

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO ANY ASPECT OF THE PROPOSALS REFERRED TO IN THIS DOCUMENT OR AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY 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 OTHERWISE TRANSFERRED ALL YOUR SHARES IN THE COMPANY, PLEASE SEND THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS 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.



(Hays plc incorporated in England and Wales with registered number 2150950)

Notice of Annual General Meeting Circular to Shareholders

This document contains a Notice of the Annual General Meeting convened for 12.00 noon on 12 November 2008 at Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE along with a Proxy Form. Shareholders who do not intend to be present at the Annual General Meeting are asked to sign and return the Proxy Form as soon as possible (and in any event, so as to be received not later than 12.00 noon on 10 November 2008).

Completion of the Proxy Form will not preclude a Shareholder from attending and voting in person if they so wish.



Hays Plc
250 Euston Road
London NW1 2AF
Telephone +44 (0)20 7383 2266
www.haysplc.com
14 October 2008

Dear Shareholder,

Annual General Meeting 2008

The Annual General Meeting (AGM) of Hays plc (the Company) will be held on 12 November 2008 at Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE and will start at 12.00 noon. Shareholder registration will be available from 11.00 a.m.

Details of the business to be considered are set out in the Notice of Meeting that follows this letter.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 12 noon on 10 November 2008. Alternatively you may appoint a proxy electronically. For information about how you may vote or appoint a proxy electronically, please go to our Registrar's website www.shareview.co.uk.

We are asking shareholders to approve a number of amendments to our articles of Association primarily to take account of certain provisions of the Companies Act 2006 (the "2006 Act"). An explanation of the main changes between the proposed and the existing Articles of Association is set out in Appendix 2 following the Notice of Meeting at page 10.

I would like to explain and comment further on a number of the matters to be dealt with.

Resolution 1

Shareholders are being asked to receive and adopt the Report and Accounts for the year ended 30 June 2008 and reports of the Company's Directors and Auditors thereon.

Resolution 2

Shareholders are being asked to approve a final dividend of 3.95 pence per ordinary share for the year ended 30 June 2008. If you approve the final dividend, it will be paid on 21 November 2008 to all shareholders on the register of members at the close of business on 24 October 2008.

Resolution 3

Shareholders are being asked to approve the Board's report on remuneration for the year ended 30 June 2008, as set out on pages 47 to 58 of the Report and Accounts of the Company.

Resolutions 4 to 7

In accordance with the Company's Articles of Association any Director newly appointed by the Board is required to retire and submit themselves for re-appointment at the first annual general meeting following their appointment. Thereafter every Director must seek re-election once every three years. Accordingly, Resolution 4 seeks your approval to re-appoint Richard Smelt as a Director of the Company, who has been appointed to the Board since the last annual general meeting. In addition Resolutions 5 to 7 seek your approval to re-elect William Eccleshare, Paul Stoneham and Paul Venables respectively who retire from the Board by rotation and, being eligible, offer themselves for re-election.

Biographies of the Directors seeking re-appointment and re-election are set out in Appendix 1 of this document on page 9. All of the Directors offering themselves for re-election have wide business knowledge and all bring valuable skills and experience to the Board. The Board is content that each of them is independent in character and there are no relationships or circumstances which are likely to

affect their character or judgement. Following formal performance evaluation of each of these individuals, the Board Nomination Committee believes that all the appointees continue to be effective and to demonstrate commitment to the role including sufficient commitment of time for the Board and committee meetings and any other duties.

Resolution 8

Resolution 8 seeks your approval to re-appoint Deloitte & Touche LLP as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at which accounts are laid before the Company.

Resolution 9

Shareholders are being asked to authorise the Directors to determine Deloitte & Touche LLP's remuneration as Auditors.

Resolution 10

The authority conferred on the Directors at last year's Annual General Meeting to allot the authorised but unissued share capital of the Company expires at the conclusion of the forthcoming AGM.

Resolution 10 authorises the Directors to allot Ordinary shares of the Company up to an aggregate nominal amount of £4,585,884 being approximately one third of the Company's issued share capital, excluding the 88,331,239 Ordinary shares (being 6.03% of the Company's issued share capital) held in treasury as at 7 October 2008, being the latest practicable date prior to the publication of this document. This authority will expire at the conclusion of the next annual general meeting. The Directors have no present intention of using this authority.

Resolution 11

Resolution 11 empowers the Directors to allot Ordinary shares of the Company (including Ordinary shares held in treasury) as if the pre-emption provisions of Section 89 of the Companies Act 1985 did not apply, provided that such power of the Directors is limited to the allotment of Ordinary shares up to an aggregate nominal amount of £687,882, being 5% of the Company's issued share capital, excluding the 88,331,239 Ordinary shares (being 6.03% of the Company's issued share capital) held in treasury as at 7 October 2008, being the latest practicable date prior to the publication of the document, other than the allotment of Ordinary shares pursuant to a rights issue. This power will expire at the conclusion of the next annual general meeting.

