

Notice of Annual General Meeting

Notice is hereby given that the ninety-second Annual General Meeting of Smiths Group plc will be held at the Banqueting Suite, Lord's Cricket Ground, Grace Gate, St John's Wood Road, London NW8 8QN on Tuesday 21 November 2006 at 12.00 noon, for the following purposes:

Ordinary business

1. To adopt the reports of the directors and the auditor and the audited accounts for the 53 weeks ended 5 August 2006.
2. To approve the Directors' Remuneration Report for the 53 weeks ended 5 August 2006.
3. To declare a final dividend on the ordinary shares.
4. To reappoint Mr K O Butler-Wheelhouse as a director of the Company.
5. To reappoint Dr J Ferrie, CBE as a director of the Company.
6. To reappoint Sir Kevin Tebbit, KCB, CMG as a director of the Company.

Note

As stated in the Group Directors' Report and Summary Group Directors' Report, Mr Butler-Wheelhouse and Dr Ferrie will retire, having been in office for more than 30 months since their last reappointment, and Sir Kevin Tebbit will retire, following his appointment during the year. Mr Butler-Wheelhouse, Chief Executive, and Dr Ferrie, Group Managing Director, Aerospace, are executive directors. Sir Kevin, a non-executive director, is a member of the Audit Committee and the Nomination Committee. Biographies of the directors proposed for reappointment are included in the Annual Report and Accounts 2006 and on the Company's website – www.smiths.com.

7. To reappoint PricewaterhouseCoopers LLP as auditor of the Company.
8. To authorise the directors to determine the remuneration of the auditor.

Special business

9. To consider and, if thought fit, pass the following ordinary resolution:

That, in accordance with Article 6 of the Articles of Association of the Company, the directors be and are hereby authorised to allot relevant securities having a nominal value not exceeding £47,297,545 in aggregate (such authority to expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 20 February 2008) and that all previous authorities under Section 80 of the Companies Act 1985 shall cease to have effect.

10. To consider and, if thought fit, pass the following special resolution:

That the directors be and are hereby authorised to allot equity securities for cash:

(a) in accordance with Article 7 of the Company's Articles of Association; and

(b) within Section 94(3A) of the Companies Act 1985 as if Section 89(1) of the Act did not apply

provided that the powers under paragraph (a) above (other than in connection with a rights issue) and paragraph (b) above shall be limited to the allotment of equity securities having a maximum nominal amount of £7,094,632 (such authorities to expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 20 February 2008) and that all previous authorities under Section 95 of the Act shall cease to have effect.

11. To consider and, if thought fit, pass the following special resolution:

That, in accordance with Article 11 of the Articles of Association of the Company, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of ordinary shares of 25p each in the capital of the Company ('ordinary shares') on such terms and in such manner as the directors of the Company may determine provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 56,757,054;

(b) the minimum price which may be paid for an ordinary share is 25p per ordinary share;

(c) the maximum price which may be paid for an ordinary share shall not be more than the higher of 5 per cent above the average middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the ordinary share is purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 20 February 2008; and

(e) the Company may make a contract 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 make a purchase in pursuance of any such contract.

Note

The Companies Act 1985 enables listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares in accordance with the Act. Shares held in treasury in this manner will be available for resale by the Company and may also be used to satisfy share options and share awards under the Company's share schemes. Accordingly, if this resolution is passed at the Annual General Meeting, the directors will have the option of holding in treasury, rather than cancelling, any shares purchased in accordance with the resolution. The Board will have regard to any guidelines issued by investor groups which may be published at the time of any such purchase, holding or resale of treasury shares.

12. To consider and, if thought fit, pass the following special resolution:

The articles of association set out in the document produced to the meeting (and signed by the Chairman for the purpose of identification) be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all existing articles of association.

Note

For further details, please see the explanatory information in the Group Directors' Report that accompanied this Notice and the summary, below, of the principal differences between the current and proposed new Articles.

By Order of the Board

David P Lillycrop
Director and Secretary

Registered Office:
765 Finchley Road
London NW11 8DS

23 October 2006

General notes

1. The statutory Reports and Accounts for Smiths Group plc for 2006 are called the Annual Report and Accounts 2006. The full Directors' Remuneration Report 2006 is contained in the Annual Report and Accounts 2006. The first two items of business at the Annual General Meeting relate to the approval of the statutory Reports and Accounts for 2006 and the full Directors' Remuneration Report 2006.

Shareholders who have not elected to receive the statutory Reports and Accounts for 2006 may obtain copies by writing to the Deputy Group Secretary, Smiths Group plc, 765 Finchley Road, London NW11 8DS (e-mail: secretary@smiths.com) or by downloading them from the Company's website (www.smiths.com). Shareholders who wish to receive the statutory Reports and Accounts (free of charge) instead of only the Summary Financial Statement or vice versa in future years should write to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA, quoting Reference 0282.

