

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN of the Eleventh Annual General Meeting of the Members of **UNITED BREWERIES LIMITED** to be held at GOOD SHEPHERD AUDITORIUM, OPP. ST. JOSEPH'S PRE-UNIVERSITY COLLEGE, RESIDENCY ROAD, BANGALORE-560 025, on Friday, August 20, 2010, at 12.15 p.m. for the following purposes:

1. To receive and consider the Accounts for the year ended March 31, 2010, and the Reports of the Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Mr. Chugh Yoginder Pal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Sunil Alagh, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr. A K Ravi Nedungadi, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

RESOLVED that Ms. Kiran Mazumdar Shaw, who in terms of Section 260 of the Companies Act, 1956 holds office till the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member under Section 257 of the said Act, be and is hereby appointed as a Director of the Company.

8. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

RESOLVED that Mr. Madhav Bhatkuly, who in terms of Section 260 of the Companies Act, 1956 holds office till the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member under Section 257 of the said Act, be and is hereby appointed as a Director of the Company.

9. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

RESOLVED that Mr. Duco Reinout Hooft Graafland, who in terms of Section 260 of the Companies Act, 1956 holds office till the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member under Section 257 of the said Act, be and is hereby appointed as a Director of the Company.

10. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

RESOLVED that Mr. Sijbe Hiemstra, who in terms of Section 260 of the Companies Act, 1956 holds office till the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member under Section 257 of the said Act, be and is hereby appointed as a Director of the Company not liable to retire by rotation.

11. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

RESOLVED that Mr. Guido de Boer, who in terms of Section 260 of the Companies Act, 1956 holds office till the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member under Section 257 of the said Act, be and is hereby appointed as a Director of the Company.

12. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

RESOLVED that Mr. Stephan Gerlich, who in terms of Section 260 of the Companies Act, 1956 holds office till the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member under Section 257 of the said Act, be and is hereby appointed as a Director of the Company.

13. To consider and if thought fit, to pass with or without modification the following Resolution as an **ORDINARY RESOLUTION**:

RESOLVED that pursuant to Sections 198, 269, 309 and the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification or re-enactment thereof, Mr. Guido de Boer's appointment as Chief Financial Officer of the Company, effective from December 7, 2009, for a period of Three Years up to December 6, 2012, be hereby approved by the members on the following terms and conditions:

1.	Salary	Rs.2,00,000/- per month with such increments as may be determined by the Board of Directors of the Company, from time to time as per the Rules of the Company.
2.	Special Allowance	Rs.8,09,000/- per month with such increases as may be determined by the Board of Directors of the Company from time to time as per Rules of the Company.
3.	Performance Evaluation Payment	Of such percentage of Basic Salary plus Special Allowance per annum as may be evaluated by the Management, based on performance, in accordance with the Rules of the Company, in this regard.
4.	Perquisites:	
i)	Housing	Company Leased furnished / unfurnished residential accommodation or House Rent Allowance of Rs.2,40,000 per month in lieu thereof plus the maintenance charges.
ii)	Medical Reimbursement	Expenditure incurred by Mr. Guido de Boer and his family, in accordance with the Rules of the Company.
iii)	Club Fees	Fees of Clubs subject to a maximum of two Clubs. This will include admission and life membership fees.
iv)	Personal Accident Insurance	Premium as per the Rules of the Company.
v)	Provident Fund	Company's contribution to Provident Fund shall be as per the Rules of the Company.
vi)	Provision of Car and telephone at the residence of Mr. Guido de Boer	As per the Rules of the Company.
vii)	Gas / Water / Electricity	Expenditure incurred on gas, water, electricity and furnishings shall be reimbursed at actuals.
viii)	Such other benefits, amenities, facilities and perquisites as per the Rules of the Company as applicable to senior executives and as may be permitted by the Board of Directors to the Chief Financial Officer and shall be valued as per Income Tax Rules.	

Notice (contd.)

Further **RESOLVED** that the remuneration payable to Mr. Guido de Boer (salary, perquisites, benefits, amenities and facilities) shall be subject to the provisions laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 or any other Statutory provision, modification or re-enactment thereof and shall be subject to the approval of the Central Government and/or such other Statutory / Regulatory bodies as may be required in terms of the relevant Regulations.

