

# Whitbread PLC

## Notice of Annual General Meeting 2008

**This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are advised to consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised pursuant to the Financial Services and Markets Act 2000.**

A personalised form of proxy for use by shareholders in connection with the meeting has been despatched with this Notice. So that effective use may be made of the form, your attention is drawn to the notes to the Notice contained in this document and to the instructions on the form.

**If you have transferred or sold all of your shares in the Company, please send this document and the form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.**

# Whitbread PLC

**This document is important and requires your immediate attention. It contains the resolutions to be voted on at the Company's Annual General Meeting to be held on Tuesday 17 June 2008.**

Notice is hereby given that the Annual General Meeting of the Company will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Tuesday 17 June 2008 at 2.00pm to consider and, if thought fit, pass the following resolutions, with resolutions 1 to 9 being put as ordinary resolutions and resolutions 10 to 13 being put as special resolutions:

## Ordinary resolutions

- 1 To receive the Annual Report and Accounts for the year ended 28 February 2008.
- 2 To approve the remuneration report as detailed on pages 11 to 19 of the Directors' Report and Accounts.
- 3 To declare a final dividend of 26.90 pence per ordinary share.
- 4 To elect Wendy Becker as a director.
- 5 To elect Stephen Williams as a director.
- 6 To re-elect Charles Gurassa as a director.
- 7 To re-elect Philip Clarke as a director.
- 8 To re-appoint Ernst & Young LLP as the auditor to hold office until the conclusion of the Company's next Annual General Meeting and to authorise the directors to set the auditor's remuneration.
- 9 That, pursuant to section 80 of the Companies Act 1985, the directors be generally authorised (in substitution of any previous power) to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) upon such terms as the directors think fit up to an aggregate nominal amount of £44,995,300 such authority to expire on the conclusion of the Annual General Meeting of the Company to be held in 2009 or, if earlier, 16 December 2009, except that the Company may make an offer or enter into a contract to allot relevant securities which would or might be completed wholly

or partly after such expiry and the directors may allot relevant securities pursuant to such offer or contract.

## Special resolutions

10 That the directors be generally empowered, pursuant to section 95 of the Companies Act 1985, to allot equity securities (within the meaning of section 94 of the Companies Act 1985) wholly for cash pursuant to the authority conferred by Resolution 9 set out in this Notice, and/or where such allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Companies Act 1985, as if section 89(1) of the said 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 to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of ordinary shares (excluding any person holding ordinary shares as treasury shares) but subject to such exclusions or other arrangements as the directors may consider necessary or desirable in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirement of any regulatory body; and

(b) (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £6,749,300,

but so that the power granted by this resolution will expire on the conclusion of the Annual General Meeting of the Company to be held in 2009 or, if earlier, 16 December 2009, except that the Company may make an offer or enter into a contract to allot equity securities which would or might be completed wholly or partly after such expiry and the directors may allot equity securities pursuant to such offer or contract.

11 That, pursuant to section 166 of the Companies Act 1985, the Company be generally authorised to make one or more market purchases (within the meaning of section 163(3) of the Companies Act 1985) of up to 17,576,850 ordinary shares in the capital of the Company on the basis that:

(a) the minimum price which may be paid for each ordinary share is the nominal amount of that share;

(b) the maximum price which may be paid for each ordinary share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share, as derived from the Daily Official List, for the five business days immediately preceding the day on which the ordinary share is agreed to be purchased, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is agreed; and

(c) this authority will expire on the conclusion of the Annual General Meeting of the Company to be held in 2009 or, if earlier, 16 December 2009 (except in relation to the purchase of ordinary shares the contract for which is concluded before such date and which is to be executed wholly or partly after such date).

12 That the Company be generally authorised to make market purchases (as defined in section 163(3) of the Companies Act 1985) of its C Shares in issue at the date of this notice on the basis that:

(a) the Company does not purchase under this authority more than 4,630,700 C Shares;

(b) the Company does not pay less than one penny for each such C Share;

(c) the Company does not pay more than 174.9 pence for each such C Share; and

(d) this authority shall continue for the period ending on the conclusion of the Annual General Meeting of the Company to be held in 2009 or, if earlier, 16 December 2009 (except in relation to the purchase of C Shares the contract for which is concluded before such date and which is to be executed wholly or partly after such date).

