



This document is important and requires your immediate attention. If you are in any doubt as to what action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or otherwise transferred all of your shares, please pass this notice together with the enclosed Shareholders' Circular to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

## Notice of Annual General Meeting 2008

Punch Taverns plc (the 'Company')

Notice is hereby given that the 2008 Annual General Meeting of the Company will be held at 2.30pm on 16 January 2008 at The Park Plaza Sherlock Holmes Hotel, 108 Baker Street, London W1U 6LJ. The business of the meeting will be to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 16 are proposed as ordinary resolutions and resolutions 17 to 19 as special resolutions:

### 1. Ordinary Resolution – Annual Report and Financial Statements

To receive and consider the Annual Report and Financial Statements of the Company for the year ended 18 August 2007.

### 2. Ordinary Resolution – Re-appointment of Auditors

To re-appoint Ernst & Young LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise that their remuneration be determined by the Directors.

### 3. Ordinary Resolution – Report on Directors' Remuneration

To approve the Report on Directors' Remuneration for the year ended 18 August 2007.

### 4. Ordinary Resolution – Dividend

To declare a final dividend of 10.2 pence per Ordinary share of the Company.

### 5. Ordinary Resolution – Political donations

THAT in accordance with section 366 of the Companies Act 2006 (the "2006 Act") the Company and all the companies that are the Company's subsidiaries at any time during the period for which this resolution has effect be and are hereby authorised to:

(A) make political donations (as defined in section 364 of the 2006 Act) to political parties (as defined in section 363 of the 2006 Act) in aggregate not exceeding £50,000;

(B) make political donations (as defined in section 364 of the 2006 Act) to political organisations other than political parties (as defined in section 363 of such Act) in aggregate not exceeding £50,000; and

(C) to incur political expenditure (as defined in section 365 of the 2006 Act) in aggregate not exceeding £50,000,

in each case during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company or after 18 months from the date of passing of this resolution (whichever is earlier). In any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £150,000.

### 6. Ordinary Resolution – Authority to allot shares

THAT the Directors be and are generally and unconditionally authorised, in substitution for any existing authorities and powers granted to the Directors prior to the passing of this resolution, (but without prejudice to any allotments made pursuant to the authority granted on 24 January 2007) to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985 (the "1985 Act") up to an aggregate nominal amount of £42,053 (representing approximately 33% of the Company's Ordinary shares in issue (excluding Treasury Shares) as at 6 December 2007) pursuant to section 80 of the 1985 Act provided that the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or after 18 months from the date of passing of this resolution (whichever is earlier) save 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 an offer or agreement as if the authority conferred hereby had not expired.

**7. Ordinary Resolution – Elect Director**

THAT Phil Dutton be elected as a Director of the Company.

**8. Ordinary Resolution – Elect Director**

THAT Andrew Knight be elected as a Director of the Company.

**9. Ordinary Resolution – Elect Director**

THAT Deborah Kemp be elected as a Director of the Company.

**10. Ordinary Resolution – Elect Director**

THAT Mark Pain be elected as a Director of the Company.

**11. Ordinary Resolution – Elect Director**

THAT Tony Rice be elected as a Director of the Company.

**12. Ordinary Resolution – Elect Director**

THAT Ian Wilson be elected as a Director of the Company.

**13. Ordinary Resolution – Re-elect Director**

THAT Jonathan Paveley be re-elected as a Director of the Company.

**14. Ordinary Resolution – Re-elect Director**

THAT Fritz Ternofsky be re-elected as a Director of the Company.

**15. Ordinary Resolution – Long-Term Incentive Plan**

THAT the establishment of the Company's Long-Term Incentive Plan 2008 ("2008 LTIP"), the principal provisions of which are summarised in the Shareholders' Circular dated 6 December 2007 and a copy of the Rules of which are produced to this meeting and for the purpose of identification initialled by the Chairman, be and is hereby approved and adopted and the Board of Directors of the Company be and is hereby authorised to do all such acts and things necessary or desirable to establish and carry the same into effect.

**16. Ordinary Resolution – Share Bonus Plan**

THAT the establishment of the Company's Share Bonus Plan 2008 ("2008 SBP"), the principal provisions of which are summarised in the Shareholders' Circular dated 6 December 2007 and a copy of the Rules of which are produced to this meeting and for the purpose of identification initialled by the Chairman, be and is hereby approved and adopted and the Board of Directors of the Company be and is hereby authorised to do all such acts and things necessary or desirable to establish and carry the same into effect.

