

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all your shares in Interserve Plc, please forward this document, together with the accompanying form of proxy, as soon as practicable to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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*(Registered in England No. 88456)*

## **Notice of Annual General Meeting 2008**

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As a member of the Company, you are entitled, notwithstanding any provision to the contrary in the Articles of Association of the Company, to appoint another person as your proxy to exercise all or any of your rights to attend and to speak and vote at the Annual General Meeting of the Company.

This document should be read in conjunction with the Annual Report and Financial Statements of the Company for the year ended 31 December 2007.

Dear Shareholder

I have pleasure in sending you the Notice of this year's Annual General Meeting ("AGM") which will be held at the offices of JPMorgan Cazenove, London on Wednesday, 14 May 2008 at 9.30 am.

Information relating to the meeting is set out in this Notice of Meeting and at times the Notice may be cross-referenced to the Annual Report and Financial Statements for the year ended 31 December 2007.

The AGM affords the Board an opportunity to communicate with its shareholders and to respond to shareholder questions. The Board positively encourages shareholder participation either through attending the AGM in person or voting by proxy on the resolutions.

Resolution Nos 1 to 10 are standard matters that are dealt with at every AGM. Resolutions 4 to 8 relate to the election and re-election of directors. Patrick Balfour (the Senior Independent Director), Les Cullen and Adrian Ringrose are retiring by rotation in accordance with the Company's Articles of Association and are seeking re-election. In relation to those directors offering themselves for re-election, I can confirm that, following formal performance evaluation, the Board continues to regard them as effective and, in the case of Messrs Balfour and Cullen, independent. They each contribute valuable skills and judgement to the Board and demonstrate a high level of commitment to the role. Steven Dance and Bruce Melizan are standing for election following their appointment to the Board in January 2008. Biographical details for each of the directors standing for election and re-election are set out in Appendix I to this Notice.

Resolution Nos 11 to 14 are similar to resolutions that shareholders passed at last year's AGM and are likely to be included every year because they enable the Board to take advantage of business opportunities as they arise.

In addition to the usual business dealt with at the AGM, we are asking shareholders to approve a number of amendments to the Company's Articles of Association, primarily to reflect certain provisions of the Companies Act 2006. These are contained in Resolution No 15, and further details can be found in the explanatory notes on pages 11 to 14. Due to the phased nature of the implementation of the Act, it is likely that further changes to the Articles of Association will be proposed at a later AGM.

If you are unable to attend the meeting in person, your vote is still important. You may vote either by completing, signing and returning the enclosed form of proxy, or by registering your proxy vote electronically by logging on to our Registrars' website (see note 3 on page 6 for instructions). We are also able to offer CREST members the option to register their votes electronically through the CREST electronic proxy appointment service. For further details, please see note 5 on page 6.

The Board believes that the proposals described in this Notice are in the best interest of the Company and its shareholders as a whole and recommend you give them your support by voting in favour of the resolutions as the directors intend to do themselves in respect of their own holdings.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lord Blackwell', written in a cursive style.

Lord Blackwell  
Chairman

9 April 2008

## Notice of Annual General Meeting

Notice is hereby given that the one-hundred-and-second Annual General Meeting of Interserve Plc (the "Company") will be held at the offices of JPMorgan Cazenove Limited, 20 Moorgate, London EC2R 6DA, on Wednesday, 14 May 2008 at 9.30 am for the transaction of the following business:

### ORDINARY BUSINESS

**The following Resolution Nos 1 to 10 will be proposed as Ordinary Resolutions:**

*Resolution No 1*

To receive and consider the accounts and balance sheets, and the reports of the directors and the auditors for the year ended 31 December 2007.

*Resolution No 2*

To declare a final dividend.

*Resolution No 3*

To approve the directors' remuneration report for the year ended 31 December 2007.

*Resolution No 4*

To re-elect Mr G P Balfour who retires from the Board by rotation.

*Resolution No 5*

To re-elect Mr L G Cullen who retires from the Board by rotation.

*Resolution No 6*

To re-elect Mr A M Ringrose who retires from the Board by rotation.

*Resolution No 7*

To re-elect Mr S L Dance who retires from the Board in accordance with the Company's Articles of Association.

*Resolution No 8*

To re-elect Mr B A Melizan who retires from the Board in accordance with the Company's Articles of Association.

*Resolution No 9*

To re-appoint Deloitte & Touche LLP as auditors of the Company in pursuance of a recommendation by the Audit Committee, to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company.