## Notes

13 That 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 of the existing Articles of Association.

By order of the Board

**Simon Barratt**

General Counsel and Company Secretary

27 April 2008

Registered Office  
**Whitbread PLC**  
 Whitbread Court  
 Houghton Hall Business Park  
 Porz Avenue  
 Dunstable  
 Bedfordshire  
 LU5 5XE

Registered in England No. 4120344

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights 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.
- 2 The return of a completed proxy form, or any CREST proxy instruction (as described in paragraph 4 below), will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 3 To be effective, the instrument appointing a proxy, together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be deposited at the offices of the Company's registrars,

### Capita Registrars

The Registry  
 34 Beckenham Road  
 Beckenham  
 BR3 4TU

not less than 48 hours before the time appointed for the meeting.

- 4 If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint a proxy or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, the CREST message must be received by the issuer's agent (ID number RA10) not less than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. CREST Personal Members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and

systems timings, please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 5 Entitlement to attend and vote at the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of shareholders of the Company 48 hours before the time appointed for the meeting. If the meeting is adjourned, entitlement to attend and vote will be determined by reference to the register of shareholders of the Company 48 hours before the time of the adjourned meeting.
- 6 In order to facilitate voting by corporate representatives at the annual general 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.

## Notes (continued)

- 7 The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 who have been sent a copy of this notice of meeting are hereby informed that they may have a right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder by whom they were nominated in respect of these arrangements.
- 8 Copies of the following documents will be available for inspection at the registered office of the Company, Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE, during usual business hours (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the close of the Annual General Meeting, and at the place of the meeting for 15 minutes prior to and during the meeting:
- the Memorandum and Articles of Association of the Company (including a copy of the existing Articles of Association marked to show the changes being proposed in Resolution 13, which will also be available for inspection at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY until the close of the Annual General Meeting);
  - the audited accounts of the Company for the financial years ended 1 March 2007 and 28 February 2008; and
  - the directors' service contracts and terms of appointment.
- 9 Shareholders may not use any electronic address provided either in this notice or any related documents (including the Chairman's letter and the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- 10 At the close of business on 24 April 2008, the Company had 193,872,540 ordinary shares in issue, of which 18,103,806 ordinary shares were held in treasury. Therefore, the total number of voting rights in the Company was 175,768,734. The ordinary shares have a nominal value of 76<sup>122</sup>/<sub>153</sub> pence each.

## Notes on the resolutions

### Resolution 1

Resolution 1 is the usual resolution to receive the Annual Report and Accounts 2007/8. The Annual Report and Accounts (comprising the Directors' Report and Accounts 2007/8 and the Annual Review and Summary Report 2007/8) are available on the Company's website ([www.whitbread.co.uk](http://www.whitbread.co.uk)) or on request from Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0LA.

### Resolution 2

Companies quoted on the London Stock Exchange are required to put an ordinary resolution to shareholders at the Annual General Meeting seeking approval of the Remuneration Report. The Remuneration Report is set out in full on pages 10 to 19 of the Directors' Report and Accounts.

### Resolution 3

Resolution 3 is to declare a final dividend of 26.90p per share, to be paid on 11 July 2008 to shareholders on the register at the close of business on 9 May 2008.

### Resolutions 4 and 5

The Company's Articles of Association require any director appointed by the Board since the date of the last Annual General Meeting to hold office only until the next Annual General Meeting following the director's appointment. The director is then eligible for election by shareholders.

Resolution 4 is to elect Wendy Becker as a director of the Company following her appointment on 18 January 2008. There are no circumstances which might call into question Wendy's independence. As such, she has been appointed as an independent non-executive director. Wendy's profile can be found on page 25 of the Annual Review. Wendy is now Managing Director of TalkTalk, having spent 14 years at McKinsey & Company working with consumer related companies across Europe, the US and Asia. The understanding and experience she brings to the Company, as a member of the Board and as a member of both the Audit and Remuneration Committees, will make a valuable contribution to the Company.

Resolution 5 is to elect Stephen Williams as a director of the Company following his appointment on 27 April 2008. There are no circumstances which might call into question Stephen's independence.

As such, he has been appointed as an independent non-executive director. Stephen's profile can be found on page 24 of the Annual Review. Stephen is General Counsel and Chief Legal Officer of Unilever PLC and Unilever NV, as well as Senior Independent Director of Arriva PLC. He has great experience of consumer goods and doing business worldwide and will make a valuable contribution to the Company.

#### **Resolutions 6 and 7**

Under the Company's Articles of Association, directors are obliged to retire by rotation at the Annual General Meeting and may not serve beyond three years without being re-elected by shareholders. Charles Gurassa and Philip Clarke, whose biographical details are set out on pages 24 and 25 of the Annual Review, will retire in accordance with the Articles of Association this year and are nominated for re-election through the separate resolutions numbered 6 and 7.

