

**This document is important and requires your immediate attention. If you have any doubts about what action you need to take, you should contact your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have recently sold or transferred all your shares in Work Group plc please pass this document and the accompanying documents to the purchaser or transferee.**

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

Notice is hereby given that the Annual General Meeting of Work Group plc will be held at 12 noon on Tuesday 10 June 2008 at Saffron House, 6 – 10 Kirby Street London EC1N 8EQ to transact the following business:

#### **Ordinary business**

**1** To receive and consider the Company's Reports and Financial Statements for the year ended 31 December 2007 and the Auditors' report thereon.

**2** To approve the Directors' Remuneration Report contained within the Reports and Financial Statements for the year ended 31 December 2007.

**3** To declare a final dividend of 0.5 pence per ordinary share in the capital of the Company for the year ended 31 December 2007.

**4** To re-appoint Steve Bodger as a Director of the Company.

**5** To re-appoint Keith Cameron as a Director of the Company.

**6** To re-appoint Price Waterhouse Coopers LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting.

**7** To authorise the Directors to agree the remuneration of the Auditors.

**8** To resolve as an Ordinary Resolution that the authority conferred upon the Directors by article 5.1 of the Company's Articles of Association be and is renewed, that the Section 80 Amount for the purposes of that Article be £190,816 and that the prescribed period for those purposes expires on the earlier of fifteen months from the date of passing of this Resolution and the close of the next following Annual General Meeting of the Company.

**9** To resolve as a Special Resolution that the authority conferred by Article 5.2 of the Articles of Association be renewed, that the Section 89 Amount for the purposes of that Article be £28,622 and that the prescribed period for those purposes expires on the earlier of fifteen months from the date of passing of this Resolution and the close of the next following Annual General Meeting of the Company.

**10** To resolve as a Special Resolution that, pursuant to Article 15 of the Articles of Association of the Company, the Company be and is generally and unconditionally authorised subject to the provisions of the Act to purchase by market purchase (as defined by section 163 of the Companies Act 1985 (the "Act")) up to 1,431,123 ordinary shares of 2p each in its own capital subject to the following:

- a the purchase price for any share so purchased shall not exceed a sum (exclusive of all expenses) equal to 105% of the average of the middle market quotations for ordinary shares for the five business days immediately preceding the day of purchase (as derived from the London Stock Exchange Daily Official List) and shall not be less than the nominal value of the share;
- b the authority shall expire on the earlier of the close of the next following Annual General Meeting and the expiry of fifteen months from the date of the passing of this Resolution;

**Notice of the 2008 Annual General Meeting** continued

- c the Company may make a contract for purchase which would, or might, be executed wholly or partly after the expiry of the authority;
- d any shares purchased pursuant to the authority may be selected by the Directors in any manner as they from time to time deem appropriate.

**11** To resolve as a Special Resolution that the Articles of Association in the form laid before the meeting and for the purposes of identification signed by the Chairman be and are adopted as the Articles of Association of the Company in the place and to the exclusion of all existing Articles of Association.

By order of the Board



**Michael Warren**  
Company Secretary

**Notes**

- 1 A member of the Company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the Meeting. A member may appoint more than one such proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the appointing member.
- 2 A proxy need not be a member of the Company.
- 3 A form of proxy for use at the meeting is enclosed with this Notice. To be effective this form of proxy must be sent to our registrars at their address printed on the form so as to be received not less than 48 hours before the time fixed for the meeting (disregarding time during a day that is a Saturday, Sunday or public holiday).
- 4 A member who has so appointed a proxy is not thereby precluded from attending and voting in person at the meeting if so desired.
- 5 Copies of the following will be available for inspection during usual business hours or on any weekday (Saturdays and public holidays excluded) at Saffron House, 6 – 10 Kirby Street, London EC1N 8EQ from the date of this Notice until the end of the Meeting:
  - a the register of interests of directors and their families in the shares of the Company;
  - b copies of the engagement contracts of the Directors with the Company;
  - c the proposed new Articles of Association of the Company, including in a version showing by tracked changes the alterations from the existing Articles of Association.

## Appendix

### Explanatory notes on the proposed resolutions

The explanatory notes below summarise the purpose of the Resolutions to be voted upon by Shareholders at this year's Annual General Meeting.

Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions; more than 50% of the votes cast must support these resolutions in order for them to be passed. Resolutions 9, 10 and 11 will be proposed as special resolutions and 75% or more of the votes cast must support them in order for these resolutions to be passed.

The following numbers represent the number of the Resolution to which the notes refer:

**1** Shareholders will be asked to approve the adoption of the Reports and Financial Statements for the year ended 31 December 2007.

**2** Shareholders will be asked to approve the adoption of the Directors' Remuneration Report for the year ended 31 December 2007. Under the Directors' Remuneration Report Regulations 2002, Directors are required to ask shareholders to vote on the Directors' Remuneration Report (shown on page 22 of the Annual Report and Accounts 2007). The Directors, who have unanimously endorsed the Directors' Remuneration Report, consider that asking the shareholders to vote on this Report facilitates accountability and transparency.