Further **RESOLVED** that in the event of absence or inadequacy of Profits in any financial year, the remuneration by way of salary, perquisites, benefits, amenities and facilities payable to Mr. Guido de Boer shall be subject to the provisions prescribed under the Companies Act, 1956 and the Rules made thereunder or any Statutory modification or re-enactment thereof.

During his tenure as Chief Financial Officer, Mr. Guido de Boer shall not be liable to retire by rotation.

14. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

RESOLVED that in terms of the provisions contained in Section 268 of the Companies Act, 1956 and subject to the approval of the Central Government and/or such other Regulatory Bodies, as may be required, and subject to such modifications as the Central Government and/or such other Regulatory Bodies may require while granting such approval, consent of the Members be and is hereby accorded for making Amendment to the terms of appointment of Dr. Vijay Mallya to hold office as Chairman of the Company and the existing Article 118 of the Articles of Association of the Company be replaced with a new Article containing the requisite Amendment.

15. To consider and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, in view of the understanding with Heineken N.V. and terms agreed therein, the Regulations contained in the existing Articles of Association of the Company be altered / replaced appropriately by making such modifications/substitutions as are required and the Articles of Association containing the amended Regulations submitted to the Meeting and initialed for the purpose of identification by the Chairman be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of such existing Regulations in the Articles of the Company where applicable.

Registered Office:

"UB TOWER", UB CITY,
No. 24, Vittal Mallya Road,
BANGALORE - 560 001.
Bangalore, July 21, 2010

By Order of the Board
Govind Iyengar
Divisional Vice President – Legal &
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and Annexure to Item No. 15 of the Resolution forms part of this Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed on **Thursday, August 19, 2010 and Friday, August 20, 2010.**
4. Members are requested to intimate to the Company's Registrars and Share Transfer Agents viz., **ALPHA SYSTEMS PRIVATE LIMITED, 30, RAMANA RESIDENCY, 4TH CROSS, SAMPIGE ROAD, MALLESWARAM, BANGALORE-560 003:**
 - a. any change in their addresses, and
 - b. the Nomination facility to be availed by them.
5. Members holding Shares in the same name or in the same order of names under different Ledger Folio Numbers are requested to apply for consolidation of such Folios to the Company's Registrars and Share Transfer Agents, Alpha Systems Private Limited.
6. Members are requested to:
 - bring their copy of **Annual Report** to the Meeting,
 - bring the **Attendance Slip sent herewith, duly filled in,**
 - bring their **Folio Number / DP and Client ID,** and
 - **avoid being accompanied by non-Members and children.**
7. Members are requested to quote the Folio Number / Client ID / DP ID in all correspondence.
8. Profile of Directors retiring by rotation and new Directors form part of Corporate Governance Report. Their details are also attached to this Notice, as required, for perusal of the Members.
9. **MEMBERS PLEASE NOTE THAT NO GIFTS SHALL BE DISTRIBUTED AT THE MEETING.**

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 7:

Ms. Kiran Mazumdar Shaw was appointed an Additional Director of the Company on October 26, 2009, as an addition to the Board pursuant to the provisions of Article 115 of the Articles of Association of the Company. In terms of the said Article and Section 260 of the Companies Act, 1956, she will hold office only up to the date of this Annual General Meeting. A Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 has been received by the Company from a Member signifying his intention to propose the appointment of Ms. Kiran Mazumdar Shaw as a Director of the Company.

None of the Directors, other than Ms. Kiran Mazumdar Shaw, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No. 8:

Mr. Madhav Bhatkuly was appointed an Additional Director of the Company on October 26, 2009 as an addition to the Board pursuant to the provisions of Article 115 of the Articles of Association of the Company. In terms of the said Article and Section 260 of the Companies Act, 1956, he will hold office only up to the date of this Annual General Meeting. A Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Madhav Bhatkuly as a Director of the Company.

None of the Directors, other than Mr. Madhav Bhatkuly, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No. 9:

Mr. Duco Reinout Hooft Graafland was appointed an Additional Director of the Company on December 07, 2009 as an addition to the Board pursuant to the provisions of Article 115 of the Articles of Association of the Company. In terms of the said Article and Section 260 of the Companies Act, 1956, he will hold office only up to the date of this Annual General Meeting. A Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Duco Reinout Hooft Graafland as a Director of the Company.