*Resolution No 10*

To authorise the directors, acting through the Audit Committee, to determine the remuneration of the auditors.

### SPECIAL BUSINESS

**The following Resolution Nos 11 and 12 will be proposed as Ordinary Resolutions:**

*Resolution No 11*

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

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;

- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

provided that the aggregate amount of any such donation or expenditure made and incurred by the Company and its subsidiaries shall not exceed £50,000 during the period beginning with the date of the passing of this resolution up to and including the conclusion of the Annual General Meeting in 2009. For the purposes of this resolution, the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Companies Act 2006.

#### *Resolution No 12*

THAT the directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities (as defined in that section) up to a maximum nominal amount of £2,524,856 provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2009, 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 offer or agreement as if the authority conferred hereby had not expired.

**The following Resolution Nos 13 to 15 will be proposed as Special Resolutions:**

#### *Resolution No 13*

THAT, subject to and conditionally upon the passing of Resolution No 12 above, the directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94(2) of that Act) for cash pursuant to the authority conferred by that resolution or to sell equity securities held as treasury shares for cash pursuant to section 162D of that Act, or partly in one way and partly in the other, in each case as if section 89(1) of the said Act did not apply to any such allotment, PROVIDED that the power hereby conferred shall be limited:

- (a) to the allotment and/or the sale of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to their holdings of such shares subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements, statutory restrictions or legal or practical problems under or resulting from the application of the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory; and
- (b) to the allotment and/or the sale (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £623,757;

and shall expire at the conclusion of the Annual General Meeting of the Company in 2009, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

#### *Resolution No 14*

THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in section 163 of the Companies Act 1985) of its ordinary 10p shares provided that:

- (a) the Company does not purchase under this authority more than 12,475,143 ordinary shares;
- (b) the Company does not pay less than the nominal value for each share;

- (c) the Company does not pay more for each share than an amount equal to the higher of:
  - (i) 105 per cent of the average of the middle market price of an ordinary share according to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned; and
  - (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
- (d) this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2009; and
- (e) the Company may agree before the authority terminates under (d) above to purchase ordinary shares where the purchase will or may be executed after the authority terminates (either wholly or in part). The Company may complete such a purchase even though the authority has terminated.

*Resolution No 15*

THAT, with effect from the conclusion of the Annual General Meeting, the Articles of Association of the Company be and are hereby altered by making the amendments summarised in the Explanatory Notes to this circular and contained in the printed copy of the proposed amended Articles of Association produced to the Annual General Meeting and initialled by the Chairman for the purposes of identification.

By order of the Board



T Bradbury  
Company Secretary

Registered Office:  
Interserve House  
Ruscombe Park  
Twyford  
Reading  
Berkshire  
RG10 9JU

9 April 2008

## Notes

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the Annual General Meeting is 5.30 pm on 12 May 2008. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date and time fixed for the adjourned meeting. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote on his behalf at the Annual General Meeting convened by this Notice. A member 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 member. A proxy need not be a member of the Company.
3. A form of proxy is enclosed for use by members. To be valid it should be completed and deposited with the Company's registrars, Capita Registrars (Proxies), PO Box 25, Beckenham, Kent BR3 4BR not later than 48 hours before the time fixed for holding the meeting (or any adjourned meeting). You may also deliver by hand to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU during normal business hours within the time specified above. You may register your proxy electronically using The Share Portal service at [www.capitashareportal.com](http://www.capitashareportal.com). If you are not already registered for The Share Portal, you will need your Investor Code shown on your form of proxy. An appointment of a proxy submitted in electronic form must be received by Capita Registrars not later than 48 hours before the time fixed for holding the meeting (or adjourned meeting). Completion and submission of an instrument appointing a proxy will not preclude a member from subsequently attending and voting in person at the meeting.
4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 14 May 2008 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Capita Registrars (ID number RA10), by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy

Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers, are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. 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.
7. As at 25 March 2008 (being the last business day prior to the publication of this Notice), the Company's issued share capital comprised 124,751,437 ordinary shares, carrying one vote each. Therefore, the total number of voting rights in the Company as at 25 March 2008 was 124,751,437.
8. Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted), and will also be available at the place of the Annual General Meeting on 14 May 2008 from at least 15 minutes prior to the appointed time for the meeting until the meeting is concluded or adjourned:
  - (a) the Memorandum of Association;
  - (b) the existing Articles of Association marked up to show the changes proposed by Resolution No 15;
  - (c) the service contracts of the executive directors, together with the terms and conditions of appointment of the non-executive directors and those of the Group Chairman; and
  - (d) this Notice and the documentation made available to shareholders using electronic communication, including the financial statements and the reports of the directors and auditors for the year ended 31 December 2007.

