

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your ordinary shares in Eatonfield Group plc (Ordinary Shares), you should pass this document and the accompanying form of proxy to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

# **EATONFIELD GROUP plc**

*(Registered in England No. 05801082)*

*Directors:*

Robert James Winston Lloyd  
David Paul Lumley Williams

*Registered Office:*

Haycroft Farm  
Peckforton Hall Lane  
Spurstow  
near Tarporley  
Cheshire  
CW6 9TF

9 December 2009

*To: The holders of Ordinary Shares*

Dear Shareholder

## **ANNUAL GENERAL MEETING**

### **Introduction**

The 2009 Annual General Meeting of the Company (**AGM**) is to be held at 10.00 a.m. on Thursday 31 December 2009 at the Company's registered office, Haycroft Farm, Peckforton Hall Lane, Spurstow, near Tarporley, Cheshire, CW6 9TF. The notice convening the AGM is set out at the end of this letter.

### **Resolutions to be proposed**

Resolutions 1 to 5 deal with the ordinary business that normally takes place at the Company's Annual General Meeting and require no explanation. The information set out below explains the reasons for Resolution 6.

The Annual Report and Accounts of the Company containing its financial statements for the year ended 30 June 2009, to which Resolutions 1 and 2 relate, are enclosed.

### ***Resolution 6 – Adopt new articles of association***

Under the Companies Act 2006 (the "Act"), as from 1 October 2009, all provisions of a company's memorandum of association are deemed to form part of its articles of association, including the statement of the company's objects and the statement of its authorised share capital. The Act also has removed the requirement for a company to have an authorised share capital and provides that, unless a company's articles of association provide otherwise, its objects will be unrestricted.

For this reason, Resolution 6 proposes the deletion of all of the provisions of the Company's Memorandum of Association, which are now deemed to form part of the Company's Articles of Association. Resolution 6 also proposes the adoption of new Articles of Association which do not contain either an objects clause or a limit on the Company's authorised share capital. The new Articles of Association also reflect other changes brought about by the provisions of the Act and take into account certain changes in law and practice since the current Articles of Association were adopted. Some minor technical and clarifying changes are also proposed.

The principal differences between the current Articles of Association and the new ones are summarised in the Appendix to this letter. A copy of the new Articles of Association proposed to be adopted will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Davenport Lyons, 30 Old Burlington Street, London, W1S 3NL and also at the Company's registered office, Haycroft Farm, Peckforton Hall Lane, Spurstow, near Tarporley, Cheshire, CW6 9TF from the date of this letter until the conclusion of the AGM.

#### **Action to be taken**

A form of proxy is enclosed for use by shareholders at the AGM. Whether or not you intend to be present at the meeting, you are asked to complete and return the form of proxy in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 29 December 2009. Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person, if you so wish.

#### **Recommendation**

The Directors believe that Resolution 6 to be proposed at the AGM is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of this Resolution as they intend to do in respect of their own beneficial shareholdings amounting in aggregate to 57,100,000 Ordinary Shares, representing approximately 24.59% of the current issued ordinary share capital of the Company.

Yours sincerely

**PAUL WILLIAMS**

*Chairman*

# EATONFIELD GROUP PLC

*(Registered in England No. 05801082)*

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Eatonfield Group PLC will be held at the Company's registered office, Haycroft Farm, Peckforton Hall Lane, Spurstow, near Tarporley, Cheshire, CW6 9TF at 10.00 a.m. on Thursday, 31 December 2009 for the purpose of considering and, if thought fit, passing the following resolutions:

1. To receive the Company's Report and Accounts for the year ended 30 June 2009.
2. To approve the Directors' Remuneration and Nomination Committee Report.
3. To elect Paul Williams as a Director, having been appointed since the last annual general meeting.
4. To re-elect Rob Lloyd, who retires by rotation, as a Director.
5. To re-appoint Baker Tilly UK Audit LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

### Special Business

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

6. **THAT:**
  - (a) all the provisions of the Company's Memorandum of Association (which, by virtue of Section 28 of the Act, are treated as provisions of the Company's Articles of Association with effect from 1 October 2009) be deleted; and
  - (b) 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.

