

# Notice of Annual General Meeting 2009

## Punch Taverns plc (the "Company")



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.**

**If you have sold or otherwise transferred all of your shares please pass this document, together with the accompanying documents, 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 is hereby given that the 2009 Annual General Meeting of the Company will be held at 2.30pm on 14 January 2009 at the Meliá White House Hotel, Albany Street, Regents Park, London NW1 3UP. The business of the meeting will be to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 8 are proposed as ordinary resolutions and resolutions 9 to 11 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 23 August 2008.

### **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 23 August 2008.

### **4. 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 15 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.

### **5. 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 16 January 2008) 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 £42,109 (representing approximately 33% of the Company's ordinary shares in issue (excluding treasury shares) as at 28 November 2008) 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 15 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.

### **6. Ordinary Resolution – Elect Director**

THAT Mike Tye be elected as a Director of the Company.

### **7. Ordinary Resolution – Elect Director**

THAT Roger Whiteside be elected as a Director of the Company.

### **8. Ordinary Resolution – Re-elect Director**

THAT Giles Thorley be re-elected as a Director of the Company.

### **9. 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 5 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 £6,380; and
- (C) provided further that this power shall expire at the conclusion of the next Annual General Meeting of the Company or after 15 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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### 10. 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 26,661,883 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 15 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.

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

THAT:

- (A) with effect from (and including) the date on which section 28 of the 2006 Act is brought into force, the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the 2006 Act, are to be treated as part of the Company's Articles of Association be removed and any limit previously imposed on the Company's authorised share capital whether by the Company's Memorandum or Articles of Association or by resolution in general meeting be removed; and
- (B) with effect from (and including) the date on which all sections of Parts 17 and 18 of the 2006 Act are brought into force, the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

28 November 2008  
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 12 January 2009).
3. Any person to whom this notice is sent who is a person nominated under section 146 of the 2006 Act 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 paragraph 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
5. In order to attend and/or vote at the meeting, a member must be entered on the Company's register of members at 6.00pm on 12 January 2009. 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.
6. 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.
7. 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:
  - (A) copies of the executive Directors' contracts of service;
  - (B) copies of the non-executive Directors' letters of appointment; and
  - (C) 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 11.

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8. As at 28 November 2008, the Company's issued share capital consisted of 266,618,834 ordinary shares carrying one vote each. As at 28 November 2008, the Company held no ordinary shares as treasury shares. Therefore, the total voting rights in the Company as at 28 November 2008 were 266,618,834.
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 with instructions 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](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above. 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 11 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 34 to 46 of the Annual Report.

**Resolution 4** 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 5** This resolution seeks authority for the Board to allot up to 87,984,215 shares in the Company (representing approximately 33% of the Company's ordinary shares in issue as at 28 November 2008). The authority will lapse at the end of the next Annual General Meeting of the Company or after 15 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 6-7** 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. Mike Tye and Roger Whiteside 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. Their biographical details are set out on pages 22 and 23 of the Annual Report.

**Resolution 8** Under the Company's Articles of Association, any director who held office at the time of the two preceding Annual General Meetings, and who did not retire at either of them, shall retire from office and stand for re-election by the shareholders. Giles Thorley, being the only eligible director, will retire at the Annual General Meeting and is seeking re-appointment. Giles Thorley's biographical details are set out on page 22 of the Annual Report.

**Resolution 9** 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 9 seeks to remove this statutory right of first refusal for up to 13,330,942 shares (representing approximately 5% of the Company's ordinary shares in issue as at 28 November 2008) 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 10** 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 26,661,883 shares (representing approximately 10% of the Company's ordinary shares in issue as at 28 November 2008). This authority will expire at the end of the next Annual General Meeting of the Company or after 15 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 28 November 2008 was 8,974,488 options representing 3.37% 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 28 November 2008 would, assuming no further ordinary shares are issued after that date, represent 3.74% of the Company's ordinary shares in issue. As at the date of this notice there are no warrants to subscribe for ordinary shares in the Company.

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.

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**Resolution 11** It is proposed in resolution 11 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 Companies Act 2006.

The Companies Act 2006 has been implemented in phases with the final phase coming into force on 1 October 2009. Accordingly the resolution adopting the New Articles will only become effective on 1 October 2009.

The principal changes introduced in the New Articles are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 2 of this document.

### **DIRECTORS' RECOMMENDATION**

The Directors believe that the proposals in resolutions 1 to 11 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.

## APPENDIX

### **EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION**

#### **The Company's objects**

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum and Articles of Association. The Company's Memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. The Company is proposing to remove its objects clause to allow it to have the widest possible scope for its activities.

#### **Change of name**

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

#### **Authorised share capital and unissued shares**

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital. Resolution 11 (B) confirms the removal of this requirement for the Company. The Company is proposing changes to its Current Articles to reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006.

#### **Redeemable shares**

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

#### **Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital**

Under the law currently in force a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

#### **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.