Copies of the existing Articles of Association marked up to show the changes proposed by Resolution No 15, together with the revised Articles of Association, will also be available for inspection on the Company's website at [www.interserve.com](http://www.interserve.com) and at the offices of Wragge & Co LLP, 3 Waterhouse Square, 142 Holborn, London EC1N 2SW from the date of this Notice during normal business hours on any weekday (Saturdays and public holidays excepted) until the Annual General Meeting is concluded or adjourned.

### **INVITATION TO ACCESS SHAREHOLDER DOCUMENTS ELECTRONICALLY**

As an alternative to receiving documentation through the post, the Company offers shareholders the option to receive by email or fax a notification that shareholder documents (including the Annual Report and Financial Statements, Half-yearly Reports and Notices of Shareholder Meetings) are available for access on the Company's website. If you wish to make such an election you should register online at Capita Registrars' website at [www.capitashareportal.com](http://www.capitashareportal.com).

If you have already made such an election you need take no further action. Registration is entirely voluntary and you may request a hard copy of the shareholder documents or change your election at any time.

Please note that any electronic address provided in this Notice of Meeting to communicate with the Company may not be used for any purpose other than that expressly stated.

## Explanatory Notes for Shareholders

### *Resolution No 1 (Annual Report and Financial Statements 2007)*

The directors are required to present to the Annual General Meeting the accounts and balance sheets, and reports of the directors and auditors for the year ended 31 December 2007. They are contained in the Company's Annual Report and Financial Statements 2007.

### *Resolution No 2 (Declaration of final dividend)*

The Company paid an interim dividend of 5.0p per share on 29 October 2007. The directors recommend a final dividend of 11.2p per share bringing the total dividend for the year to 16.2p per share. Subject to approval by the members, the final dividend will be paid on 6 June 2008 to shareholders on the register at close of business on 25 April 2008.

### *Resolution No 3 (Directors' remuneration report)*

The Directors' Remuneration Report Regulations 2002 introduced a new statutory disclosure and shareholder approval regime for directors' remuneration. A copy of the directors' remuneration report is contained in the Annual Report and Financial Statements 2007.

### *Resolution Nos 4 to 8 (Directors retiring by rotation)*

Under the Company's Articles of Association, one-third of the directors are required to retire by rotation at each AGM. The directors to retire are those who have been longest in office since their election or last re-election. Under this formula three directors are required to retire at this year's AGM – Mr G P Balfour, Mr L G Cullen and Mr A M Ringrose - and they are listed in Resolution Nos 4 to 6.

The Company's Articles of Association also require any director appointed by the Board to retire at the AGM following appointment (Resolution Nos 7 and 8).

Information about the directors who are proposed by the Board for re-election is set out in Appendix I to this Notice.

### *Resolution No 9 (Re-appointment of auditors)*

At the AGM held on 14 May 2007, Deloitte & Touche LLP were re-appointed as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts were laid. This resolution proposes the re-appointment of Deloitte & Touche LLP.

### *Resolution No 10 (Auditors' remuneration)*

In accordance with standard practice, this resolution gives authority to the directors to determine the auditors' remuneration.

### *Resolution No 11 (Authority to make political donations/incur political expenditure)*

The Political Parties, Elections and Referendum Act 2000 inserted provisions into the Companies Act 1985 requiring companies to seek shareholders' authority for any EU political donations and/or EU political expenditure. At the 2007 AGM, the directors were granted authority to make such political donations and/or incur such political expenditure, capped at £50,000.

Provisions of the Companies Act 2006 (the "2006 Act") relating to political donations and expenditure came into force on 1 October 2007 (replacing the equivalent provisions of the Companies Act 1985), and similarly apply to EU political donations and/or EU political expenditure. Changes in the terminology used in the 2006 Act, however, mean that the resolution does not need to refer expressly to the EU.

It is not the Company's policy to make cash donations to political parties. This policy is strictly adhered to and there is no intention to change it. However, the definitions used in the 2006 Act for "political donation" and "political expenditure" remain very broad, which may have the effect of covering a number of normal business activities that would not be considered political donations or political expenditure in the usual sense. To avoid any possibility of inadvertently contravening the 2006 Act, the directors are again seeking shareholder authority to ensure that the Company acts within the provisions of current UK law when carrying out its normal business activities.

