

# CHAIRMAN'S EXPLANATORY LETTER AND NOTICE OF ANNUAL GENERAL MEETING

## **Annual General Meeting of Invensys plc ('the Company') to be held on Friday 18 July 2008 at 11.00am. This document is important and requires your immediate attention.**

When considering what action to take, you are recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the UK, or another appropriately authorised independent financial adviser if you are in a territory outside the UK. If you have recently sold or otherwise transferred all of your Invensys shares, please pass this document and the accompanying Form of Proxy to the purchaser or transferee, or to the agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. The Notice of Annual General Meeting is set out on page 4.

9 June 2008

# Invensys®

**Invensys plc**  
Registered office:  
Portland House  
Bressenden Place  
London SW1E 5BF

Registered in England and Wales  
no. 166023

Dear Shareholder

### **Annual report and accounts**

At last year's meeting, and in line with recent legislation, the Company passed a resolution to allow the Invensys website to be used for electronic communication with shareholders. At that time a consultation took place providing shareholders with the opportunity to elect, if they wished, to continue to receive hard copy documentation in the future. If you did not so elect but wish to receive a hard copy of the Annual report and accounts please telephone our registrars, Equiniti, on 0871 384 2036. To register for electronic shareholder communications please visit [www.shareview.co.uk](http://www.shareview.co.uk)

For those of you who have previously received a copy of the Summary financial statement ('SFS') and who last year, when consulted on electronic communications, elected to continue to receive hard copy documents, you will note that a full copy of the Annual report and accounts has been sent to you, as this year the Company has taken the decision not to produce an SFS. The intention is to reduce the duplication of work and printing expenses and limit the environmental impact of publishing our Annual report and accounts by encouraging shareholders in the longer term to move to less paper-intensive reporting. So that we are able to meet your requirements in full next year, please complete the request card enclosed to confirm the form of the Annual report and accounts and other shareholder documentation that would be suitable to your needs.

For the first time, the Company has put together a 'Highlights' document offering a quick, easy and convenient way for our shareholders to access what we feel are the main events affecting the Company and we hope you find this useful.

### **Annual General Meeting**

I am pleased to advise that the Annual General Meeting ('AGM') of the Company will be held on Friday 18 July 2008 at 11.00am at Park Plaza Victoria London, 239 Vauxhall Bridge Road, London SW1V 1EQ. Details of the business to be considered are set out in the Notice of AGM that follows this letter.

Following my address at the AGM there will be a presentation from Ulf Henriksson, our Chief Executive, who will describe the progress that we have made during the past year in building a strong foundation for growth and his expectations for the current financial year. This presentation will be followed by the formal business to be considered by the meeting, details of which are set out in the Notice of AGM attached to this letter. I would like to explain a number of the matters to be dealt with.

### **Directors**

The Company's Articles of Association require directors to retire and submit themselves for re-election by shareholders at least every three years. Bay Green will retire by rotation at this year's meeting, being the third year since he was last elected. The Nominating Committee undertakes an in-depth review of all Board appointments and re-elections on behalf of the Board and, based on the evaluation of continuing effectiveness, time commitment and contribution to the Company, the Board recommends that Mr Green be re-elected at the AGM.

## CHAIRMAN'S EXPLANATORY LETTER (CONTINUED)

Biographical details for Mr Green are set out below.

*Mr Bay Green (64) was appointed a non-executive director in January 2005 and became the chairman of the Audit Committee in December 2006. Mr Green also holds the positions of Vice Chairman of Dresdner Kleinwort, senior non-executive director of RPC Group plc, non-executive director of Axis-Shield plc and trustee of Help the Hospices. He serves as the chairman of the audit committees at RPC Group plc and Axis-Shield plc. In September 2006, he was appointed as specialist advisor to the Wholesale and Institutional Markets Business Unit of the Financial Services Authority.*

### Remuneration report

The Remuneration report is included in the Annual report and accounts, commencing at page 49. Directors must include specified information within their remuneration report in accordance with the Directors' Remuneration Report Regulations 2002 (the 'Regulations'). The Remuneration report for the year ended 31 March 2008 has been prepared accordingly and approved by the directors. Members must, under the Regulations, be given the opportunity to approve it. While the approval vote is advisory, it will be taken into account when considering the future operation and development of the Company's remuneration policy.

