

This document is important and requires your immediate attention.

It contains the resolutions to be voted on at the Company's Annual General Meeting on **Thursday, 19th July 2012 at 10.00am.**

If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (or if you are resident outside the United Kingdom, an appropriately qualified independent financial adviser).

If you have sold or transferred all of your shares in Mothercare plc, please send this document and the accompanying documents at once to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

mothercare

Dear Shareholder

Annual General Meeting 2012

The Annual General Meeting of the Company will be held at the Company's head office at Cherry Tree Road, Watford, Hertfordshire, WD24 6SH on **Thursday 19 July 2012 at 10.00am** and we look forward to meeting as many shareholders as possible. For those shareholders using public transport and arriving at Watford Junction mainline rail station we will be providing a complimentary bus service on a first come first served basis. The service will leave the station promptly at 9.30am to enable shareholders to reach the meeting venue by 9.50am. The service will return to the station after the meeting. You will find the bus in the station bus park adjacent to the station forecourt. Please look for the Mothercare AGM sign. If you intend to drive, some limited car parking spaces will be available.

Shareholder Communications

If you elected to receive an email communication you should have already received your email and be aware that the Annual Report and Notice of this Annual General Meeting are available on our website at www.mothercareplc.com/financial-reports; printed copies are therefore not included within this mailing. **If you would prefer in future to receive a printed copy of the Annual Report, Notice of Annual General Meeting and Form of Proxy, please contact the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.** We will be happy to provide it to you.

We wish to encourage as many shareholders as possible to take advantage of the ability to cast their votes on the resolutions before the meeting by the use of the electronic proxy appointment service offered by the Registrars, Equiniti Limited, at www.sharevote.co.uk. All such votes must be received by 10.00am on 17 July 2012. Using this facility streamlines procedures for the meeting, helps meet our environmental targets and reduces costs.

The directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the shareholders as a whole. The directors therefore recommend shareholders to vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings representing approximately 0.513 per cent of the issued share capital of the Company.

Shareholder Discount Voucher Booklet

Those private shareholders holding 500 or more Mothercare plc ordinary shares are entitled to a voucher booklet giving a 10 per cent discount on up to £500 of merchandise in Early Learning Centre or Mothercare stores in the UK. Eligible shareholders can request a voucher booklet by sending their name, address and shareholder account number by email to investorrelations@mothercare.com.

Yours sincerely



Alan Parker CBE

Chairman

Enc: Notice of Annual General Meeting (for those elected to receive a printed copy)
Form of Proxy and return envelope (for those elected to receive a printed copy)
Report and Accounts (for those elected to receive a printed copy)



MOTHERCARE PLC • CHERRY TREE ROAD • WATFORD • HERTFORDSHIRE • WD24 6SH

REGISTERED IN ENGLAND NO 1950509

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Mothercare plc (the 'Company') will be held at Mothercare plc, Cherry Tree Road, Watford, Hertfordshire, WD24 6SH on **Thursday 19 July 2012 at 10.00am**. You will be asked to consider and if thought fit to pass the resolutions below. Resolutions 11 to 13 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

As Ordinary Resolutions:

- 1 To receive the Company's annual report and accounts together with the directors' report, and the auditors' report on those accounts for the financial year ended 31 March 2012.
- 2 To approve the directors' remuneration report for the financial year ended 31 March 2012.
- 3 To re-elect Bernard Cragg, who retires by rotation, as a director of the Company.

Mr Cragg is the senior independent non-executive director.

- 4 To re-elect David Williams, who retires by rotation, as a director of the Company.
David Williams is a non-executive director.
- 5 To elect Alan Parker, who was appointed as a director of the Company since the last annual general meeting, as a director of the Company.
- 6 To elect Simon Calver, who was appointed as a director of the Company since the last annual general meeting, as a director of the Company.
- 7 To re-appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
- 8 To authorise the directors to determine the remuneration of the auditors.
- 9 The Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

(A) up to a nominal amount of £14,772,847 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and

(B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £29,545,695 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board 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,

each such authority to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 19 October 2013) but in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

- 10 To approve the share options granted to Alan Parker, the principal provisions of which are set out in the Appendix to this Notice.