Resolutions 10 and 11 comply with the guidelines issued by various investor protection committees.

Resolution 12

At the annual general meeting of the Company held on 15 November 2007, shareholders gave the Company permission, until the conclusion of the next AGM to purchase up to 213,830,083 Ordinary shares of the Company.

The Board has indicated its intention to continue to return surplus cash to shareholders where it is not required to finance the organic expansion of the business, acquisitions and dividend payments, via the on-market purchase of its own shares. Shares will only be purchased if to do so would result in an increase in earnings per share and is in the best interests of shareholders generally. In the year ahead, the level of buy-back will be significantly lower than last year.

During the period from 1 July 2007 to 30 June 2008, the Company purchased 73,246,888 Ordinary shares of 1p at a weighted average price, including transaction costs, of 124.14 pence. Including transaction costs, the total aggregate consideration was £90,938,137. The percentage of issued capital purchased was 5%.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the **Regulations**) allow companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Directors may use the authority to purchase shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with the Regulations) rather than cancel them, subject to institutional guidelines applicable at the time. The shares purchased by the Company in the period were held in treasury.

No dividends have been paid on shares whilst held in treasury and no voting rights attach to the treasury shares.

On 7 October 2008, being the latest practicable date prior to the publication of this document, the Company had 18,873,029 options outstanding under its various share schemes. This represented 1.37% of issued share capital of the Company excluding the 88,331,239 Ordinary shares held in treasury at that date.

Resolution 12 renews the Company's general authority to repurchase up to 206,364,799 of its own shares in the market (being less than 15% of the Company's issued share capital), excluding the 88,331,239 Ordinary shares (being 6.03% of the Company's issued share capital) held in treasury as at 7 October 2008, being the latest practicable date prior to the publication of this document, at or between the maximum and minimum prices specified in the resolution giving the authority.

Resolution 13

It is proposed in resolution 13 to adopt new Articles of Association in order to update the Company's current Articles of Association primarily to take account of changes in English company law brought about by the Companies Act 2006 (the **2006 Act**).

It is proposed that the changes will be made immediately after the resolution is passed, to reflect those sections of the 2006 Act which have already been implemented. The material differences between the current and the proposed Articles of Association are summarised in Appendix 2 at page 10. Changes of a minor, conforming or purely technical nature have not been mentioned specifically.

The proposed Articles of Association showing all the changes to the current Articles of Association are available for inspection, as noted below.

The Company expects further changes to the Articles of Association will need to be made at next year's annual general meeting to reflect further provisions of the 2006 Act which are expected to come into force in October 2009.

What to do next

I would ask you to complete the Proxy Form, and return it (no postage is required) to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible but in any event not later than 12.00 noon on 10 November 2008. This will not prevent you from also attending the AGM and voting in person. Further details relating to voting by proxy are set out in the Notes to the Notice of AGM on pages 7 and 8 of this document.

Documents available for inspection

The following documents are available for inspection during normal business hours at Hays plc, 250 Euston Road, London NW1 2AF from 9am on 14 October 2008 until the conclusion of the AGM and will also be available for inspection at the AGM venue fifteen minutes before and during the AGM itself:

- (a) Copies of the service contracts of the executive Directors and letters of appointment of the non-executive Directors; and
- (b) the new Articles of Association, showing the changes to the current Articles of Association proposed in Resolution 13.

Recommendation

The Directors believe that all the resolutions to be put to the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the proposed Resolutions at the AGM, as they intend to do in respect of their own beneficial holdings, totalling 347,393 Ordinary Shares and representing 0.025% of the issued Ordinary share capital of the Company, excluding treasury shares.

Yours faithfully

Bob Lawson
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the twenty first Annual General Meeting (“AGM”) of Hays plc will be held at Royal College of Physicians, 11 St Andrews Place, Regent’s Park, London NW1 4LE at 12 noon on Wednesday, 12 November 2008. Resolutions 11 to 13 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

ORDINARY BUSINESS

Ordinary Resolutions

Resolution 1

To receive and adopt the accounts of the Company for the year ended 30 June 2008 and the reports of the Directors and Auditors thereon.

Resolution 2

To declare a final dividend of 3.95 pence recommended by the Directors for the year ended 30 June 2008 which, if approved, will be paid on 21 November 2008 to shareholders on the register at the close of business on 24 October 2008.

Resolution 3

To approve the Board’s report on remuneration for the year ended 30 June 2008, as set out on pages 47 to 58 of the Report and Accounts of the Company.