The Chairman carried out a formal performance evaluation of both directors and, as a result, can confirm that their performance continues to be effective and that they continue to demonstrate a commitment to their roles. The need for progressive refreshing of the Board was taken into account by the Nomination Committee.

#### **Resolution 8**

Resolution 8 is to re-appoint Ernst & Young LLP as the Company's auditor.

#### **Resolutions 9 and 10**

Shareholders are being asked to renew the approval for the Company to allot unissued shares (Resolution 9) and to do so for cash on a non pre-emptive basis (Resolution 10). Resolution 10 also gives the Company authority to allot any ordinary shares which the Company has purchased and elected to hold as treasury shares for cash on a non pre-emptive basis (see note to Resolution 11 below for further information on treasury shares). The authorities under Resolutions 9 and 10 will expire on the conclusion of the Annual General Meeting to be held in 2009 or, if earlier, 16 December 2009. The authority under Resolution 9 is limited to one third of the Company's issued ordinary share capital (excluding any treasury shares) as at 24 April 2008, being an aggregate nominal amount of £44,995,300. The authority under paragraph (b) of Resolution 10 is limited to an aggregate nominal amount of £6,749,300 representing

5% of the Company's issued ordinary share capital (excluding any treasury shares) as at 24 April 2008. These are standard resolutions for most UK public companies. At present, the directors have no intention of allotting shares other than under employee share schemes.

As at 24 April 2008 the Company held 18,103,806 ordinary shares as treasury shares, representing 10.30% of the Company's issued ordinary share capital (excluding any treasury shares) as at that date.

#### **Resolution 11**

Shareholders are being asked to renew the approval for the Company to purchase up to 10% of its issued ordinary shares (excluding any treasury shares). The price paid would be based on the market price as set out in the resolution. Having the power to buy back shares enables the directors to act without delay if they consider such a purchase would be in the best interests of the Company and could be expected to result in an increase in earnings per share. In reaching such a decision, the directors would take into account the market conditions prevailing at the time, the investment opportunities otherwise open to the Company and the Company's overall financial position. Share buybacks are one of the ways that the Board has been managing the Company's balance sheet and purchases under this authority will be made when the directors consider it to be appropriate.

Various new regulations relating to treasury shares came into force during December 2004. These regulations enable companies to retain any of their own shares they have purchased as treasury shares with a view to possible re-issue at a future date, rather than cancelling such shares (as was previously required). The Company would consider holding any of its own shares that it purchases as treasury shares. This would give the Company the ability to re-issue the treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base. As at 24 April 2008 the Company held 18,103,806 shares as treasury shares representing 10.30% of the Company's issued ordinary share capital (excluding any treasury shares) as of that date.

The total number of options over ordinary shares outstanding as at 24 April 2008 was approximately 1.87 million representing approximately 1.06% of the

issued ordinary share capital (excluding any treasury shares) of the Company and approximately 1.06% of the issued share capital (excluding any treasury shares but including the B shares and C shares) of the Company at that date. If the authority to buy back shares under this Resolution was exercised in full, the total number of options over ordinary shares outstanding as at 24 April 2008 would, assuming no further ordinary shares are issued, represent 1.18% of the issued ordinary share capital (excluding any treasury shares) and approximately 1.18% of the issued share capital (excluding any treasury shares and including the B shares and C shares) of the Company.

#### **Resolution 12**

Resolution 12 grants the Company authority to purchase its C Shares. The approval of the contingent purchase contract between Whitbread and Deutsche Bank granted at the Extraordinary General Meeting of the Company held on 18 December 2006 expires on 17 June 2008. The Company therefore needs this authority so that it has the ability to purchase its C Shares should it choose to do so at any point in the future.

The authority is limited to 4,603,700 C Shares, which is the total number of C Shares in issue as at 24 April 2008. The maximum price (exclusive of expenses) payable per C Share under this authority is 174.9 pence, which is equal to 110% of 159 pence (the price at which the Company has bought back C Shares in the past). The minimum price payable per C Share under this authority is one penny (the nominal value of the C Shares). C shares purchased pursuant to this authority are intended to be cancelled and not to be held as treasury shares.

#### **Resolution 13**

Shareholders are being asked to approve a number of amendments to the Company's Articles of Association, primarily to reflect the provisions of the Companies Act 2006. The principal changes are summarised in the Appendix to this notice. Other changes, which are of a minor, technical or clarifying nature or which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix to this notice. The new Articles of Association showing all the changes to the Company's existing Articles of Association are available for inspection, as noted in paragraph 8 on page 3 of this notice.

## Appendix

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

#### 1. Articles which duplicate statutory provisions

Provisions in the existing articles of association (the "Current Articles") which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the new articles of association (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 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.