As Special Resolutions:

11 THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority expires at the end of the Company's next annual general meeting after this resolution is passed.

12 THAT, if resolution 9 is passed, the Board be given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

(A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 9, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

and so that the Board 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

(B) in the case of the authority granted under paragraph (A) of resolution 9 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of £2,215,927,

Notice of Annual General Meeting

continued

such power to apply in each case until the end of next year's annual general meeting (or, if earlier, until the close of business on 19 October 2013 but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

13 THAT the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 50 pence each ('Ordinary Shares'), such power to be limited:

(A) to a maximum number of 8,863,708 Ordinary Shares; and

(B) by the condition that the minimum price which may be paid for an Ordinary Share is 50 pence per share and the maximum price which may be paid for an Ordinary Share is the highest of:

(i) an amount equal to 5 per cent above the average market value of an Ordinary Share for the five business days

immediately preceding the day on which that Ordinary Share is contracted to be purchased; and

(ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 19 October 2013) but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

By order of the Board

Tim Ashby

Group General Counsel and Company Secretary

Cherry Tree Road, Watford, Hertfordshire WD24 6SH

13 June 2012

Please see the explanatory notes to the notice of Annual General Meeting, below.

Notes to the Notice of Annual General Meeting

1 Biographical details, including relevant qualifications and experience, of the directors for re-election or election are given on page 30 of the Company's annual report and accounts.

2 An explanation of the business to be conducted at the meeting is given on pages 5 to 6 of this Notice.

3 Only those shareholders on the register of members of the Company as at 6.00pm on 17 July 2012 (or, in the event of any adjournment, at 6.00pm on the day, two days before the reconvened meeting) will be entitled to attend or vote at the Annual General Meeting and they may only vote in respect of the number of shares registered in their name at the relevant time. Change to entries on the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.

4 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.

5 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the meeting. 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 him. A proxy need not be a member of the Company. A form for appointing a proxy is enclosed with this Notice. To be effective, the form of proxy must be completed and reach the Company's registrars, Equiniti Limited, at

Aspect House, Spencer road, Lancing, West Sussex, BN99 6DA not later than 10.00am on 17 July 2012. You may also submit your proxy electronically; see your proxy card for details of how to register your vote. Completion of a form of proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 8) will not preclude a member from attending and voting in person at the meeting. If you require additional forms of proxy, please contact the Registrars of the Company on +44 (0) 121 415 7042 if calling from outside the UK or if within the UK on 0871 384 2013 (calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.). Lines are open 08:30 to 17:30, Monday to Friday.

6 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).

7 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided they do not do so in relation to the same shares.

8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 19 July 2012 and any adjournments thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

Notes to the Notice of Annual General Meeting

continued

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 relates to 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 (CREST ID RA19) no later than 10.00am on 17 July 2012. For these purposes, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. No messages received through the CREST network after this time will be accepted. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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(s), to procure that his CREST sponsor or voting service provider(s)) take(s) such actions 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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning limitation of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be reviewed at www.euroclear.com/CREST.

9 The Company cannot accept responsibility for loss or damage arising from the opening or use of any emails or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to opening or use. Any electronic communication received by the Company and/or Equiniti, including the lodgement of an electronic form of proxy, that is found to contain a computer virus will not be accepted.

10 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: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and report were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholder requesting any such website publication to pay its expenses in complying with section 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 meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

11 A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006, (a "nominated person") does not have a right to appoint any proxy. Nominated persons may have a right under an agreement with the shareholder to be appointed (or to have someone appointed) as a proxy for the meeting. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 5 above does not apply to nominated persons. The rights described in paragraph 5 can only be exercised by shareholders of the Company. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.