*Resolution No 12  
(Authority to allot shares)*

The Companies Act 1985 provides that the directors may not allot shares unless empowered to do so by the shareholders. Such a power cannot be given for longer than five years at any one time and the total nominal value of shares which can be allotted must be specified. In order to renew the Board's powers in respect of unissued shares, it is accordingly proposed that the directors be granted general authority at any time prior to the next AGM of the Company to allot shares up to an aggregate nominal value of £2,524,856 representing approximately 20.24 per cent of the Company's issued share capital as at 11 March 2008 (the latest practicable date prior to the publication of this Notice). The Company has no treasury shares in existence. The directors have no current plans to make use of this authority, other than the issue of shares pursuant to employee share schemes.

*Resolution No 13  
(Disapplication of pre-emption rights)*

This resolution renews the directors' authority to implement rights issues without complying fully with the technical requirements of section 89 of the Companies Act 1985 (relating to the allotment of shares for cash).

Furthermore, it gives the directors authority to allot shares for cash other than by way of rights to existing shareholders up to an aggregate nominal amount of £623,757. By restricting such authority to an aggregate nominal value of no more than 5 per cent of the Company's issued share capital (as at 11 March 2008, being the latest practicable date prior to the publication of this Notice), the Company will comply with current guidelines issued by the Investment Committees of the Association of British Insurers and National Association of Pension Funds Limited. This power will provide the directors with the flexibility to take advantage of business opportunities as they arise. Shareholders should note that the Listing Rules of the Financial Services Authority do not require shareholders' specific approval for each issue of shares for cash on a non pre-emptive basis to the extent that under section 95 of the Companies Act 1985 the provisions of section 89 are disapplied generally. If given, this authority will expire on the date of the next AGM of the Company.

The Investment Committees also request that in any rolling three-year period a company may not make non pre-emptive issues for cash or equity securities exceeding 7.5 per cent of the company's issued share capital without prior consultation with them.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Treasury Shares Regulations") came into force on 1 December 2003. The requirements of the Companies Act 1985 (section 89), as outlined above, will also apply to the sale by the Company of any shares it holds as treasury shares under the Treasury Shares Regulations. The authority sought and limits set by this resolution will apply also to the sale of treasury shares.

*Resolution No 14  
(Authority to purchase own shares)*

With the authority of the shareholders in general meeting, the Company is empowered by its Articles of Association to purchase its own shares subject to the provisions of the statutes. Although the directors have no immediate plans to do so, they believe it is prudent to seek general authority from shareholders to be able to act if circumstances were to arise in which they considered such purchases to be desirable. This power will only be exercised if and when, in the light of market conditions prevailing at that time, the directors believe that such purchases would increase earnings per share and would be for the benefit of shareholders generally.

This special resolution specifies the maximum number of shares which may be acquired (approximately 10 per cent of the Company's issued share capital) and the maximum and minimum prices at which they may be bought.

Any shares purchased under this authority will, unless the directors determine that they are to be held as treasury shares, be cancelled and the number of shares in issue will be reduced accordingly.

The Treasury Shares Regulations will allow shares purchased by the Company out of distributable profits to be held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company's obligations under its employee share schemes. The authority sought by this resolution is intended to apply equally to shares to be held by the Company as treasury shares in accordance with the Treasury Shares Regulations.

Options over 3,890,255 ordinary shares were outstanding as at 11 March 2008 (the latest practicable date prior to the publication of this Notice). This represents 3.12 per cent of the Company's issued share capital at that date. If the Company bought back the maximum number of shares permitted by this resolution and cancelled them, then the total number of options outstanding at that date would represent 3.46 per cent of the issued share capital thereby reduced. The Company has no warrants to subscribe for ordinary shares outstanding and no ordinary shares held in treasury.

*Resolution No 15  
(Amendments to the Articles of Association)*

The Companies Act 2006 (the "2006 Act") received Royal Assent in November 2006. The 2006 Act represents a major reform of UK companies' legislation and is being brought into force on a phased basis between January 2007 and October 2009. The proposed changes to the Company's Articles of Association derive from the implementation of the 2006 Act and are summarised as follows:

*(a) Article 2 - Definitions*

Article 2 is amended by deleting references to the 1948, 1967, 1976, 1980 and 1981 Companies Acts and inserting references to the 1985 and 2006 Companies Acts. Due to the phased implementation of the 2006 Act, some provisions of the 1985 Act remain in force and it is therefore likely that further changes to the Articles of Association will be proposed at a later AGM.