None of the Directors, other than Mr. Duco Reinout Hooft Graafland, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No. 10:

Mr. Sijbe Hiemstra was appointed an Additional Director of the Company on December 07, 2009 as an addition to the Board pursuant to the provisions of Article 115 of the Articles of Association of the Company. In terms of the said Article and Section 260 of the Companies Act, 1956, he will hold office only up to the date of this Annual General Meeting. A Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Sijbe Hiemstra as a Director of the Company.

In terms of the Shareholders' Agreement inter alia with Heineken N.V., in addition to the Chairman, CEO and CFO, the office of one more Heineken designated Director shall not be liable to retire by rotation. Therefore, it is proposed by Heineken that Mr. Sijbe Hiemstra shall not be liable to retire by rotation.

None of the Directors, other than Mr. Sijbe Hiemstra, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No. 11:

Mr. Guido de Boer was appointed an Additional Director of the Company on December 07, 2009 as an addition to the Board pursuant to the provisions of Article 115 of the Articles of Association of the Company. In terms of the said Article and Section 260 of the Companies Act, 1956, he will hold office only up to the date of this Annual General Meeting. A Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Guido de Boer as a Director of the Company.

None of the Directors, other than Mr. Guido de Boer, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No. 12:

Mr. Stephan Gerlich was appointed an Additional Director of the Company on July 02, 2010 as an addition to the Board pursuant to the provisions of Article 115 of the Articles of Association of the Company. In terms of the said Article and Section 260 of the Companies Act, 1956, he will hold office only up to the date of this Annual General Meeting. A Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500 has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Stephan Gerlich as a Director of the Company.

None of the Directors, other than Mr. Stephan Gerlich, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No. 13:

Pursuant to the understanding with Heineken N.V., Mr. Guido de Boer has been appointed as Chief Financial Officer (CFO) with effect from December 07, 2009, for a period of Three Years up to December 06, 2012. Heineken N.V. has seconded the appointment of Mr. Guido de Boer to hold the position of CFO in the Company and the salary, perquisites, amenities and benefits mentioned in the Resolution alone shall be paid by the Company.

Mr. Guido de Boer is M.Sc. in Economics & Business from Erasmus University Rotterdam. He has completed various Executive Development Programs at INSEAD-Fontainebleau and IMD-Lausanne. He started his career in investment banking, ultimately as Director at MeesPierson Corporate Finance & Capital Markets, advising corporations on M&A and Equity Capital Markets transactions in the Food & Beverages and Media industries. In 2004, he joined Heineken's Group Business Development department where he was involved in acquisitions, business due diligence projects, and business development strategy. Mr. de Boer led the Heineken deal team in the public offer for Scottish & Newcastle, in consortium with Carlsberg, for an enterprise value in excess of EUR 15bn. Having worked on acquisition and business due diligence projects in countries like Russia, Colombia, Nigeria and China, he brings with him the experience of a finance professional, possessing broad business skills, and an understanding of diverse emerging markets.

Your Directors are of the view that there will be considerable synergies in his joining the Board and holding the position of CFO of your Company and shall be an effective contribution to further the growth of the Company in all its spheres. Mr. de Boer is a Dutch National and a Non-Resident.

Approval of the Central Government and/or such other Statutory / Regulatory bodies as may be required are being sought in terms of relevant Regulations.

None of the Directors except Mr. Guido de Boer is concerned or interested in the above Resolution. Mr. de Boer's interest is to the extent of remuneration to be received by him from the Company.

Your Directors recommend the above Resolution for your approval.

Notice (contd.)

Item No.14:

The existing Article 118 of the Articles of Association of the Company provides that “VJM shall act as Chairman of the Company. The VJM Shareholders shall have the right to appoint a successor to VJM as Chairman. In the event that the Chairman is not present at any meeting of the Board or any meeting of the shareholders, the Board shall appoint one of the S&N Designated Directors as Chairman of the meeting”.