### BY ORDER OF THE BOARD

Philip Middlehurst  
*Company Secretary*

*Registered Office:*  
Haycroft Farm  
Peckforton Hall Lane  
Spurstow  
near Tarporley  
Cheshire  
CW6 9TF

9 December 2009

**NOTES:**

1. A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him. A proxy need not also be a member of the Company but must attend the General Meeting in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy).
2. A form of proxy is attached. The notes to the form of proxy include instructions on how to appoint the chairman of the AGM or another person as proxy. To be effective the form must reach the Company's registrar, Capita Registrars, by post or by hand in accordance with the notes to the form of proxy by 10.00 a.m. on 29 December 2009. If you do not have a form of proxy and believe that you should, please contact the Company's registrars, Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Completion and return of a form of proxy will not prevent a shareholder from attending and voting at the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders included in the register of members of the Company at 6 p.m. on 29 December 2009 or, if the meeting is adjourned, in the register of members at 6 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6 p.m. on 29 December 2009 or, if the meeting is adjourned, in the register of members after 6 p.m. on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the meeting.
4. As at the close of business on 8 December 2009 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 232,234,775 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the close of business on 8 December 2009 is 232,234,775.
5. You may submit your proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com).

## APPENDIX

### Summary of principal amendments to the 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 (the **CA 2006**) significantly reduces the constitutional significance of the Company's memorandum. The CA 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in a company. Under the CA 2006, since 1 October 2009, the objects clause and all other provisions contained in the Company's memorandum have been deemed to be contained in the Company's articles of association.

Further, the CA 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. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the CA 2006, are now treated as forming part of the Company's articles of association. Resolution 5(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the new articles of association (the New Articles) also contain an express statement regarding the limited liability of the shareholders.

#### Definitions

Article 1.2 of the current Articles of Association (the **Articles**) is amended in the New

Articles to delete references to the Companies Act 1985 (**1985 Act**) so as to cater for the fact that the CA 2006 is now fully in force and the 1985 Act has been repealed. Consequential amendments are made throughout the Articles to reflect the inclusion of these new definitions.

Definitions of "electronic address", "electronic form" and "electronic means" have been inserted to reflect the new terms introduced by the CA 2006.

#### Authorised share capital and unissued shares

The CA 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles 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 CA 2006, save in respect of employee share schemes.

#### Written resolutions of members

The CA 2006 no longer permits public companies from passing resolutions in writing so the provisions for written resolutions of the members have been removed in the New Articles.

#### 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 CA 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation at Article 5.5. 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 1985 Act, a company required 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 Articles include these enabling provisions. Under the CA 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.

### **Suspension of registration of share transfers**

The Articles permit the directors to suspend the registration of transfers. Under the CA 2006 share transfers must be registered as soon as practicable. The power in the Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

### **Notice of general meetings**

Article 15.1 is amended to cater for the provisions in the CA 2006 relating to notice periods for convening general meetings. The CA 2006 reduced the minimum period for all general meetings (including those convened for the passing of a special resolution), other than the Annual General Meeting, to 14 clear days.

### **Corporations acting by representatives**

Article 18.2 has been amended in line with Section 323 of the CA 2006 to permit the appointment of more than one corporate representative by a member which is a body corporate.

### **Voting by proxies on a show of hands**

The Shareholders' Rights Regulations have amended the CA 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by more than one member to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes and contain a provision clarifying how the provisions of the CA 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities.

### **Proxies**

Article 19.2 is amended to enable the Company to receive appointments of proxy in electronic form, subject to any conditions or limitations which are specified by the Company in the notice of meeting.

#### **Vacation of office by directors**

The Articles specify the circumstances in which a director must vacate office. The New Articles update the provisions of Article 22.8 to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

### **Electronic conduct of meetings**

Amendments made to the CA 2006 by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings of directors. The New Articles now reflect these provisions.

### **Use of seals**

The New Articles provide an alternative option for the execution of documents (other than share certificates). Under the new Articles, at Article 32, when a seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and a secretary, two directors or by a director in the presence of a witness.

Under CA 1985, a company required authority in its articles to have an official seal for use abroad. Under the CA 2006 this is no longer required. Accordingly, the relevant authorisation has been removed in the New Articles.

### **Indemnity**

The New Articles update Article 42.1 of the Articles in line with the CA 2006 to extend the scope of potential indemnities which may be granted to directors of pension trustee companies. Under section 235 of the CA 2006, a director of a pension trustee company can be indemnified by the pension trustee company itself or an associated company against liability incurred in connection with the company's activities as trustee of the scheme. The indemnity cannot extend to liabilities to pay criminal or regulatory fines or to defending criminal proceedings in which the director is convicted. Article 42 has also been amended to make it clear that the Article extends to directors of associated companies as well as directors of the Company. None of the Company's directors is currently a director of an associated company that is a trustee of an occupational pension scheme in which any employee of the Company or its subsidiaries participates. It is not anticipated that the Company will establish any associated company that will act as trustee of an occupational scheme.