12 The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (public holidays excluded), and will also be available for inspection at the annual general meeting from 9.30am on the day of the meeting until the conclusion of the meeting:

- (i) copies of service contracts and letters of appointment of the directors of the Company;
- (ii) copies of the deeds of indemnity of the directors; and
- (iii) a copy of the Company's Articles of Association (under article 136 of which the directors have the benefit of a "qualifying third party indemnity provision" for the purposes of sections 232, 234 and 236 of the Companies Act 2006).

13 As at 23 May 2012 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consisted of 88,637,086 ordinary shares of 50 pence each, carrying one vote each. There were no shares held in treasury. Therefore the total voting rights in the Company as at that date were 88,637,086.

14 A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at www.mothercareplc.com.

15 Except as provided above, members who have general queries about the meeting should use the following means of communication (no other means of communication will be accepted):

- calling our shareholder helpline on +44 (0) 121 415 7042 if calling from outside the UK or if within the UK on 0871 384 2013 (calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary). Lines are open 08:30 to 17:30, Monday to Friday;
- by writing to Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
- by sending an email to investorrelations@mothercare.com

You may not use any electronic address provided in this Notice or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Explanatory Notes to the Proposed Resolutions

The Ordinary Resolutions will be passed if the votes cast for the resolutions are more than those cast against. The resolutions to be proposed as Special Resolutions will be passed if at least 75 per cent of the votes cast for and against the resolutions are in favour.

As Ordinary Resolutions:

Resolution 1: To receive the Company's annual accounts together with the directors' report, and the auditors' report upon the accounts for the financial year ended 31 March 2012. The directors will present the report and accounts and shareholders may raise any questions on it at the meeting.

Resolution 2: To approve the directors' remuneration report. The report can be found on pages 42 to 49 of the Annual Report and Accounts for the financial year ended 31 March 2012.

Resolutions 3, 4, 5 and 6: Re-election and election of directors. The Company's articles of association require that one third (or if not three or a multiple of three, the number nearest to but not less than one third) of the directors that are required to retire by rotation must retire. This year Bernard Cragg and David Williams are required to stand for re-election. Each of the directors standing for re-election has been subject to a formal performance evaluation. The Board believes that each of them should be re-elected, subject to shareholder approval, because they have continued to be effective members of the Board and have demonstrated commitment to their respective roles. Although Bernard Cragg was appointed a non-executive director in March 2003, and has now served over nine years in that role, he will retire in his capacity as a non-executive director, senior independent director and chair of the audit committee by December 2012. The board considers that Bernard Cragg remains independent until his retirement.

Alan Parker and Simon Calver were appointed in August 2011 and April 2012, respectively, and consequently retire from the Board and offer themselves for election.

In connection with the election of directors it should be noted that the new UK Corporate Governance Code introduced a requirement that all directors of FTSE 350 companies should be subject to annual election by shareholders. This requirement applied to financial years that began on or after 29 June 2010. This year would be the first year that the requirement applies to the Company. In light of the number of changes to the Board over the past year, the required election of Alan Parker and Simon Calver at the Annual General Meeting, the forthcoming retirement as a director of Bernard Cragg, and the announced resignation of Neil Harrington, it has been decided to defer the retirement and re-election of all directors until the annual general meeting of the Company in 2013.

Resolution 7: Re-appointment of auditors. Deloitte LLP has indicated its willingness to act as auditors to the Company and accordingly an ordinary resolution to re-appoint them will be proposed.

Resolution 8: To authorise the directors to determine the remuneration of the auditors.

Resolution 9: Authority to allot shares. Paragraph (A) of this resolution would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £14,772,847 (representing 29,545,695 ordinary shares of 50 pence each). This amount represents approximately one third of the issued ordinary share capital of the Company as at 23 May 2012, the latest practicable date prior to publication of this Notice.

In line with guidance issued by the Association of British Insurers ("ABI"), paragraph (B) of this resolution would give the directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £29,545,695 (representing 59,091,390 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 23 May 2012, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the earlier of 19 October 2013 and the conclusion of the annual general meeting of the Company held in 2013.