Resolution 4

To re-appoint Mr Richard J Smelt as a Director of the Company following his appointment on 15 November 2007.

Resolution 5

To re-elect Mr Christopher W Eccleshare as a Director of the Company who retires in accordance with article 117.

Resolution 6

To re-elect Mr Paul H Stoneham as a Director of the Company who retires in accordance with article 117.

Resolution 7

To re-elect Mr Paul Venables as a Director of the Company who retires in accordance with article 117.

Resolution 8

To re-appoint Deloitte & Touche LLP as Auditors of the Company until the conclusion of the next annual general meeting.

Resolution 9

To authorise the Directors to agree the remuneration of the Auditors of the Company.

SPECIAL BUSINESS

Resolution 10

Ordinary Resolution

THAT the authority conferred on the Directors by Article 12 of the Company’s Articles of Association be renewed for a period expiring at the conclusion of the next annual general meeting of the Company after the date on which this resolution is passed and for that period the section 80 amount shall be £4,585,884.

Resolution 11

Special Resolution

THAT subject to the passing of Resolution 10 above the power conferred on the Directors by Article 13 of the Company's Articles of Association be renewed for a period expiring at the conclusion of the next annual general meeting of the Company after the date on which this resolution is passed and for that period the section 89 amount shall be £687,882. Notwithstanding the provisions of Article 13 of the Company's Articles of Association, this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Companies Act 1985.

Resolution 12

Special Resolution

THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985 (as amended)) of Ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 206,364,799;
- (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 1p;
- (c) the maximum price (exclusive of expenses) 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 London Stock Exchange Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
 - (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System (SETS);
- (d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or 18 months from the date of this resolution, whichever is earlier; and
- (e) a contract to purchase shares under this authority may be made prior to the expiry of this authority, and concluded in whole or part after the expiry of this authority.

Resolution 13

Special Resolution

THAT with effect from the end of the meeting the Articles of Association produced to the meeting marked "A" 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.

Hays plc
250 Euston Road
London NW1 2AF
Registered in England and Wales No. 02150950

By Order of the Board

AR Yapp
Company Secretary

14 October 2008

Notes to the Notice of Annual General Meeting

Notes

1. A member entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him or her, provided that if more than one proxy is appointed each proxy is appointed to exercise rights attaching to different shares. A proxy need not be a member of the Company. A Proxy Form is enclosed which you are invited to complete and return not less than 48 hours before the time appointed for holding the AGM, or any adjournment thereof. Completion and return of the Proxy Form in accordance with the instructions thereon, or any CREST Proxy Instruction made in accordance with Note 6 below, will not prevent you from attending and voting at the AGM, instead of your proxy, if you wish to do so. Those attending the AGM should bring with them the attendance card attached to the Proxy form.
2. Copies of the Directors' service contracts, non-executive Directors' letters of appointment and the proposed and current Articles of Association will be available for inspection at Hays plc, 250 Euston Road, London NW1 2AF on weekdays (Saturdays and public holidays expected) during business hours from the date of this Notice until the date of the AGM, when they will be available for inspection at the place of the meeting from 11.45 a.m. until the conclusion of the meeting.
3. As at 7 October 2008 the latest date practical before the publication of this Notice:
 - (i) there had been no updates to the substantial shareholdings information disclosed by the Company, as detailed on page 45 of the Directors' Report in the Hays plc Annual Report and Accounts 2008; and
 - (ii) on 2 September 2008, Mr A R Cox acquired 76,021 shares in Hays plc. There were no other changes to the beneficial or non-beneficial holdings of the Directors as detailed on page 56 of the Directors' Report in the Hays plc Annual Report and Accounts 2008.
4. Mr P Venables has a service contract which at the date of the AGM will have a period of one year unexpired. Messrs Eccleshare, Smelt and Stoneham do not have service contracts with the Company.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 12 November 2008 and any adjournment(s) thereof by using 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 using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) may 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 issuer's agent (ID 7RA01) 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 the issuer's agent is 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 CRESTCo does not make available 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 limitation 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. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered in the register of members of the Company at the close of business at 6.00 p.m. on 10 November 2008, or if this AGM is adjourned, in the register of members 48 hours before the time of any adjourned AGM, shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at the time. Changes to the entries in the register of members after 6.00 p.m. on 10 November 2008, or, if this AGM is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the AGM.
7. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so using the following means: (1) by writing to the Company Secretary at the Registered Office address; or (2) by writing to the Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this notice of AGM or in any related documents (including the Chairman's letter and the Proxy Form).
8. You may if you wish appoint more than one proxy, (who need not be members of the Company) but each proxy must be appointed in respect of a specified number of shares within your holding. If you wish to do this, each proxy must be appointed on a separate Proxy Form. Additional Proxy Forms may be obtained from the Registrars by telephoning 01903 833381. Alternatively you may photocopy the enclosed Proxy Form the required number of times before completing it. When appointing more than one proxy you must indicate the number of shares in respect of which the proxy is appointed.
9. If you are receiving this notice as a Nominated Person (in accordance with section 146 of the Companies Act 2006) by the Registered Member, the proxy rights do not apply, unless you have a right under an agreement with the Registered Member to appoint a proxy, in accordance with s.149 of the Companies Act 2006.
10. 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—see 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.
11. At 7 October 2008 (being the last business day prior to the publication of this notice of the Annual General Meeting) the issued share capital of the Company is 1,375,765,327 ordinary shares of 1p each, excluding treasury shares. Each ordinary share carries the right to one vote. Therefore the total voting rights in the Company as at 7 October 2008 is 1,375,765,327.