#### 2. 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. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006. Further, the remainder of the provision is reflected in full in the Companies Act 2006.

The Current Articles enable shareholders to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

#### 3. Uncertificated shares

The New Articles have been amended to provide that, where the Company is entitled, by the articles or legislation, to dispose of or enforce a lien over an uncertificated share, the directors may require the holder to change that share to certificated form in order to enable the Company to transfer the share. The New Articles also provide that shares held by a shareholder in uncertificated form are to be treated as a separate holding from any shares held in certificated form unless the directors decide otherwise.

#### 4. Share certificates sent at holder's risk

The New Articles provide that a share certificate is sent at the risk of the holder and that the Company is not responsible for a share certificate which is lost or delayed in the course of delivery.

#### 5. Resolutions of members at annual general meetings

The Current Articles contain provisions governing who is responsible for the cost incurred by the Company in complying with its obligation under the Companies Act 1985 to give notice of members' resolutions intended to be moved at the next annual general meeting and to circulate a statement in acceptable form. These provisions are not replicated in the New Articles because their subject matter is now covered by the Companies Act 2006.

#### 6. 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 being removed in the New Articles because the relevant matters are provided for in the Companies Act 2006. In particular, a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

#### 7. Notice of adjournment

The Current Articles provide that notice of an adjourned general meeting is required to be given in the same way as the original meeting if the meeting is adjourned for three months or more or indefinitely after the date of the original meeting. This is amended in the New Articles so that if a meeting is adjourned indefinitely a new notice is only required if the adjourned meeting is held three months or more after the original meeting.

#### 8. Votes of shareholders

Under the Companies Act 2006 proxies are 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 Companies Act 2006 so that the articles 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 after 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 weekend 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.

#### 9. Appointment 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 now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles. In addition, the New Articles clarify that persons nominated by shareholders are eligible for appointment as directors in certain circumstances.

#### 10. Retirement of directors by rotation

In the Current Articles, there are three articles which relate to the retirement of directors by rotation. It is proposed that these three articles are combined and redrafted and that the concept of one third of the directors retiring from office at each general meeting is removed in the New Articles. Instead, and in line with the Combined Code, directors will be required to offer themselves for re-election every three years.

#### 11. Expenses

It is proposed that the wording relating to directors' expenses is amended in the New Articles to reflect the extensions provided under the Companies Act 2006 and also to cover a director of any holding company of the Company as provided in the Companies Act 2006.

## 12. Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

## 13. Notice of board meetings

Under the Current Articles, when a director is abroad he can request that notices 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 while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad.

## 14. Scrip dividends

The Current Articles provide for the "relevant value" of a shareholder's entitlement to scrip dividend shares to be calculated by reference to the mid market price over a period of five dealing days starting on the day on which the ordinary shares are first quoted "ex" the relevant dividend. This used to be a requirement of the Listing Rules. The UK Listing Authority no longer has any view on this matter. Many companies have therefore shifted to enabling the directors to select the five consecutive dealing days as long as they occur after the shares are quoted ex-dividend. The New Articles give the Company this flexibility.

The New Articles provide for the ability of the directors to deduct the cost to the Company of making the scrip dividend available from the shareholders' entitlement.

## 15. 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 Companies Act 2006.

## 16. Method of service

Wording has been inserted into the New Articles to override paragraph 16(2) of Schedule 5 of the Companies Act 2006 which would otherwise require that anything that must be agreed or specified by a shareholder in relation to the service or supply of any notice, document or other information must be agreed or specified by all the joint holders.

## 17. 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 and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

## 18. Indemnity of directors

The Current Articles contain a mandatory indemnity in favour of the directors in limited circumstances. The provision of the Companies Act 1985 which the mandatory indemnity tracks has been amended such that the mandatory indemnity is no longer considered appropriate. There are also arguments regarding the enforcement of such indemnity provisions in articles of association. In light of these points, the mandatory indemnity wording has been deleted from the New Articles.

The Current Articles also permit the Company to indemnify directors of the Company or of any associated company against any liability and to purchase and maintain insurance against any liability for such directors. It is proposed that wording is added in the New Articles to clarify that directors are not accountable for any benefit provided by virtue of any such indemnity or insurance and that the receipt of such benefit does not disqualify any person from being or becoming a director of the Company.

## 19. General

Generally the opportunity has been taken to bring clearer language into the New Articles.



**Whitbread PLC**

Whitbread Court  
Houghton Hall Business Park  
Porz Avenue  
Dunstable  
LU5 5XE

[www.whitbread.co.uk](http://www.whitbread.co.uk)