The directors have no present intention to exercise either of the authorities sought under this resolution. However, if they do exercise the authorities, the directors intend to follow ABI recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

As at the date of this Notice, no ordinary shares are held by the Company in treasury.

Resolution 10: Approval of share options granted to Alan Parker, subject to shareholder approval. In accordance with the terms of his appointment to the Board of the Company in August 2011 as Chairman, and subsequently upon his appointment to the position of Executive Chairman for an interim period following the resignation of the former CEO, Ben Gordon, Alan Parker was granted share options enabling him to acquire shares in the Company. The share options operate as a share matching arrangement in that each share option is conditional upon Mr Parker first acquiring shares in the Company and holding those shares for the duration of the applicable vesting period. An exercise price of £10 in aggregate is payable by Mr Parker on exercise of each option.

In respect of the first share option ("Option 1"), Mr Parker was required to acquire 60,000 ordinary shares in the Company, with a share option granted by the Company over a further 60,000 ordinary shares exercisable following the expiry of a

Explanatory Notes to the Proposed Resolutions

continued

vesting period. In respect of the second share option ("Option 2"), Mr Parker was required to acquire ordinary shares in the Company worth £400,000, with a share option granted by the Company over a further 54,997 ordinary shares exercisable following the expiry of a vesting period.

In addition, the vesting of each of Option 1 and Option 2 is conditional upon the satisfaction of a performance target which relates to the Company's total shareholder return as against a FTSE 250-linked index. To the extent that the performance target is not met, the share options will lapse.

The vesting date of Option 1 is 1 August 2014 and the vesting date of Option 2 is 16 November 2014. The terms of Option 1 and Option 2 are set out in an agreement between the Trustees of the Mothercare Employee Trust, Mr Parker and the Company and have not been granted pursuant to any employee share plan operated by the Company. Further details of the main provisions of Option 1 and Option 2 are set out in the Appendix to this Notice.

As Special Resolutions:

Resolution 11: General meeting notice. Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increase the notice period required for general meetings of companies to 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days, and certain requirements are satisfied. (Annual general meetings will continue to be held on at least 21 clear days' notice.)

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than annual general meetings on 14 clear days' notice without obtaining such shareholder approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders generally.

Resolution 12: Disapplication of statutory pre-emption rights. This resolution would give the directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £2,215,927 (representing 4,431,854 ordinary shares). This aggregate nominal amount represents approximately 5 per cent of the issued ordinary

share capital of the Company as at 23 May 2012, the latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5 per cent should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 19 October 2013 and the conclusion of the annual general meeting of the Company held in 2013.

Resolution 13: Purchase of own shares. Authority is sought for the Company to purchase up to 10 per cent of its issued Ordinary Shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The Company has not purchased any Ordinary Shares in the period from the last annual general meeting to the date of this Notice under the existing authority.

The directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The directors will consider holding any Ordinary Shares the Company may purchase as treasury shares. The Company currently has no Ordinary Shares in treasury. The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is 50 pence. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the highest of (i) an amount equal to 5 per cent above the average market value for an Ordinary Share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 4,492,815 Ordinary Shares, representing 5.07 per cent of the Company's ordinary issued share capital as at 23 May 2012. If the existing authority given at the 2011 Annual General Meeting and the authority now being sought by Resolution 13 were to be fully used, these would represent 6.34 per cent of the Company's ordinary issued share capital at that date. The Company holds no shares in treasury.

The authority will expire at the earlier of 19 October 2013 and the conclusion of the annual general meeting of the Company held in 2013.

