary who are UK resident tax payers are eligible to participate. The Board may require employees to have completed a qualifying period of employment of up to five years before the grant of options. The Board may also allow other employees to participate.

Grant of options

Options can only be granted to employees who enter into HM Revenue & Customs ('HMRC') approved savings contracts, under which monthly savings are normally made over a period of three or five years. Options must be granted not later than the 29th day following the issue of invitations (or the 41st day if applications are scaled back). The number of ordinary shares in the capital of the Company ('Shares') over which an option is granted will be such that the total option price payable for those Shares will correspond to the proceeds on maturity of the related savings contract.

An option may not be granted more than 10 years after shareholder approval of the renewal of the Plan. Options are not transferable, except on death. Options are not pensionable.

Individual participation

Monthly savings by an employee under all savings contracts linked to options granted under any sharesave scheme may not exceed the statutory maximum (currently £500). The Board may set a lower limit in relation to any particular grant.

Option price

The price per Share payable upon the exercise of an option will not be less than the higher of: (i) 80% (or such lesser percentage as may be permitted by the legislation) of the middle-market quotation of a Share on the London Stock Exchange on the dealing day immediately preceding the issue of an invitation; and (ii) if the option relates only to new issue Shares, the nominal value of a Share.

Invitations will be issued within the 42 day period following (i) the day on which the renewal of the Plan is approved by the Company's shareholders in general meeting or (ii) the date of announcement by the Company of its half year or full year results. Alternatively, invitations may be issued at any other time when the Board considers there to be sufficiently exceptional circumstances which justify the issue of invitations.

Exercise of options

Options will normally be exercisable for a six month period from the third or fifth anniversary of the commencement of the related

savings contracts. Earlier exercise is permitted, however, in the following circumstances:

- following cessation of office or employment by reason of death, injury, disability, redundancy, retirement or transfer of the participant's business or employment out of the group; and
- in the event of a takeover, reconstruction or winding-up of the Company.

Except where stated above, options will lapse when a participant ceases to hold an office or employment within the Company's group.

Shares will be allotted or transferred to participants within 30 days of exercise.

Overall Plan limits

The Plan may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten 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.

Variation of capital

If there is a variation in the Company's share capital then the Board may make such adjustment as it considers necessary to the number of Shares under option and the option price.

Rights attaching to Shares

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

Alterations to the Plan

The Board may amend the provisions of 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 to be acquired and the adjustment of options.

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.

Overseas plans

The shareholder resolution to approve the Plan will allow the Board, without further shareholder approval, 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.