

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 109th Annual General Meeting of Charles Stanley Group PLC will be held at 131 Finsbury Pavement, London EC2A 1NT on 28 July 2009 at 11.00am, for the following purposes:

Ordinary business

1. To receive and adopt the Accounts for the year ended 31 March 2009 with the reports of the Directors and Auditors.
2. To declare a final dividend.
3. To approve the Directors' remuneration report as set out on pages 26 to 29 of the Annual Report and Accounts.
4. To re-elect E Michael Clark as a Director.
5. To re-elect Michael R I Lilwall as a Director.
6. To re-appoint Saffery Champness as Auditors and to authorise the Directors to determine their remuneration.

Special business

As special business to consider and, if thought fit, to pass the following resolutions, resolutions 7 and 11 being proposed as ordinary resolutions and resolutions 8, 9 and 10 as special resolutions.

Ordinary resolution

Resolution 7

THAT pursuant to section 80(1) of the Companies Act 1985 ("the 1985 Act")

- (a) the Directors shall have general and unconditional authority to exercise for the purposes of section 80 all of the powers of the Company to allot, grant options over, grant rights to subscribe for, or convert securities into shares, or otherwise deal with or dispose of any relevant securities (as defined in section 80(2) of the 1985 Act) of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine

PROVIDED THAT:

- (i) the authority hereby conferred shall, subject to section 80(7) of the 1985 Act, be for a period expiring on the earlier of 15 months from the date of this resolution and the end of the 2010 Annual General Meeting of the Company unless renewed, varied or revoked by the Company in general meeting; and
 - (ii) the maximum nominal amount of relevant securities as aforesaid which may be allotted pursuant to such authority shall be £3,680,000.
- (b) the Directors shall be entitled under the authority conferred hereby, or under any renewal thereof, to make at any time prior to the expiry of such authority, any offer or agreement which would or might require relevant securities as aforesaid to be allotted after the expiry of such authority and to allot relevant securities accordingly; and
 - (c) the authority given by this resolution shall supersede and revoke any earlier authority given in respect of relevant securities as aforesaid.

Special resolutions

Resolution 8

THAT the Directors be and are hereby empowered pursuant to section 95 of the 1985 Act to allot equity securities (within the meaning of section 94 of the 1985 Act) pursuant to the authority conferred by resolution number 7 in the Notice of Meeting as if section 89(1) of the 1985 did not apply to any such allotment provided that this power shall be limited:

- (a) to the allotment (otherwise than pursuant to sub-paragraph (b) below) of equity securities, which are, or are to be, wholly paid up in cash up to an aggregate nominal amount of £552,000; and
- (b) to the allotment of equity securities for cash in connection with a rights or other issue, which:
 - (i) is open for a period fixed by the Directors;
 - (ii) is made to the holders of the ordinary shares and (if in accordance with their rights or the Directors so determine) other equity securities of any class on the register on a fixed record date;
 - (iii) is in proportion to their then holdings of ordinary shares or (as the case may be) other equity securities of the class concerned (but so that any offer to holders of other equity securities of any class shall be on the basis of their rights to receive such offer failing which as if their holdings had been converted into or they had subscribed for shares on the basis then applicable); and

NOTICE OF MEETING

- (iv) save that the Directors may aggregate and sell for the benefit of the Company fractions arising on the apportionment of securities offered, is otherwise made subject to such exclusions or other arrangements as the Directors may deem expedient in relation to legal or practical problems under the laws of or the requirements of any recognised body or stock exchange in any territory,

and shall expire at the earlier of 15 months from the date of this resolution and the end of the 2010 Annual General Meeting of the Company, provided that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power hereby conferred had not expired.

Resolution 9

THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 166 of the 1985 Act to make market purchases (within the meaning of section 163(3) of the 1985 Act) of ordinary shares of 25p each in the capital of the Company provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 4,414,000;
- (b) the minimum price which may be paid for such shares is 25p;
- (c) the maximum price (exclusive of expenses) which may be paid for any such share will not be more than 5% above the average of the middle market quotation for such shares as derived from the Daily Official List of the London Stock Exchange LSE for the ten business days in respect of which the Daily Official List is published immediately preceding the day on which the share is to be purchased;
- (d) the authority hereby conferred shall expire at the earlier of 15 months from the date of this resolution and the end of the 2010 Annual General Meeting of the Company;
- (e) the Company may make a contract to purchase its own 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 date of such authority and may make purchases of its own shares in pursuance of any such contract as if the authority conferred hereby had not expired.