2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to attend the Meeting and any adjournment(s) thereof and, on a poll, vote on his behalf. A proxy need not be a member. Paper proxy forms must be received at Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6TN, not later than 48 hours before the Annual General Meeting to be effective. In the case of a corporation, the appointment of a proxy must be executed either under its common seal or by a duly authorised officer or agent. In the case of joint-holders, the vote of the senior joint-holder on the Register of Members will be accepted to the exclusion of junior joint-holders. For this purpose, the order in which the names of the joint-holders stand on the Register will determine seniority.

Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website www.sharevote.co.uk. The on-screen instructions will give details on how to complete the appointment and voting process. Electronic proxy appointments and voting instructions must be received not later than 48 hours before the Annual General Meeting to be effective.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service should follow 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.

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 CRESTCo'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 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) not later than 48 hours before the Annual General Meeting. For this purpose, 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. 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 CRESTCo does not make available special procedures in CREST for any particular messages. 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 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations 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.

3. Only those shareholders registered in the Register of Members of the Company at 6.00 pm on 17 November 2006 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the Register after 6.00 pm on 17 November 2006 shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

4. Copies of the directors' service contracts and letters of appointment for non-executive directors and deeds of indemnity are available for inspection at the registered office of the Company and at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AO during normal business hours until the conclusion of the Annual General Meeting on 21 November 2006 and, on the day of the meeting, from 11.45 am at the place of the Meeting until the close of the Meeting.

5. Copies of the current and the proposed new Articles of Association, showing the proposed amendments, are available for inspection at the same locations and for the same periods as are referred to in note 4 above.

6. Subject to the final dividend being approved at the Annual General Meeting, dividend warrants will be payable on 24 November 2006 to the ordinary shareholders on the Register at the close of business on 3 November 2006.

7. Although copies of the Annual Report and Accounts or the Summary Financial Statement are distributed to shareholders and option-holders, only shareholders on the register at the relevant time or their proxies are entitled to attend or vote at the Annual General Meeting.

8. The Company is not a close company.

Summary of the principal differences between the existing Articles of Association and the proposed new Articles of Association

The following is a summary of the principal differences proposed to be contained in the new Articles of Association. Other minor changes and administrative changes have been made to bring the Articles into line with current best practice and require no further explanation. Copies of the current and the proposed new Articles of Association, showing the proposed amendments, are available for inspection at the same locations and for the same periods as are referred to in note 4 to the Notice of Annual General Meeting above.

New Article 2: Interpretation

This article will include a definition of 'treasury shares' in accordance with the provisions of the Companies Act 1985 (the Act). New Article 2(1)(m) clarifies that when shares are held in treasury, all rights relating to those shares are suspended, including the right to attend and vote at general meetings, the right to receive a dividend and the right to receive any other distribution from the Company.

New Article 7: Disapplication of pre-emption rights

This article has been amended to provide expressly that the allotment of equity securities includes the sale of any shares held in treasury.

New Article 48(2): CREST voting service

This new article permits, in relation to uncertificated shares, the appointment of a proxy by electronic means through the relevant system (as defined in the Uncertificated Securities Regulations 2001), for example the CREST system.

New Article 61: Directors' fees

This article has been amended to increase the limit on the fees payable to the directors from £500,000 to £750,000 per annum. The board of directors believes it appropriate to increase the limit in light of the extra responsibilities and burdens assumed by the non-executive directors in fulfilling their duties to the Company in the current environment.

New Article 68: Power to borrow money

The power of the directors to borrow money is currently limited by the existing articles of association to one and a half times the Company's 'Adjusted Capital and Reserves' as shown in the most recently audited consolidated balance sheet of the Company. The introduction of International Financial Reporting Standards (IFRS) may bring uncertainty and volatility to the Company's Adjusted Capital and Reserves (as defined in the existing articles) which may adversely impact on the Company's ability to borrow.

As a result the Company is proposing some technical changes to the existing article as follows:

- (a) to increase the multiple from one and a half times Adjusted Capital and Reserves to two and a half times Adjusted Total Equity;
- (b) to exclude from the calculation of Adjusted Total Equity but to include in the calculation of borrowings any deficit or surplus of any retirement benefit scheme which would otherwise be accounted for in accordance with IFRS;
- (c) the calculation of Adjusted Total Equity will no longer add back the book value of goodwill otherwise eliminated against reserves; and
- (d) to include within borrowings the capital element of any finance lease payable by a Group company.

These are technical amendments to the Company's borrowing powers as a result of accounting changes and do not reflect any current intention to increase the level of borrowings.

New Article 125: Indemnity of officers

New legislation introduced last year in relation to directors' indemnities allows the Company to lend to directors the costs of defending claims against them in advance of the claim being decided. Such amounts are required to be paid back to the Company by a director if the relevant claim is effectively decided against the director, such that the director would not have a right to be indemnified by the Company. The revised Article 125 allows but does not require the Company to grant indemnities to the directors (including the provision of advances to them) subject to such indemnities being in accordance with such new legislation as provided in the Act.

How to get there

Smiths Group Plc

Annual General Meeting
Banqueting Suite, Lord's Cricket Ground,
Grace Gate, St John's Wood Road, London NW8 8QN

Tuesday, 21 November 2006 at 12.00 noon

Light refreshments only will be served.

Entrance: Grace Gate, Lord's Cricket Ground, St John's Wood Road