### Authority of directors to allot shares

Under the Companies Act 1985 the directors may only allot unissued shares if authorised to do so by the Articles of Association or by the shareholders in general meeting. Accordingly, it is proposed that a resolution (Resolution 6) be passed to give the directors authority to issue new shares, limited to a maximum of £26,307,729 in new shares at their nominal value. This represents approximately 33% of the Company's total share capital in issue. The Company does not hold any treasury shares. The directors have no present intention of exercising this authority other than pursuant to existing rights under employee share schemes; however, the directors may consider issuing unissued shares if they believe it would be appropriate to do so in respect of business opportunities that may arise consistent with the Company's strategic objectives.

A special resolution (Resolution 7) is also proposed to renew the directors' authority to allot equity securities for cash otherwise than in proportion to existing holdings. In the case of allotments other than for a rights issue, open offer or other issue in favour of existing holders, the authority is limited to equity securities up to an aggregate nominal amount of £3,986,019. This represents approximately 5% of the Company's total share capital in issue.

These authorities, unless renewed, will expire at the conclusion of the AGM in 2009, but it is our intention to seek renewal of the authorities each year.

### New Articles of Association

It is proposed, in Resolution 8, that new Articles of Association (the 'New Articles') be adopted by the Company to replace the Company's current Articles (the 'Current Articles'). This is proposed primarily to take account of changes in English company law brought about by the Companies Act 2006 (the '2006 Act') that are either already in force or are coming into force on 1 October 2008. As the parts of the 2006 Act that come into force on 1 October 2009 have not yet been published in final form, we are proposing that shareholders alter the current Articles at the 2008 AGM and again, as required, at the 2009 AGM.

Accordingly, if Resolution 8 is passed, the New Articles will become effective on 1 October 2008. As the proposed changes affect various provisions in the Current Articles, it is considered more practical to seek to replace the Current Articles in full rather than to seek approval for numerous individual amendments.

Over the coming year the Company, in conjunction with its legal advisers, intends to conduct a further review of the New Articles, with a view to incorporating further changes that are likely to be necessary or desirable following the full implementation of the 2006 Act in October 2009. Any proposed amendments will be put to shareholders at the 2009 AGM and, to the extent necessary, any subsequent AGMs of the Company.

We have summarised in the Appendix to the Notice those changes introduced in the New Articles which we consider will be of most interest to shareholders. Those changes in the New Articles which are of a minor, technical or clarifying nature have not been noted in the Appendix to the Notice.

A copy of the Current Articles and the New Articles will be available for inspection during normal business hours on any weekday (except for public holidays) at the registered office of the Company from the date of the Notice up to the time of the AGM. Copies will also be made available at Park Plaza Victoria London, 239 Vauxhall Bridge Road, London SW1V 1EQ from 10.45am on 18 July 2008 (or if the AGM is adjourned, on the date of the adjourned AGM) until the conclusion of the AGM.

### Proxies and voting

We are again providing facilities for proxies to be submitted electronically by those shareholders who wish to do so. Proxies may also be submitted by post as in previous years by shareholders preferring to continue with that method. Details are set out in the Notice of AGM and on your Form of Proxy. With your Form of Proxy is a card on which you may make comments or ask a question, and I will endeavour to provide a response to the most frequently raised matters in my address to the meeting.

Following our previous practice, all substantive resolutions at the meeting will be decided by poll, which will allow greater transparency in relation to the votes that have been cast by all our shareholders. As soon as practicable following the AGM, the results of the voting at the AGM, including the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions, will be announced via a Regulated Information Service and also placed on the Company's website at [www.invensys.com](http://www.invensys.com)

#### **Indirect investors**

Following the implementation of Part 9 of the 2006 Act, there are a number of rights that may now be available to indirect investors of Invensys plc, including the right to be nominated by the registered holder to receive general shareholder communications direct from the Company. These rights do not include the right to appoint a proxy. However, 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.