Resolution 10

THAT the Articles of Association, in the form produced to the meeting and signed by the chairman for the purposes of identification, be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

Resolution 11

THAT:

- (a) the Board be and is hereby generally and unconditionally authorised, in accordance with the Articles of Association of the Company (the "Articles"), to make and implement an offer to ordinary shareholders of the Company (excluding any shareholder of the Company holding ordinary shares as treasury shares) to the extent and in the manner determined by the Board, to elect to receive new, fully paid, ordinary shares in the Company instead of cash in respect of the whole (or part, as determined by the Board) of any interim or final dividend declared and/or paid before 28 July 2014; and
- (b) for the purposes of any offer made pursuant to paragraph (a) of the resolution, the Board be, and is hereby generally and unconditionally authorised to capitalise such amount standing to the credit of the Company's reserves or funds available for capitalisation (including the share premium account, any capital redemption reserve and the profit and loss account or retained earnings) as may be necessary and apply the same in paying up and allotting and issuing new ordinary shares in the Company to the ordinary shareholders who have validly accepted such an offer in accordance with their respective entitlements.

By Order of the Board
Gary Teper
Secretary

11 June 2009

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights and to attend and to speak and vote on their behalf at the 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. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Gary Teper on 020 7739 8200.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at 25 Luke Street, London, EC2A 4AR no later than 11.00am on Friday, 24 July. Submitting a completed form of proxy or other such instrument does not prevent a shareholder attending the meeting and voting in person.
3. 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.
4. 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 the shareholders of the Company.
5. To be entitled to attend and vote at the Annual General Meeting (and for the purposes 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 11.00am on Friday, 24 July 2009 (or, in the event of any adjournment, 11.00am 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.
6. As at 10 June 2009 (being the last business day prior to the publication of this Notice) the Company’s issued share capital consists of 44,142,718 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 10 June 2009 are 44,142,718.
7. Copies of the Directors’ service agreements and a statement of Directors’ transactions in shares of the Company are available for inspection at the Company’s Registered Office during usual business hours on any business day from today until the conclusion of the Annual General Meeting. Copies will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.
8. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required 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 Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous Meeting at which annual accounts or 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.
9. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details on this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

NOTICE OF MEETING

10. At this year's Annual General Meeting, there are ten resolutions which the members are asked to approve. An explanation of these resolutions is given below.

Resolution 1

The Directors will present the Report of the Directors, the Auditors' Report and the Accounts of the Company for the year ended 31 March 2009.

Resolution 2

The Directors will propose a final dividend of 6.65p.

Resolution 3

The Directors' remuneration report is included in the Annual Report and Accounts on pages 26 to 29.

Resolutions 4 and 5

In accordance with the Company's Articles of Association, Mr E Michael Clark and Mr Michael R I Lilwall retire and are eligible for, and are seeking re-appointment as Directors. Short biographical details of Mr Clark and Mr Lilwall are set out on page 22 of the Annual Report and Accounts.

Resolution 6

Saffery Champness have expressed their willingness to continue to act as auditors of the Company and resolution 6 proposes the re-appointment of that firm as the Company's auditors and to authorise the Directors to determine the auditors' remuneration.

Resolution 7 and 8

At the Annual General Meeting last year, as in previous years, shareholders passed resolutions giving the Directors authorisation, subject to a cap, to allot shares for cash or otherwise and further for limited disapplication of section 89 of the Companies Act 1985, empowering them to allot shares for cash or otherwise in accordance with statutory pre-emption rights in certain limited circumstances.

The renewed powers will expire at the conclusion of next year's Annual General Meeting.

Resolution 9

Resolution 9 seeks authority for the Company to make market purchases of its own ordinary shares, which would otherwise be prohibited by the Companies Act 1985. The Directors believe that there may be times when it would be desirable to manage the Company's capital by buying back shares. However, the Directors only intend to use the authority if they believe such purchases would be in the best interests of shareholders generally and would result in an increase in earnings per share. The resolution specifies the maximum number of shares that can be acquired (approximately 10% of the issued ordinary share capital of the Company as at 10 June 2009) and the minimum and maximum prices at which they may be bought. Any shares purchased under the authority granted by the resolution will either be cancelled or may be held as treasury shares.

Resolution 10

Proposes the adoption of new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association. Please see the letter and document entitled 'Principal changes included in the New Articles' annexed to this Notice for further details.

Resolution 11

The Board is proposing to offer a Scrip alternative in respect of any dividend declared and/or paid by the Company on or before 28 July 2014, including the final dividend to be declared at this year's Annual General Meeting. The Scrip will give shareholders the opportunity to receive new ordinary shares instead of the relevant cash dividend to which they would otherwise have been entitled. This resolution seeks to authorise the Board to make such an offer in accordance with the Company's proposed Articles of Association and is therefore subject to the passing of resolution 10.