**17. Special Resolution – Disapplication of pre-emption rights**

THAT the Directors be and are hereby empowered pursuant to section 95 of the 1985 Act, in substitution of any existing authorities and powers granted to Directors prior to the passing of this resolution, to allot equity securities (within the meaning of section 94 of the 1985 Act) for cash pursuant to the authority conferred by resolution 6 above and/or where such an allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the 1985 Act, as if sub-section (1) of section 89 of the 1985 Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

- (A) in connection with an offer of such securities by way of rights to holders of Ordinary shares (excluding any holder of shares as treasury shares) in proportion to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or otherwise howsoever;
- (B) otherwise than pursuant to sub-paragraph (A) above, up to an aggregate nominal value of £6,371.62; and
- (C) provided further that this power shall expire at the conclusion of the next Annual General Meeting of the Company or after 18 months from the date of passing of this resolution (whichever is earlier) save 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 an offer or agreement as if the authority conferred hereby had not expired.

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## 18. Special Resolution – Authority for market purchases

THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 166 of the 1985 Act to make market purchases (within the meaning of section 163 of the 1985 Act) of its own Ordinary shares provided that:

- (A) the authority is limited to 26,626,094 shares;
- (B) the minimum price to be paid for each Ordinary share shall not be less than the nominal value of such share;
- (C) the maximum price to be paid for each Ordinary Share shall be the higher of (i) an amount equal to five per cent above the average of the middle market quotation for the Company's Ordinary shares as derived from the London Stock Exchange's Daily Official List for the five business days prior to the purchase being made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out; and
- (D) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or 18 months after the date on which this resolution is passed (whichever is the earlier) save that the Company may before such expiry make an offer or agreement to purchase its Ordinary shares, which will or may be executed wholly or partly after such expiry, and the Company may purchase the Ordinary shares pursuant to such offer or agreement as if the authority conferred hereby had not expired.

## 19. Special Resolution – Adoption of new Articles of Association

THAT the Articles of Association produced to this meeting and initialled by the Chairman for the purpose of identification be and are hereby adopted as the Company's Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.

6 December 2007  
By order of the Board

**Punch Taverns plc**  
**Neil Preston**  
Company Secretary

Registered Office  
Jubilee House  
Second Avenue  
Burton Upon Trent  
Staffordshire  
DE14 2WF  
Registered no. 3752645

## Notes

1. The Annual General Meeting is a meeting of members (that is to say, shareholders) which the Company must hold each year.
2. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote instead of him. A proxy need not also be a member. To be effective, instruments appointing a proxy should be lodged with the Company's Registrars (Computershare Investor Services plc, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA) at least 48 hours before the appointed time of the meeting (that is to say, no later than 2.30pm on 14 January 2008).
3. In order to attend and/or vote at the meeting, a member must be entered on the Company's register of members at 2.30pm on 14 January 2008. A member will only be entitled to vote in respect of those shares registered in his name at that time. Changes to entries on the Company's register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Please note that the Annual General Meeting is a private meeting for shareholders, proxies and duly authorised representatives. Non-shareholders, including spouse and partners, are not entitled to attend the meeting. A disabled shareholder may, however, be accompanied by a carer who need not be a shareholder.
5. The following documents are available for inspection at the Company's registered office and at the offices of Slaughter and May, One Bunhill Row, London, EC1Y 8YY during normal business hours of each business day and will be at the place of the Annual General Meeting for one hour before, and until the conclusion of, the meeting:

## Notice of Annual General Meeting 2008 continued

Punch Taverns plc (the 'Company')