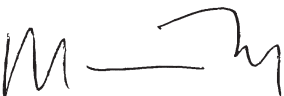
If you have been so nominated to receive general shareholder communications direct from the Company, it is important to remember that your main contact in terms of your investment remains with the registered shareholder or custodian or broker, or whoever administers the investment on your behalf.

#### **Recommendation and action to be taken**

The Board considers that the proposed resolutions in the Notice of AGM are in the best interests of the Company and its shareholders as a whole and recommends that you vote in favour as the directors intend to do in respect of their own beneficial holdings. Whether or not you intend to come to the AGM, please complete and return your Form of Proxy to the Company's registrars or use the electronic proxy facilities by not later than 11.00am on Wednesday 16 July 2008. By doing so you will not preclude yourself from attending and voting in person at the meeting.

Finally, as mentioned in the Annual report, I have informed the other members of the Board that I am intending to retire as Chairman and a director of the Company at the 2009 AGM. By then I will have been Chairman for six years and I believe that it will be an appropriate time to hand over to my successor. I have made my intentions clear now so that the Board can put in place a thorough and orderly process to appoint a new Chairman and ensure that a smooth transfer of responsibilities can take place.

Yours sincerely



**Martin Jay**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2008 Annual General Meeting of Invensys plc will be held at Park Plaza Victoria London, 239 Vauxhall Bridge Road, London SW1V 1EQ on Friday 18 July 2008 at 11.00am. The business of the meeting will be as follows:

## Items of business

Shareholders will be asked to consider and, if thought fit, to pass resolutions 1 to 6 as ordinary resolutions and resolutions 7 and 8 as special resolutions.

Resolutions 6, 7 and 8 are special business and all other resolutions are routine business.

- 1 To receive the report of the directors and the audited statement of accounts for the year ended 31 March 2008.
- 2 To approve the Board's Remuneration report contained in the Annual report and accounts for the year ended 31 March 2008.
- 3 To re-elect Bay Green who retires in accordance with the Articles of Association and offers himself for re-election.
- 4 To reappoint Ernst & Young LLP as auditors.
- 5 To authorise the directors to determine the auditors' remuneration.
- 6 To authorise the directors generally and unconditionally (in substitution for all subsisting authorities to the extent unused, other than in respect of any allotments made pursuant to offers or agreements made prior to the passing of this resolution) to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) up to an aggregate nominal amount of £26,307,729; this authority shall expire at the end of the next AGM of the Company after the passing of this resolution, and the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry.
- 7 To, subject to the passing of Resolution 6, authorise the directors pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of the Companies Act 1985) for cash pursuant to the authority conferred by the said Resolution 6 as if sub-section (1) of section 89 of the Companies Act 1985 did not apply to any such allotment provided that this power shall be limited:

- a to the allotment of equity securities in connection with a rights issue, open offer or other issue in favour of holders of ordinary shares and in favour of holders of any other class of equity security in accordance with the rights attached to such class where the equity securities attributable to the interest of all such persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by them (and/or in accordance with the rights attached to the shares in question) (but subject to such exclusions or other arrangements as the directors may consider appropriate in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body in, any territory or otherwise howsoever); and

- b to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate nominal amount of £3,986,019;

and shall expire at the end of the next AGM of the Company after the passing of this resolution, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry.

- 8 To approve the adoption of the new Articles of Association contained in the document produced to the meeting and signed by the Chairman for the purposes of identification as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company with effect from 00.01am on 1 October 2008.

