

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the eighth Annual General Meeting of The Rank Group Plc will be held at the Radisson SAS Portman Hotel, 22 Portman Square, London W1H 7BG at 11.30am on Tuesday, 27 April 2004 for the following purposes:

1. To receive the report of the Directors and the audited Accounts for the year ended 31 December 2003.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2003.
3. To declare a final dividend of 9.3p per Ordinary share.
4. To re-appoint Peter Jarvis as a Director.
5. To re-appoint Alun Cathcart as a Director.
6. To re-appoint PricewaterhouseCoopers LLP as Auditors.
7. To authorise the Directors to agree the remuneration of the Auditors.

As special business to consider and, if thought fit, pass the following resolutions of which resolutions 8 and 11 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions.

8. "That the Directors be authorised and empowered in accordance with the terms of paragraph (A) of Article 6 of the Articles of Association on the basis that the prescribed period (as defined in paragraph (D) of that Article) shall be the period expiring on the date for which the Annual General Meeting of the Company next following this meeting is convened and the Section 80 amount (as so defined) shall be £21,960,000".
9. "That, subject to and conditional upon the passing as an ordinary resolution of the resolution numbered 8 set out in the notice containing this resolution, the Directors be authorised and empowered in accordance with the terms of paragraph (C) of Article 6 of the Articles of Association on the basis that the prescribed period (as defined in paragraph (D) of that Article) shall be the period expiring on the date for which the Annual General Meeting of the Company next following this meeting is convened and the Section 89 amount (as so defined) shall be £2,980,850".
10. "That, pursuant to Article 4(B) of the Articles of Association, the Company be and is hereby generally and unconditionally authorised for the purpose of Section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985) on the London Stock Exchange of Ordinary shares of 10p each in the capital of the Company ("Ordinary shares") on the following terms:
  - (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 89,442,000;
  - (b) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be not more than 5 per cent above the average of the market values for an Ordinary share for the five business days immediately preceding the date on which the Ordinary share is purchased;
  - (c) the minimum price (exclusive of expenses) which may be paid is 10p per Ordinary share;
  - (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2005 or on the day preceding the date falling 18 months from the date of passing of this resolution, whichever shall be the earlier; and
  - (e) the Company may make a contract or contracts to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary shares in pursuance of any such contract or contracts".

11. "That the Directors be authorised:

(a) to exercise the power contained in Article 134(C) of the Articles of Association of the Company to offer holders of Ordinary shares the right to elect to receive new Ordinary shares, credited as fully paid, in whole or in part, instead of cash in respect of any dividend paid or declared during the period commencing on the date hereof and expiring at the conclusion of the next Annual General Meeting of the Company; and

(b) to determine the basis of allotment of new Ordinary shares in respect of any such dividend so that the value of such new Ordinary shares may exceed the amount of such dividend, but not by more than 20 per cent of such amount, and for these purposes the value of such new Ordinary shares shall be calculated by reference to the "average" quotation of an Ordinary share, which shall be the average of the best bid prices for an Ordinary share as derived from the Stock Exchange Electronic Trading Service at 10am, 12 noon and 3.00pm for such five consecutive dealing days as the Directors may determine, save that if a best bid price for an Ordinary share is not so available or is zero in respect of any such time, the Directors be authorised to determine the value of such new Ordinary shares on such basis as they may deem appropriate in consultation with London Stock Exchange Plc;

and the terms of paragraphs (a) and (b) above shall have the force and effect of an additional Article in the Articles of Association of the Company."

By order of the Board

**Charles Cormick**

Secretary  
26 March 2004

Registered office:

6 Connaught Place, London W2 2EZ  
Registered in England No. 3140769

## Notes

1. Under the Company's Articles of Association only the holders of Ordinary shares are entitled to attend and to speak and vote.
2. Pursuant to Article 46(B) of the Company's Articles of Association and Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6pm on 25 April 2004 shall be entitled to attend or vote at the aforesaid general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6pm on 25 April 2004 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) to vote in his or her place. A proxy need not be a member.
4. A form of proxy is enclosed for use by Ordinary shareholders.
5. The appointment of a proxy will not preclude a member from attending the meeting and voting in person.
6. The forms of proxy and the authority (if any) under which they are signed or a certified copy of such authority must be deposited at the offices of the Company's registrars – Lloyds TSB Registrars, The Causeway, Worthing, BN99 6TZ – not later than 48 hours before the time appointed for holding the meeting.

## Explanatory Notes

These notes are intended to explain the business to be transacted at the Annual General Meeting.

### Resolution 1 – Report and Accounts

The Directors of the Company are required under company law to present the Accounts, the Directors' Report and the Auditors' report on the Accounts to shareholders at the Annual General Meeting.

### Resolution 2 – Approval of Remuneration Report

Shareholders are required to approve the Directors' Remuneration Report for the financial year ended 31 December 2003. This report can be found on pages 37 to 41 of the 2003 Annual Report and Accounts.

### Resolution 3 – Declaration of final dividend

Shareholders are required to approve the level of the final dividend in respect of the financial year ended 31 December 2003.