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- (A) copies of the executive Directors' contracts of service;
  - (B) copies of the non-executive Directors' letters of appointment;
  - (C) copies of the register of Directors' interests;
  - (D) copies of the Shareholders' Circular dated 6 December 2007 together with the Rules referred to in resolutions 15 and 16; and
  - (E) copies of the Company's proposed new Articles of Association and the Company's existing Articles of Association marked to show the changes being proposed in resolution 19.
6. As at 6 December 2007, the Company's issued share capital consisted of 266,260,938 Ordinary shares carrying one vote each. As at 6 December 2007, the Company held no Ordinary shares as treasury shares. Therefore, the total voting rights in the Company as at 6 December 2007 were 266,260,938.
7. In light of the current uncertainty regarding the application of certain provisions of the 2006 Act in relation to corporate representatives, arrangements will be put in place at the Annual General Meeting to ensure that, on a poll, votes of corporate representatives are correctly recorded. On a poll, if more than one corporate representative of the same corporate member completes a poll card, then one of those corporate representatives will be treated as the designated corporate representative to cast (or withhold) votes on the poll on behalf of any other corporate representatives of the same corporate member. Such other corporate representatives who complete a poll card will be treated as having given directions to the designated corporate representative as to how votes are to be cast (or withheld). These arrangements will, however, be amended (if necessary) in order to reflect any developments in best practice prior to the Annual General Meeting.

At this year's Annual General Meeting there are 19 resolutions which the members are asked to approve. An explanation of these resolutions is given below.

**Resolution 1** The Directors must lay the Company's financial statements, the Directors' report and the Auditors' report before the Members at a General Meeting. This is a legal requirement after the Directors have approved the financial statements and the Directors' report, and the Auditors have prepared their report.

**Resolution 2** Ernst & Young LLP have expressed their willingness to continue to act as auditors of the Company.

**Resolution 3** The Report on Directors' Remuneration is set out on pages 32 to 44 of the Annual Report.

**Resolution 4** An interim dividend of 5.1 pence per Ordinary share has already been paid on 29 June 2007. The Directors are recommending a final dividend of 10.2 pence per Ordinary share, payable on 23 January 2008, to shareholders on the register as at 4 January 2008.

**Resolution 5** The 2006 Act requires companies to seek shareholder approval for donations to organisations within the European Community which are, or could be, categorised as EU political organisations. Although the Company does not intend to make donations to political parties, within the normal meaning of that expression, the legislation is very broadly drafted and can extend to bodies such as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment, which the Company and its subsidiaries may wish to support.

**Resolution 6** This resolution seeks authority for the Board to allot up to 87,866,110 shares in the Company (representing approximately 33% of the Company's Ordinary shares in issue as at 6 December 2007). The authority will lapse at the end of the next Annual General Meeting of the Company or after 18 months from the passing of this resolution (whichever is earlier). The Directors have no current intention to exercise the authority granted by this resolution. The 1985 Act requires such authority to be granted by the Company in a general meeting so that any allotment of shares is not exercised at the sole discretion of the Directors. As at the date of this notice, the Company does not currently hold any of its Ordinary shares as treasury shares.

Resolutions 7-12 Under the Company's Articles of Association, any Director appointed by the Board (rather than at a general meeting) holds office only until the next following Annual General Meeting. He or she may be re-appointed or 'elected' if willing to continue to act. Phil Dutton, Andrew Knight, Deborah Kemp, Mark Pain, Tony Rice and Ian Wilson were appointed by the Board rather than at a general meeting, and are therefore required to retire at the Annual General Meeting. They are eligible for, and are seeking, re-appointment. Biographical details of Phil Dutton,

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Andrew Knight and Deborah Kemp are set out on pages 22 to 24 of the Annual Report. Biographical details of Mark Pain, Tony Rice and Ian Wilson, can be found on our website:  
[www.punchtaverns.com/Punch/Corporate/About+us/Management+team/](http://www.punchtaverns.com/Punch/Corporate/About+us/Management+team/).

**Resolutions 13-14** Under the Company's Articles of Association, a minimum of one-third of the Directors (excluding the Directors who are being "elected" under resolutions 7-12) shall retire from office and therefore Jonathan Paveley and Fritz Ternofsky will retire at the Annual General Meeting. They are eligible for, and are seeking, re-appointment. Biographical details of each Director are set out on pages 22 and 23 of the Annual Report.

**Resolution 15-16** Further information relating to these resolutions can be found in the Shareholders' Circular dated 6 December 2007 (a copy of which is enclosed with this notice).

**Resolution 17** If a company proposes to allot Ordinary shares or other 'equity securities' wholly for cash it has a statutory obligation (subject to certain exemptions) to offer those shares to holders of similar shares in proportion to their holdings. Resolution 17 seeks to remove this statutory right of first refusal for up to 13,313,047 shares (representing approximately 5% of the Company's Ordinary shares in issue as at 6 December 2007) to give the Directors some flexibility to raise capital through an issue of shares. The resolution also applies to the sale and re-issue of Ordinary shares held as treasury stock by the Company.