By order of the Board  
**V M Hull**  
General Counsel & Company Secretary  
9 June 2008

Registered office:  
Portland House  
Bressenden Place  
London SW1E 5BF

You will have received a Form of Proxy and instructions for its completion and return by post are shown on the Form. You can also vote online at [www.shareview.co.uk](http://www.shareview.co.uk)

Notes:

- 1 Any shareholder of the Company entitled to attend and vote at the Annual General Meeting ('AGM') may appoint one or more proxies to attend, speak and vote instead of him or her provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. A proxy need not be a member of the Company. Appointing a proxy will not prevent a shareholder from attending in person and voting at the AGM. If a share is held by joint shareholders and more than one of the joint shareholders votes (including by way of proxy), the only vote that will count is the vote of the person whose name is listed before the other voters on the Register of Members. You may not use any electronic address provided in this Notice of AGM to communicate with the Company for any purposes other than those expressly stated.
- 2 To be effective, a Form of Proxy, together with the power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof, must be deposited with the Company's registrars not later than 11.00am on 16 July 2008. Completion of a Form of Proxy will not preclude a member from attending and voting at the AGM in person.
- 3 A Form of Proxy can also be completed via the internet. On the enclosed Form of Proxy there is a printed Voting ID, Task ID and Shareholder Reference Number which, together, make up a unique 24-character reference. This number is unique to each member. To complete and lodge a Form of Proxy, a member can either complete the Form of Proxy and return it in the enclosed prepaid envelope or log onto [www.sharevote.co.uk](http://www.sharevote.co.uk) and complete a proxy online.
- 4 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 18 July 2008 at 11.00am 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') must be properly authenticated in accordance with Euroclear's 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 (ID RA19) by 11.00am on 16 July 2008, or, if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM. 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 Company'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 proxy through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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.
- 5 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Register of Members as at 6.00pm on 16 July 2008 (or if the AGM is adjourned, two days before the time fixed for the adjourned AGM) shall be entitled to attend and/or vote at the AGM in respect of the number of shares registered in their name at that time. In each case, changes to entries on the Register of Members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
- 6 The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday from the date of this Notice until the AGM and will be available at the AGM from 10.45am until the conclusion of the meeting:
  - (a) copies of directors' service contracts and letters of appointment;
  - (b) copies of the directors' deeds of indemnity entered into in connection with the indemnification of directors' provisions of the Company's Articles of Association; and
  - (c) a copy of the Company's current Memorandum and Articles of Association, together with a copy of the Company's new Articles of Association proposed for approval under Resolution 8.
- 7 In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place so that (a) if a corporate member 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 other corporate representatives for that member at the AGM, 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 (b) if more than one corporate representative for the same corporate member attends the AGM but the corporate member has not appointed the Chairman of the AGM 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 members 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 (a) above.
- 8 As at 28 May 2008 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 797,203,933 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 28 May 2008 are 797,203,933.
- 9 Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him or her and the shareholder by whom he or she was nominated, to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in this paragraph can only be exercised by shareholders of the Company.

**Shareholders with disabilities**

The venue is wheelchair accessible and the meeting room is fitted with an induction loop. If you have any special access or other needs please contact us on telephone +44(0)20 7834 3848, facsimile +44(0)20 7834 3879 or email [company.secretary@invensys.com](mailto:company.secretary@invensys.com) and we will be pleased to provide appropriate help.

## Summary of changes introduced in the New Articles

### 1 Articles which duplicate statutory provisions

Provisions in the Current Articles that replicate provisions contained in the 2006 Act are proposed to be amended to bring them into line with the 2006 Act. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings.

### 2 Form of resolution

The Current Articles contain a provision that, where an ordinary resolution is required for any purpose, a special resolution or extraordinary resolution will also be effective and that, where for any purpose an extraordinary resolution is expressed to be required, a special resolution will also be effective. This provision and other provisions in the Current Articles that refer to “extraordinary resolutions” are being amended as the concept of extraordinary resolutions has not been retained under the 2006 Act.

### 3 Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the 2006 Act. The relevant provisions of the New Articles therefore reflect the provisions of the 2006 Act.

### 4 Convening annual and other general meetings

Provisions in the Current Articles that refer to “extraordinary general meetings” are being amended as the concept of extraordinary general meetings has not been retained under the 2006 Act. Extraordinary general meetings will now be referred to as general meetings.

The provisions dealing with the length of notice required to convene general meetings are also being amended. In particular, the minimum notice period for calling a general meeting (other than the annual general meeting) is being reduced from 21 clear days to 14 clear days. In addition, the chairman of a general meeting no longer has a casting vote.