APPENDIX 1
BIOGRAPHIES OF THE DIRECTORS SEEKING
RE-APPOINTMENT OR RE-ELECTION

Richard Smelt, 51
Independent Non-Executive Director

Appointed non-executive Director on 15 November 2007, he is a member of the Nomination and Remuneration Committees. He was appointed Group Human Resources Director of Northern Rock plc on 15 September 2008, and prior to this he was Group Human Resources Director of Carphone Warehouse Group plc.

William Eccleshare, 52
Independent Non-Executive Director

Appointed non-executive Director on 24 November 2004, he is a member of the Audit, Nomination and Remuneration Committees. He is Chairman and Chief Executive of BBDO—Europe, Middle East and Africa. Formerly Chairman and CEO of Young & Rubicam and Wunderman Europe.

Paul Stoneham, 46
Independent Non-Executive Director

Appointed non-executive Director on 24 November 2004, he is a member of the Audit, Nomination and Remuneration Committees. Formerly Managing Director of Boots Healthcare International and former President, Global Business Development for the Colgate-Palmolive company.

Paul Venables, 46
Group Finance Director

Appointed Group Finance Director on 2 May 2006. A Chartered Accountant, he came to the Group from DHL Logistics, a division of Deutsche Post World Net. Prior to the acquisition of Exel plc by Deutsche Post in December 2005, he was Deputy Group Finance Director and a member of the executive board of Exel plc. During 13 years with Exel he held a number of senior finance and operational roles, including Finance Director of Exel's European and Global operations.

APPENDIX 2

EXPLANATORY NOTES OF MATERIAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. *Articles which duplicate statutory provisions*

Provisions in the current Articles of Association which replicate provisions contained in the 2006 Act are in the main amended to bring them into line with the 2006 Act. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights and provisions regarding the period of notice required to convene general meetings. The main changes that are proposed to be made to reflect this approach are detailed below.

2. *Form of resolutions*

The current Articles of Association 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 has been removed as the concept of extraordinary resolutions has not been retained under the 2006 Act.

3. *Convening extraordinary and annual general meetings*

The provisions in the current Articles of Association dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the 2006 Act. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days notice whereas previously 21 days notice was required.

4. *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. Multiple proxies may also be appointed under the 2006 Act provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. It is proposed to amend the current Articles of Association to reflect these new provisions.

5. *Provisions relating to Directors' 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, 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. This requirement is very broad and could apply, for example, if a Director becomes a director of another company or a trustee of another organisation. Currently, Directors discuss such proposed positions with the Company before taking them up and there are actions that Directors can take to avoid a breach of their duties if an actual conflict arises. The 2006 Act allows Directors of public companies to authorise conflicts and potential conflicts where the Articles of Association contain a provision to this effect. The 2006 Act also allows the Articles of Association to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty. This change to the Articles of Association would 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.

There are safeguards that will apply when the 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 the Articles of Association should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director from being in breach of duty if a conflict of interest or potential conflict of interest should arise. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Board.

6. *Directors' indemnities and loans to fund expenditure*

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

7. *Non-executive Directors' remuneration*

It is proposed that the limit for ordinary remuneration of the non-executive Directors should be increased to £600,000 per annum in aggregate, from £500,000 per annum.

8. *Treasury Shares*

Following the Company's Acquisition of Own Shares (Treasury Shares) Regulations 2003, the Company may purchase its own shares and hold them "in treasury". Shares held in treasury may be resold at a later date or transferred for the purposes of, or pursuant to, an employee share scheme. For the period that any shares are held in treasury, all dividend and voting rights will be suspended and, to the extent that shareholders approve any disapplication of pre-emption rights, such disapplication will also apply to the sale of treasury shares. It is proposed to amend the current Articles of Association to contemplate expressly the treasury share provisions.