*(b) Article 8 - Shares and certificates*

Article 8 is amended by deleting definitions that are included elsewhere in the Articles of Association and by expanding the definition of "Employees' Share Schemes" to include the bona fide employees or former employees of an associated undertaking of the Company.

*(c) Article 44 - Extraordinary resolutions*

The current Articles of Association contain references to decisions which must be sanctioned by extraordinary resolution of the shareholders. The concept of extraordinary resolution has been abolished under the 2006 Act with such decisions to be decided by special resolution. Article 44 is amended accordingly.

- (d) *Article 46 - Timing of annual general meetings*  
Article 46 is amended to reflect the provision under the 2006 Act that AGMs for public companies must be held within six months of the year-end, replacing the provision in the Companies Act 1985 (the "1985 Act") for AGMs to be held no more than 15 months apart. The reference to "extraordinary" general meetings is also amended to reflect the terminology used in the 2006 Act - i.e. that all other meetings other than AGMs are simply referred to as "general meetings".
- (e) *Article 47 - Extraordinary general meetings*  
Article 47 is also amended to reflect that all other meetings other than AGMs are simply referred to as "general meetings".
- (f) *Article 48 - Extraordinary general meetings*  
Article 48 is also amended to reflect that all other meetings other than AGMs are simply referred to as "general meetings".
- (g) *Article 49 - Convening and notice of general meetings*  
Article 49 is amended to conform to the new provision in the 2006 Act that a general meeting (other than an AGM) to consider a special resolution can be convened with 14 days' notice whereas previously 21 days' notice was required. Further changes to Article 49 have also been made to remove the replication of provisions contained in the 2006 Act.
- (h) *Article 51 - Proxies*  
Under the 2006 Act, proxies are entitled to exercise all or any of a member's rights to attend and to speak and vote at a meeting of the company. Article 51 is amended accordingly.
- (i) *Article 53 - Extraordinary general meetings*  
Article 53 is also amended to reflect that all other meetings other than AGMs are simply referred to as "general meetings" (see (d) above).
- (j) *Article 54 - Quorum*  
Article 54 is amended to make it clear that two persons who are proxies for the same member or representatives of the same corporation cannot count towards constituting a quorum.
- (k) *Article 64 - Votes of members*  
Under the 2006 Act, proxies are entitled to vote on a show of hands whereas, under the current Articles of Association, proxies are only entitled to vote on a poll. Article 64 is amended accordingly.
- (l) *Article 65 - Votes of members*  
Article 65 is also amended to reflect that proxies are now entitled to vote on a show of hands.
- (m) *Article 68 - Votes of members*  
Article 68 is amended to reflect that 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 Article is also expanded to clarify the authority required in respect of an appointment of a proxy by a corporation.
- (n) *Article 70 - Appointment of proxy*  
Article 70 is amended to clarify that the appointment of a proxy shall be delivered to the place specified in the notice convening the meeting, rather than the Company's registered office. This reflects that proxy appointments are generally handled by the Company's Registrars rather than by the Company itself. Further amendments are made to Article 70 regarding the appointment of multiple proxies by covering all possible situations that may arise on receipt of conflicting forms of proxy.
- (o) *Article 72 - Changes to appointment of proxy*  
Article 72 is also amended to clarify that any changes to the appointment of a proxy shall be delivered to the place specified in the notice convening the meeting, rather than the Company's registered office.

(p) *Article 74 - Corporate representatives*

Article 74 is amended to reflect that multiple corporate representatives may be appointed and also expanded to clarify the authority required by the Company before any such corporate representative may exercise his powers.

(q) *Article 79 - Register of directors' share interests*

Article 79 provides that the Company shall keep a register of directors' interests in the shares or debentures of the Company. The provisions of the 1985 Act which required directors to disclose their interests in the company's shares or debentures and for companies to keep a register were repealed with effect from 6 April 2007 under the First Commencement Order of the 2006 Act. It is therefore proposed that Article 79 be deleted in its entirety. Directors of the Company and their connected persons will, however, continue to have disclosure obligations under the Disclosure and Transparency Rules of the Financial Services Authority.

(r) *New Article 88 - Conflicts of interest*

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, 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 2006 Act 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 2006 Act also allows the Articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty.

Article 88 is inserted with effect from 1 October 2008 to give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

Prior to this Article becoming effective, safeguards will be put in place that will apply when directors decide whether to authorise a conflict or potential conflict. Firstly, 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 Article 88 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.