Appendix 1 Summary of the terms of share options granted to Alan Parker

Feature	Detail						
Introduction	<p>Set out below is a summary of the main provisions of the share options granted to Mr Alan Parker, Chairman of the Company. The share options operate as a share matching arrangement in that Mr Parker is required to acquire a specified amount of ordinary shares in the Company and to hold these shares for a period of time before options over further ordinary shares are exercisable.</p> <p>The share options comprise two elements:</p> <ul style="list-style-type: none"> • an option over 60,000 shares of the Company (“Option 1”) • an option over 54,997 shares of the Company (“Option 2”) <p>(each an “Option” and together the “Options”), provided that the relevant conditions below have been satisfied. Unless stated otherwise, terms applying to Option 1 and Option 2 are the same.</p>						
Conditions	<p>Pursuant to each of the Options, Mr Parker has the ability to acquire shares in the Company from the end of the Vesting Period on payment of the exercise price, provided that:</p> <ul style="list-style-type: none"> • the Investment Condition in respect of each Option is satisfied • the Performance Target is achieved • Mr Parker remains as Chairman of the Company. 						
Eligibility	<p>The Options are personal to Mr Parker only and are not granted under the terms of an employee share plan operated by the Company. Accordingly, only Mr Parker will be eligible to participate in and exercise the Options.</p>						
Investment Condition	<p>Mr Parker must satisfy the following Investment Condition in respect of each Option:</p> <ul style="list-style-type: none"> • Option 1: Mr Parker was required to purchase and has purchased on 7 September 2011 60,000 ordinary shares in the Company and retain the beneficial ownership of these shares until 1 August 2014, the Vesting Date for Option 1. • Option 2: Mr Parker was required to purchase and has purchased shares in the Company to the value of £400,000 (excluding the 60,000 shares purchased on 7 September 2011) and retain the beneficial ownership of those shares until 16 November 2014, the Vesting Date for Option 2. <p>Where the Investment Condition is not complied with, the Option will lapse.</p>						
Exercise of the option	<p>Subject to the Conditions being satisfied, Mr Parker may acquire from the relevant Vesting Date:</p> <ul style="list-style-type: none"> • in respect of Option 1, 60,000 ordinary shares in the Company (representing a 1:1 matching by the Company of the number of ordinary shares acquired by Mr Parker pursuant to the Investment Condition for Option 1) • in respect of Option 2, 54,997 ordinary shares in the Company (representing a 0.35:1 matching by the Company of the number of ordinary shares acquired by Mr Parker pursuant to the Investment Condition for Option 2). <p>Each Option is permitted to be exercised from the Vesting Date, but can not be exercised later than the 10th anniversary of the relevant Grant Date. The price payable in exercise of each Option is £10 in aggregate.</p>						
Grant Date	<ul style="list-style-type: none"> • Option 1 – 2 August 2011 • Option 2 – 17 November 2011 						
Vesting Date	<ul style="list-style-type: none"> • Option 1 – 1 August 2014 • Option 2 – 16 November 2014 						
Vesting Period	<ul style="list-style-type: none"> • Option 1 – 2 August 2011 – 1 August 2014 • Option 2 – 17 November 2011 – 16 November 2014 						
Performance Target	<p>The vesting, and the extent of that vesting, of each of Option 1 and Option 2 is subject to the satisfaction of the Performance Target.</p> <p>In respect of each Option, from the Grant Date until the Vesting Date of that Option, the total shareholder return of the Company (the “Company TSR”) must exceed the total shareholder return of an index created by averaging the total shareholder return of: (i) all companies in the FTSE 250 index as at the relevant Grant Date, excluding investment trusts, mining companies and financial services companies; and (ii) such international retailers or other companies as may be agreed between the Company and Mr Parker (the “Index TSR”).</p> <p>For these purposes, “total shareholder return” will mean the increase in the “net return index” for a company, as calculated by Datastream (or equivalent provider) over the Vesting Period, calculated as:</p> $\frac{\text{TSR2 minus TSR1}}{\text{TSR1}}$ <p>where:</p> <ul style="list-style-type: none"> • “TSR1” is the average net return index over each weekday (excluding Saturday and Sunday) during the three months ending immediately before the Grant Date • “TSR2” is the average net return index over each weekday (excluding Saturday and Sunday) during the three months ending on the final weekday of the Vesting Period • “net return index” means the index that reflects movements in share price over a period and dividends reinvested on a net basis (without any associated tax credit) in shares on the ex-dividend date. <p>Option 1 and Option 2 will vest and become exercisable on the following basis:</p> <table border="1"> <thead> <tr> <th>TSR Positioning/Percent Rank</th> <th>Percentage of Option Exercisable</th> </tr> </thead> <tbody> <tr> <td>Company TSR is equal to or less than the Index TSR</td> <td>0%</td> </tr> <tr> <td>Company TSR is greater than or equal to the Index TSR plus 50%</td> <td>100%</td> </tr> </tbody> </table> <p>Straight line vesting between these points and no re-testing of the Performance Target will occur.</p>	TSR Positioning/Percent Rank	Percentage of Option Exercisable	Company TSR is equal to or less than the Index TSR	0%	Company TSR is greater than or equal to the Index TSR plus 50%	100%
TSR Positioning/Percent Rank	Percentage of Option Exercisable						
Company TSR is equal to or less than the Index TSR	0%						
Company TSR is greater than or equal to the Index TSR plus 50%	100%						