**Resolution 18** This resolution seeks authority for the Company to make market purchases of its own Ordinary shares, which would otherwise be prohibited by the 1985 Act. Purchases of the Company's own shares will be made only after considering the effects on earnings per share and the benefits for shareholders generally. You are asked to consent to the purchase by the Company of up to 26,626,094 shares (representing approximately 10% of the Company's Ordinary shares in issue as at 6 December 2007). This authority will expire at the end of the next Annual General Meeting of the Company or after 18 months from the passing of this resolution (whichever is earlier).

The maximum price which may be paid for an Ordinary share is 105% of the average middle market quotations for the five business days preceding the purchase and the minimum price which may be paid for any Ordinary share is its nominal value of 0.04786 pence.

The total number of options and warrants to subscribe for Ordinary shares outstanding as at 6 December 2007 was 3,302,402 options representing 1.24% of the Company's Ordinary shares in issue as at that date. If the authority to buy back shares under this resolution was exercised in full, the total number of options to subscribe for Ordinary shares outstanding as at 6 December 2007 would, assuming no further Ordinary shares are issued after that date, represent 1.38% of the Company's Ordinary shares in issue.

Companies are now permitted to retain any of their own shares which they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them. The Company will consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the company with additional flexibility in the management of its capital base.

**Resolution 19** It is proposed in Resolution 19 to adopt new Articles of Association (the "**New Articles**") in order to update the Company's current Articles of Association (the "**Current Articles**") primarily to take account of changes in English company law brought about by the provisions of the 2006 Act which are currently in force. It is likely that the Company will propose to adopt another new set of Articles of Association at the 2009 Annual General Meeting of the Company in order to update the Company's then current Articles of Association to take account of changes in English company law brought about by the provisions of the 2006 Act which are expected to come into force on 1 October 2009.

The principal changes introduced in the New Articles can be summarised as follows:

#### **Articles with Duplicate Statutory Provisions**

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene General Meetings. The main changes made to reflect this approach are detailed below.

### **Form of Resolution**

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. The concept of an extraordinary resolution has not been retained under the 2006 Act and the remainder of the provision is reflected in full in the 2006 Act. Therefore, this provision has been removed in the New Articles.

The Current Articles enable members to act by written resolution. Under the 2006 Act, public companies can no longer pass written resolutions. Therefore, this provision has been removed in the New Articles.

### **Variation of Class Rights**

The Current Articles contain provisions regarding the variation of class rights which include reference to an extraordinary resolution, which is a concept that has not been retained under the 2006 Act. Therefore, this provision has been amended to refer instead to a special resolution in the New Articles.

### **Payment of Commission**

The Current Articles contain a provision allowing the Company to pay commissions or brokerage in connection with the issue of shares. This provision has been amended in the New Articles to allow the Company to also pay commissions or brokerage in connection with the sale for cash of treasury shares, as well as the issue of shares, and to satisfy commissions or brokerage by the payment of cash, or by the allotment of fully or partly-paid shares or other securities or partly in one way and partly in the other.

### **Fractions**

The Current Articles contain a provision providing that if a consolidation, consolidation and sub-division or sub-division of shares results in members becoming entitled to fractions of shares, the Board can deal with such fractions as it thinks fit, including selling the fractions and distributing the proceeds in proportion among the members. For clarity, this provision has been amended in the New Articles to provide that where any member's entitlement to a portion of the proceeds of sale of the fractions amounts to less than a minimum figure determined by the Board, the Board can distribute that member's portion to charity.

### **Convening Extraordinary and Annual General Meetings**

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are provided for in the 2006 Act. In particular, the 2006 Act provides that a general meeting to consider a special resolution can be convened on 14 days' notice, whereas 21 days' notice was formerly required, and the chairman of the meeting no longer has a casting vote. Therefore, these provisions have been removed in the New Articles.

### **Votes of members**

Under the 2006 Act, proxies are now entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the 2006 Act so that a company's articles of association cannot provide that they should be received more than 48 hours before the meeting, or, in the case of a poll taken more than 48 hours before the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. The New Articles give the Directors discretion, when calculating the time limits, to exclude weekends and bank holidays. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all of these new provisions.