(s) *Article 93(e) - Disqualification of directors*

Article 93(e) is updated by substituting references to the Companies Acts by a reference to the Company Directors Disqualification Act 1986.

(t) *Article 95 - Extraordinary general meeting*

Article 95 is also amended to reflect that all other meetings other than AGMs are simply referred to as "general meetings" (see (d) above).

(u) *Article 99 - Extraordinary resolutions*

The concept of extraordinary resolution has been abolished under the 2006 Act and Article 99 is amended accordingly (see (c) above).

(v) *Article 117 - The seal*

Article 117 is amended to reflect that, under the 2006 Act, a single director may now execute a deed on behalf of a company, provided that his signature is witnessed.

(w) *Article 139 - Directors' indemnities*

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. This is reflected in Article 139.

(x) *Article 141 - Extraordinary resolutions*

The concept of extraordinary resolution has been abolished under the 2006 Act and Article 141 is amended accordingly (see (c) above).

(y) *Article 142 - Electronic communications*

Article 142 is amended to make it clear that the agreement required from a member to the publication of documents on a website (instead of their being sent in the post or personally delivered to such member) includes both actual and deemed agreement (in either case for as long as such agreement has not been revoked) in accordance with the provisions of the 2006 Act. 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; the 2006 Act provides that such consent is deemed to have been given by a member if the Company has received no response from such member within the period of 28 days beginning with the date on which the request was sent. The Company remains obliged to 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 and/or withdraw consent (deemed or otherwise).

(z) *Consequential amendments to the Articles of Association*

Definitions of "the 1985 Act" and "the 2006 Act" are inserted into the Articles of Association, and definitions of "the 1967 Act", "the 1976 Act", "the 1980 Act" and "the 1981 Act" are deleted. Consequential amendments are made across the Articles to reflect these amendments. Further amendments are made across the Articles of a minor, technical or clarifying nature required by, or consequential to, provisions of the 2006 Act which are already in force at the date of the meeting.

**Your directors believe that the proposals in Resolution Nos 1 to 15 are in the best interests of both the Company and its shareholders. Accordingly, the directors unanimously recommend that you vote in favour of all these resolutions, as they intend to do in respect of their own beneficial holdings.**

## APPENDIX I

### Biographies of directors standing for re-election

#### **G Patrick Balfour**<sup>1234</sup>

*Non-executive director*

Patrick became a non-executive director of Interserve in January 2003 and was appointed Senior Independent Director in October 2005. He is a solicitor and was formerly a partner of Slaughter and May. Patrick is 66.

#### **Les Cullen**<sup>123</sup>

*Non-executive director*

Les joined Interserve as a non-executive director in October 2005. He is a non-executive director of Avis Europe, DTZ Holdings and F&C Global Smaller Companies and is a Trustee of the British Telecom Pension Fund and of Sustrans Ltd. He has previously held the post of Group Finance Director at De La Rue, Inchcape and Prudential. Les, 56, chairs the Audit Committee.

#### **Adrian Ringrose**<sup>1</sup>

*Chief Executive*

Adrian was appointed Chief Executive in July 2003 having served as Deputy Chief Executive since January 2003. He joined Interserve in 2000 on its acquisition of the Building & Property Group, became Managing Director of Interserve *fm* a year later and joined the parent Board in 2002. Adrian is also President of the Business Services Association and a member of both the CBI's President's Committee and the Employers' Forum on Disability President's Group. He is 40.

#### **Steven Dance**

*Executive director*

Steven was appointed to the parent Board in January 2008, having joined the Group in 2004 as Managing Director of RMD Kwikform Ltd, the Equipment Services division. He was previously president of Erico's Fixing and Fastening business and prior to that had been involved in M&A transactions with ScottishPower. His early career included a variety of general management positions with Coats Viyella in Germany, Portugal, South America and the UK. Steven, 50, is a Chartered Director and a member of the Board of Examiners at the Institute of Directors.

#### **Bruce Melizan**

*Executive director*

Bruce, Managing Director of the Facilities Management division, was appointed to the parent Board in January 2008. He joined Interserve in 2003 as Managing Director of Interserve Investments before moving across to head Facilities Management in January 2006. Prior to joining Interserve Bruce worked in a variety of roles in organisations such as Amey, Mowlem and Schlumberger in several countries including Indonesia, Bolivia and Trinidad & Tobago. He is 40.

<sup>1</sup> Member of the Nomination Committee

<sup>2</sup> Member of the Audit Committee

<sup>3</sup> Member of the Remuneration Committee

<sup>4</sup> Senior Independent Director