Appendix 1 Summary of the terms of share options granted to Alan Parker continued

Feature	Detail
Cessation of directorship	<ul style="list-style-type: none"> • Where Mr Parker ceases to be the Chairman of the Company (either in an executive or non-executive capacity) before his Option has vested because of death, ill health, disability, or such other reason as the Remuneration Committee may determine, a portion will vest immediately. • The portion of the Options which vest will be determined by the Remuneration Committee taking into account the satisfaction of the Performance Target at the date of cessation and the number of shares will be pro rated to reflect the time which has elapsed from the Grant Date to the date of cessation. • Options may be exercised as determined by the Remuneration Committee, but not later than six months after the date of cessation, or within 12 months of the date of death in the case of death. • Options which have vested prior to cessation of directorship but are unexercised can be exercised within the specified period. • Where Mr Parker ceases to be the Chairman of the Company for any other reason, the Options will lapse.
Takeover, reconstruction, amalgamation and winding up	<ul style="list-style-type: none"> • All unvested Options will vest immediately in full on a takeover of the Company where control of the Company changes as a result of an offer. Alternatively, Mr Parker may be permitted to or required by the Company to exchange the Options for awards in another company. • Where the Options vest on a takeover, the Options can be exercised within six months of the date of the change of control. • Where there is a reconstruction, amalgamation or winding-up of the Company, unvested Options will vest on the date of the court sanction or when notice of winding-up is given (as applicable). The portion of each Option which vests will be determined by the Remuneration Committee taking into account the satisfaction of the Performance Target at the relevant date and the number of shares will be pro rated to reflect the time which has elapsed from the Grant Date to the date of the event. • Where the Options vest on a reconstruction, amalgamation or winding-up, the Options can be exercised within six months of the relevant date.
Demerger	<ul style="list-style-type: none"> • The Remuneration Committee can determine that the Options vest if it becomes aware that the Company will be affected by a demerger, distribution (other than an ordinary dividend) or other transaction not contemplated by the option agreement. • Where the Options vest in these circumstances, the Remuneration Committee will determine the portion of each Option that vests taking into account such factors as it considers relevant, including the Performance Target and time which has elapsed from the Grant Date.
Variation in share capital	<ul style="list-style-type: none"> • Where there is a variation in the share capital of the Company (including a capitalisation issue, rights issue, open offer, bonus issue, sub-division, consolidation, reduction in capital, a demerger or a special dividend), the Remuneration Committee may adjust the number of shares under the Options and/or the Exercise Price as well as the description of the option shares, as it determines.
Voting rights	<ul style="list-style-type: none"> • The shares subject to the Options will not enjoy any shareholder rights until the Options have been exercised and shares have been acquired by Mr Parker. • Options are not transferable, except on death. • Any shares transferred under the Options will rank equally with shares of the same class and in issue on the date of transfer, except in respect of rights by reference to a record date prior to the date of such transfer.
Amendment	<ul style="list-style-type: none"> • The agreements governing the Options can be amended by the Company. No amendment may be made to the rules of the Option if it would adversely affect the rights of Mr Parker without his approval.