### Resolutions 4 and 5 – Re-appointment of Directors

One-third of the Directors are required to retire as Directors and therefore Peter Jarvis and Alun Cathcart retire by rotation; both have chosen to submit themselves for re-election. Peter Jarvis does not have a service agreement with the Company but Alun Cathcart does, which is terminable on 12 months' notice. Biographical details of Peter Jarvis and Alun Cathcart can be found on page 23 of the 2003 Annual Report and Accounts.

### Resolutions 6 and 7 – Re-appointment and remuneration of Auditors

Under company law, Auditors are required to be re-appointed at every Annual General Meeting.

### Resolution 8 – Authority to allot shares

Resolution 8 will allow the Directors to allot unissued Ordinary shares of the Company and securities convertible into shares ("relevant securities"), with pre-emption rights, up to a maximum aggregate nominal value of £21,960,000 which represents approximately 33% of the issued share capital of the Company as at the date of the Directors' Report plus amounts reserved for the exercise of options. The authority will last from the date of the passing of the resolution until the next Annual General Meeting of the Company and will replace a similar authority given at last year's Annual General Meeting. The Directors have no present intention of exercising this authority otherwise than in connection with (i) the exercise of options; and (ii) the granting of rights to the holders of the £167,722,000 3.875% convertible bonds due 2009 (the "Bonds") to convert up to a further £55,907,333 (the "Additional Conversion Amount") in aggregate principal amount of the Bonds into Ordinary shares. For the purposes of the Companies Act 1985, the granting of these additional rights to convert will constitute an allotment of Ordinary shares. Based upon the conversion price of the Bonds in existence

on 8 March 2004 (being the latest practicable date prior to the publication of this document) of £3.764 per Ordinary share, the granting of these additional rights to convert (to the full extent of the Additional Conversion Amount) would result in the allotment of 14,853,170 Ordinary shares representing approximately 2.5% of the issued share capital of the Company as at the date of the Directors' Report. The Bonds were issued by the Company on 20 January 2004. As at the date of the Directors' Report, the Company did not hold any treasury shares.

#### **Resolution 9 – Authority to allot shares for cash**

Resolution 9 will allow the Directors to allot unissued Ordinary shares of the Company and securities convertible into shares ("relevant securities") for cash, other than to existing shareholders in proportion to their holdings. The aggregate nominal value of relevant securities which can be allotted under the authority is limited to £2,980,850 being equal to approximately 5% of the nominal value of the issued Ordinary share capital of the Company as at the date of the Directors' Report. The authority will last from the date of the passing of the resolution until the next Annual General Meeting of the Company and will replace a similar authority given at last year's Annual General Meeting. The Directors have no present intention of exercising this authority otherwise than in connection with (i) the exercise of options; and (ii) the granting of rights to the holders of the Bonds to convert up to the Additional Conversion Amount in aggregate principal amount of the Bonds into Ordinary shares. For the purposes of the Companies Act 1985, the granting of these additional rights to convert will constitute an allotment of Ordinary shares. Based upon the conversion price of the Bonds in existence on 8 March 2004 (being the latest practicable date prior to the publication of this document) of £3.764 per Ordinary share, the granting of these additional rights to convert (to the full extent of the Additional Conversion Amount) would result in the allotment of 14,853,170 Ordinary shares representing approximately 2.5% of the issued share capital of the Company as at the date of the Directors' Report. The Bonds were issued by the Company on 20 January 2004. In exercising this authority, the Directors intend to comply with the institutional guidelines that no more than 7.5% of the Company's share capital should be issued on a non pre-emptive basis in any rolling three year period.

#### **Resolution 10 – Authority to make market purchases**

Resolution 10 will authorise the Company to purchase up to 15% of its Ordinary shares at or between the minimum and maximum prices specified in the relevant resolution. The power would only be used after careful consideration by the Directors, having taken into account market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The authority would only be exercised by the Directors if they considered it to be in the best interests of shareholders generally and if the purchase(s) could be expected to result in an increase in earnings per share. A similar resolution was passed at last year's Annual General Meeting.

As at 8 March 2004 (being the latest practicable date prior to publication of this document), there were options outstanding over 21,191,216 Ordinary shares, representing 3.5% of the issued share capital of the Company. If the authority granted under resolution 10 were to be exercised in full by the Directors, such shares would represent 4% of the issued share capital of the Company. The Company has no warrants in issue in relation to its shares.

#### **Resolution 11 – Scrip dividend alternative**

Resolution 11 is designed to provide the Directors with the authority to offer scrip dividends as an alternative to cash dividends in respect of the 2004 financial year. It is not currently the Directors' intention to offer such an alternative, but they would like to have this flexibility.

#### **Documents available for inspection**

Copies of the Directors' service agreements (which have notice periods of one year or more) and the register of interests of the Directors (and their families) in the shares and debentures of the Company are available for inspection at the registered office of the Company during usual business hours on any weekday (excluding Saturdays and public holidays) and will be available for inspection at the meeting and for a period of one hour before it commences.