Under section 323(1) of the 2006 Act, a corporate shareholder can now appoint more than one corporate representative. However, section 323(4) of the 2006 Act provides that where multiple corporate representatives of the same corporate shareholder vote differently, the power to vote is treated as not having been exercised. There are differing views as to how section 323 of the 2006 Act should be interpreted and in particular, whether it should be subject to an implied exception where section 152 of the 2006 Act applies. Section 152 of the 2006 Act provides that where a shareholder holds shares in a company on behalf of more than one person, the rights attached to the shares need not all be exercised and if exercised, need not be exercised in the same way. This uncertainty in interpretation of section 323 of the 2006 Act has been of concern to the Association of British Insurers. However, as the New Articles avoid duplicating provisions of the 2006 Act, the New Articles do not incorporate or explicitly reflect the terms of section 323 of the 2006 Act and will not therefore require any amendment to reflect any interpretation of section 323 of the 2006 Act as determined by the courts or further legislation. Until the interpretation of section 323 of the 2006 Act is so determined, the Company intends to adopt the procedure set out in paragraph 7 of the Notes above in order to ensure that votes of corporate representatives are correctly recorded on a poll.

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### **Age of Directors**

The Current Articles contain a provision requiring a Director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the Director is proposed to be elected or re-elected. Such provision could fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed in the New Articles.

### **Retirement of Directors by Rotation**

The Current Articles contain a provision requiring a minimum number of approximately one third of the Directors to retire at every Annual General Meeting. Such provision is no longer appropriate in view of the Combined Code requirement for Directors to offer themselves for re-election at regular intervals and at least every three years and so has been removed in the New Articles. The New Articles provide that any Director who has been appointed by the Board since the last Annual General Meeting, or who held office at the time of the two preceding Annual General Meetings and who did not retire at either of them, or who has held office for a continuous period of nine years or more at the date of the Annual General Meeting, is to retire at each Annual General Meeting and offer himself for re-appointment.

### **Directors' Expenses**

The Current Articles contain a provision providing for any Director to be paid expenses in relation to attending and returning from meetings and incurred by any Director in the conduct of the Company's business or in the discharge of his duties. These provisions have been amended to allow the Company to fund a Director's expenses and those of a Director of any holding company of the Company for the purposes permitted under the Companies Acts and to do anything to enable a Director or a Director of any holding company of the Company to avoid incurring such expenditure as provided in the Companies Acts.

### **Borrowing Powers**

The Current Articles contain a provision providing that the borrowings of the Company shall not, without the passing of an ordinary resolution of the Company, exceed an amount equal to five times the adjusted capital and reserves. This provision has been amended in the New Articles to take account of the ordinary resolution of the Company passed on 30 December 2005 that unconditionally authorised the Directors to permit the Company and other members of the Company's group to have borrowings exceeding an amount equal to five times the adjusted capital and reserves by virtue of the revolving credit facility and convertible bond issue entered into and issued in connection with the acquisition of Spirit Group Holdings Limited.

The provisions in the Current Articles have also been amended to reflect the basis on which the profit and loss reserve is shown on the Company's balance sheets, without substantive effect to the relevant calculations.

### **Notice of Board meetings**

Under the Current Articles, when a Director is abroad he can request that notice of Directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice when he is away. This provision has been removed in the New Articles, as modern communications mean that there may be no particular obstacle to giving notice to a Director who is abroad. It has been replaced with a more general provision that a Director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

### **Records to be kept**

The provision in the Current Articles requiring the Board to keep accounting records has been removed in the New Articles, as this requirement is contained in the 2006 Act.

### **Method of Service**

The New Articles contain a provision providing that if on three consecutive occasions any notice, document or other information served on or sent or supplied to a member has been returned undelivered, such member is not thereafter entitled to receive notices, documents or other information until he has communicated with the Company and supplied it with new contact details.

### **Electronic and web communications**

Provisions of the 2006 Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles have been amended to take full advantage of the communication provisions of the 2006 Act and continue to allow the Company to communicate with members by electronic and/or website communications.

Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

#### **Distribution of assets otherwise than in cash**

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles of association and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

#### **Directors' indemnities and loans to fund expenditure**

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify Directors and to fund expenditure incurred in connection with certain actions against Directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a Director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a Director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

#### **General**

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

#### **Directors' Recommendation**

**The Directors believe that the proposals in resolutions 1 to 19 are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that shareholders vote in favour of each resolution as they intend to do in respect of their beneficial holdings.**