### 5 Votes of members

Under the 2006 Act, proxies are entitled to speak and vote on a show of hands at a general meeting whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the 2006 Act and the articles cannot provide that they should be received more than 48 hours before the meeting, or in the case of a poll taken more than 48 hours after it was demanded, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided each proxy is appointed to exercise the rights attached to different shares held by the shareholder. Multiple corporate representatives may also be appointed. The New Articles reflect these provisions.

The Company is aware of concerns that have been raised about the effect of section 323(4) of the 2006 Act that provides that where a corporate shareholder appoints multiple corporate representatives and they exercise their powers to vote at a

general meeting in different ways, the power is treated as not exercised. The Company is subject to the new law regardless of any amendment to the articles but intends to take account of best practice to allow, as far as possible, multiple corporate representatives to attend general meetings of the Company and ensure their votes are counted.

### 6 Borrowing powers

The Current Articles contain provisions that prevent the total principal amount outstanding on the Group’s borrowings from exceeding an amount equal to three times its adjusted capital and reserves, as defined in the Current Articles. This equated to a borrowing limit of £3.9 billion as at 31 March 2008 and, whilst the Group’s borrowings were within this limit at that date, with the adoption by the Group of International Financial Reporting Standards (IFRS) it has become increasingly difficult to track the limit set out in the Current Articles. In particular, the definitions include a significant adjustment to write back goodwill written off to reserves under UK generally accepted accounting principles (UK GAAP) relating to past acquisitions. Having regard to the differences between IFRS and UK GAAP adopted by the Group when the Current Articles were adopted, the New Articles contain provisions that borrowing should not exceed the higher of (a) a fixed limit of £3 billion, which has been set by reference to the existing borrowing powers of the Group; and (b) 2.5 times adjusted share capital and reserves, the definition of which excludes IAS19 pension liabilities and minority interests.

### 7 Age of directors on appointment

The Current Articles contain a provision requiring a director’s age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so is not contained in the New Articles.

### 8 Directors’ interests

The 2006 Act sets out directors’ general duties. The provisions largely codify the existing law, but with some changes. Under the 2006 Act, from 1 October 2008, a director must avoid situations where he or she has, or can have, a direct or indirect interest that conflicts, or may possibly 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 provided the articles of association contain a provision to that 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. The New Articles give the directors authority, from 1 October 2008, 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 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. Secondly, in taking the decision, the directors must act in a way they consider, in good faith, will be most likely to promote the Company’s success. The

directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director against being in breach of duty should a conflict of interest or potential conflict of interest arise. 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 to authorise conflicts are operated effectively.

## **9 Indemnification of directors**

The Companies Act 2006 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.

The New Articles reflect the widened scope of the powers of a company to indemnify directors.

## **10 Electronic and web communications**

The 2006 Act contains provisions relating to electronic and/or website communications between companies and their shareholders. These provisions enable companies to use electronic communications as their default method of communication with shareholders by placing documents or information on a website unless shareholders specifically elect to receive hard copies of such documents or information. The Company took advantage of these provisions by passing a resolution on 2 August 2007 authorising the use of a website to send or supply documents and by sending a letter to all shareholders on 15 June 2007 to ask them individually to exercise their choice as to whether they wished to continue to receive documents or information in hard copy form or via the Company's website. The request explained that, if the Company did not receive a response by 31 July 2007, the shareholder would be taken to have agreed to receive documents or information via a website. Even if a shareholder failed to respond and is taken to have agreed to website publication, he or she can ask for a hard copy of any document or information from the Company at any time. The Company will send a notification to shareholders to alert them to the publication of the relevant document or information when it is made available on the website. Shareholders may choose to receive this notification in hard copy or electronic form. The arrangements are expected to save considerable administrative, printing and postage costs, while preserving shareholders' rights to receive hard copy documents or information if they wish. The Company now proposes to include these electronic communications provisions of the 2006 Act in the New Articles.

**invensys**<sup>®</sup>

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