In terms of the understanding inter alia with Heineken N.V. (Heineken), it is necessary to incorporate certain conditions stipulated in the new Shareholders’ Agreement entered into with Heineken N.V. and hence the existing Regulations in the Articles of Association are being replaced by a new set of Regulations incorporating the said terms. **Members may note that Dr. Vijay Mallya has been defined as “VJM” inter alia in new Shareholders’ Agreement and the amended Articles of Association. Further, Members of the VJM Group holding Shares or securities in the Company from time to time and their permitted assigns / transferees are defined as “VJM Shareholders”.** The amended Regulations contained in Article 118.1, 118.2 and 118.3 provide as under:

CHAIRMAN

- 118.1** VJM shall act as the Chairman of the Company during his life time till such time that the VJM Group holds any shares in the Company. The VJM Shareholders shall have the right to appoint a successor to VJM as Chairman after consultation with the Heineken Group who shall have no objection to such successor acting as Chairman if VJM’s successor is a member of VJM’s family. Provided however that if on account of any statutory regulations hereafter VJM is not eligible to be Chairman because of his “Non-resident” status then in that event, VJM shall be entitled to nominate one of the VJM Designated Directors as the Chairman who shall be appointed subject to the prior written approval of Heineken which approval shall not be unreasonably withheld.
- 118.2** In the event that the VJM Shareholders appoint a successor to VJM as Chairman, the successor’s role will be that customarily fulfilled by a non-executive chairman unless the Heineken Shareholders and the VJM Shareholders, after discussion in good faith, agree otherwise.
- 118.3** In the event that the Chairman is not present at any meeting of the Board or any meeting of the shareholders, the Board shall appoint one of the Heineken Designated Directors as Chairman of the meeting.

The above revision will tantamount to amendment of the terms of appointment of Dr. Vijay Mallya as compared with the existing Article 118 mentioned above. In terms of the provisions contained in Section 268 of the Companies Act, 1956, any amendment or any modification relating to appointment of a Director not liable to retire by rotation whether the same is contained in the Articles or in any agreement will require approval of the Central Government and the amendment shall be void if not approved by the Central Government. Dr. Vijay Mallya shall continue to be a Director not liable to retire by rotation. In view of the changes in the existing terms of appointment of Dr. Vijay Mallya as Chairman of the Company, the above Resolution is proposed for passing by the Members and the approval of the Central Government would be sought thereafter.

None of the Directors, other than Dr. Vijay Mallya, is deemed to be concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Item No.15:

As a consequence of takeover of Scottish & Newcastle (S&N) Group by the Heineken Group (Heineken), the effective ownership of 37.49% of equity holding and that of the Cumulative Redeemable Preference Shares in your Company now effectively vests with Heineken. Your company has entered into a new Shareholders' Agreement inter alia with Heineken and have negotiated a comprehensive business partnership with Heineken thereby formalizing their entry into your Company.

Pursuant to the understanding with Heineken it would be necessary to incorporate certain conditions stipulated in the Agreements and thereby amend the existing Articles of Association of the Company substantially to contain provisions in conformity with the terms agreed with Heineken. The Articles of Association containing revised regulations has been prepared to meet the requirements of your Company and a copy thereof has been tabled at this Meeting and shall also be available at the Registered Office of the Company for inspection by any Member during the Company's working hours on any day.

The Articles have been corrected, re-numbered and restated wherever applicable and Articles which are relevant in terms of the statutory provisions have been retained in the amended Articles.

Details of all material alterations, substitutions, deletions, renumbering etc. proposed in the Articles of Association forming part of this Resolution and Explanatory statement is attached to this Notice.

None of the Directors is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

Registered Office:

"UB TOWER", UB CITY,
No. 24, Vittal Mallya Road,
BANGALORE - 560 001.
Bangalore, July 21, 2010

By Order of the Board
Govind Iyengar
Divisional Vice President – Legal &
Company Secretary

UNITED BREWERIES LIMITED

Annexure to Notice

ITEM NO. 15 OF NOTICE

Amendments to the Regulations contained in the Articles of Association appearing below forms part of the Special Resolution and Explanatory Statement thereto proposed at Item 15 of the Notice.

The following Articles are proposed to be incorporated and appropriate amendments proposed to be carried out. Certain Articles in the existing Articles of Association as mentioned herein have been deleted, renumbered, corrected or modified in view of the Amendments.

PRELIMINARY

ARTICLE 1

The Regulations contained in Table A, in the First Schedule to the Companies Act, 1956 or any Statutory modification thereof from time to time shall not be applicable to the Company in so far as such Regulations are not embodied in these Articles. Without prejudice to Article (35A), the rights and privileges granted to the VJM Group and the Heineken Group pursuant to these Articles shall continue until the same are terminated by written consent or agreement of each of them or otherwise or either of them ceases to be a Shareholder of the Company.

INTERPRETATION

ARTICLE 2

"Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof from time to time.

"Annual Budget" – definition deleted.

"Articles" means the Articles of Association of the Company as constituted and as may be amended by these presents or other Article of Associations or Regulations of the Company from time to time in force.

"Business Plan" – definition deleted;

"Budget" means the budget of the UBL Group from time to time setting out the business and funding plan (including capital expenditure requirements) for any financial year.

"Business Day" means any day (other than a Saturday or Sunday) on which banks are generally open for business in India, the United Kingdom, The Netherlands and Singapore (if applicable)

"Bye-Laws" – definition deleted.

"Chairman" shall be the chairman of the Board as provided in Article 118.1.

"Company" means United Breweries Limited established under the Memorandum of Association to which these Articles are annexed.

"Designated Directors" means, in relation to the Heineken Shareholder, the Heineken Designated Directors and, in relation to the VJM Shareholder the VJM Designated Directors appointed from time to time to the Board of the Company or their respective alternates appointed in accordance with these Articles and a "Designated Director" means any one of them.

"General Meeting" means a Meeting of Shareholders or Members of the Company whether Annual or Extraordinary.

"Heineken" means Heineken NV, a company incorporated and existing according to the laws of Netherlands, having its principal place of business at Tweede Weteringplantsoen 21, 1071 ZD, Amsterdam, Netherlands.

"Heineken Designated Directors" means the directors appointed from time to time to the Board by the Heineken Shareholder in accordance with Articles 115.1 and 115.2 or any alternate of such directors appointed in accordance with the Articles and an "Heineken Designated Director" shall mean any one of them.

"Heineken Representative" shall mean the Chief Executive Officer from time to time of Heineken or his designated representative nominated in accordance with Article 120.

"Heineken Group" means Heineken, SNIL, their subsidiaries, their holding companies (including Heineken) and any subsidiaries of such holding companies, in each case from time to time and a "member of the Heineken Group" shall mean any one of them provided however that the Heineken Group shall not include Heineken Holding N.V. or its holding companies from time to time.

"Heineken Shareholders" means any member of the Heineken Group which holds Shares or other securities from time to time in the Company and, as the case may be, their permitted assigns/permitted transferees in accordance with these Articles and an "Heineken Shareholder" shall mean any one of them provided however that Heineken Holding N.V. and its holding companies from time to time shall form part of Heineken Shareholders if they hold shares in the Company.

"Investor Directors" – definition deleted.

"Kingfisher Brand Protocol Agreement" means the agreement entered into between the Company and UBHL relating to the terms of use of the intellectual property in respect of the Kingfisher brand and logo.

"Kingfisher Copyright Licence" means the agreement entered into between the Company and UBHL relating to the license of certain intellectual property in respect of the Kingfisher logo.

"Member" shall mean each Shareholder and includes the duly registered holder from time to time of the Shares of the Company and the beneficial owner.

"Memorandum" means the Memorandum of Association of the Company.

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by Regulations made by the SEBI.

"Shareholder" shall mean any person who holds Shares of the Company.

"SNIL" means Scottish & Newcastle India Limited, a company incorporated under the laws of England (registration NoJ043809) having its registered office at Ashby House, 1 Bridge Street, Staines, Middlesex, TW18 4TP, United Kingdom.

"S&N" - definition deleted.

"S&N Designated Directors" - definition deleted.

"S&N Group" - definition deleted.

"S&N Representative" - definition deleted.

"S&N Shareholders" - definition deleted.

"The Company" - definition deleted.

"UBHL" means United Breweries (Holdings) Limited.

"VJM Shareholders" means any member of the VJM Group which holds Shares or securities in the Company from time to time and, as the case may be, their permitted assigns/permitted transferees in accordance with these Articles and a "VJM Shareholder" shall mean any one of them.

"Meeting or General Meeting" - definition deleted.

Existing **ARTICLES 3 to 35** have been retained as they are.