**3** Shareholders will be asked to approve payment of a final dividend of 0.5 pence per ordinary share for the year ended 31 December 2007. If this resolution is approved, the dividend will be paid on 16 June 2008 to those shareholders on the register at close of business on 16 May 2008.

**4** Steve Bodger was appointed as a Director of the Company in 2006 and is required under the Articles of Association to retire by rotation. He is a Non-Executive Director.

**5** Keith Cameron was appointed as a Director of the Company in 2006 and is required under the Articles of Association to retire by rotation. He is a Non-Executive Director.

**6 and 7** The Company is required to appoint auditors at each general meeting at which accounts are laid before the shareholders. The auditors are appointed from the conclusion of the forthcoming Annual General Meeting until the conclusion of next year's Annual General Meeting.

**8** This Resolution authorises the Directors to allot or agree to allot new shares and will allow the Directors to allot or agree to allot further relevant securities up to an aggregate nominal amount of £190,816, representing one third of the Company's issued share capital at the date of this Notice. This authority, if passed, will lapse at the earlier of the Annual General Meeting following its passing or, if later, on 10 September 2009. The Directors have no present intention of allotting new ordinary securities, other than pursuant to the Company's 2007 Employees' Share Option Scheme, but may do so in consideration for any acquisition by the Company. The Company presently holds no treasury shares.

**9** Unless they are given the appropriate power, Directors may not allot new equity shares (including treasury shares) for cash (excluding shares issued under employees' share schemes) unless they have first been offered to existing shareholders in proportion to their holdings. There may however be occasions when in order to act in the best interests of the shareholders and the Company, the Directors will need the flexibility to issue a small number of shares for cash. This Special Resolution empowers them to allot shares with a nominal value totalling up to £28,622 without making any such prior offer to shareholders; this sum represents five per cent of the Company's issued share capital at the date of this Notice.

This power will automatically lapse at the end of the Company's next Annual General Meeting or on 10 September 2009, whichever is earlier.

**10** This Special Resolution allows the Company to buy back up to 1,431,123 of its issued ordinary shares by market purchase. This is equal to five per cent of the Company's issued share capital at the date of this Notice. The Resolution sets out the lowest and highest prices the Company may pay for the shares.

The Directors are committed to creating shareholder value. Buying back the Company's shares is one of the options they keep under review. The Directors will implement such purchases only if they consider it is in the shareholders' best interests to do so. Before making such a decision they would consider the effect on earnings per share.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 allow companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Company may therefore consider holding any of its own shares that it purchases pursuant to the authority conferred by this Resolution as treasury shares as an alternative to cancelling them. This would give the Company the ability to re-issue such shares quickly and cost effectively, and would provide the Company with additional flexibility in the management of its capital base. The Directors believe that it is desirable for the Company to have this flexibility.

Unless the Directors determine that they are to be held as treasury shares (see above), any shares in its own capital purchased by the Company would be cancelled and the number of shares in issue would be reduced accordingly. Shares held in treasury would not automatically be cancelled but would not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

No dividends would be paid on shares whilst held in treasury and no voting rights would be exercisable in respect of treasury shares.

This power will automatically lapse at the end of the Company's next Annual General Meeting or on 10 September 2009, whichever is earlier.

**11** Resolution 11 adopts new Articles of Association of the Company ("the New Articles"). These are proposed in order to reflect changes in law effected by the Companies Act 2006 ("the 2006 Act"). The principal changes are set out below and a copy of the Company's existing Articles of Association ("the Existing Articles") showing by track-changing the alterations made is available for inspection as stated in Note 5(c) to the Notice of Meeting:

**11.1 Statutory Provisions** Provisions of the Existing Articles which refer or give effect to provisions of the Companies Act 1985 are amended to cause them to correspond with the relevant provisions of the 2006 Act.

**11.2 Extraordinary Resolutions** The concept of extraordinary resolutions has been abandoned under the 2006 Act and accordingly those provisions of the Existing Articles which refer to extraordinary resolutions have been amended appropriately.

**11.3 General Meetings** The provisions of the Existing Articles relating to the convening of general meetings are amended to conform to the relevant provisions of the 2006 Act. In particular, a general meeting to consider a special resolution now requires only fourteen days' notice instead of the former twenty-one days' notice.

**11.4 Voting** The provisions of the Existing Articles relating to the appointment and powers of proxies are amended to reflect the relevant provisions of the 2006 Act. In particular, proxies may vote on a show of hands and not only on a poll; the time limits for submission to the Company of a form appointing a proxy have been amended so that the relevant period is forty-eight hours before the meeting or in the case of a poll to be taken more than forty-eight hours after the meeting, twenty-four hours before the time of the poll; multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to different shares held by the appointing member.

**11.5 Corporate Representatives** The New Articles enable a corporate representative to appoint separate representatives to exercise the rights attached to different shares held by it and permits those rights to be exercised in different ways by the respective representatives.

**11.6 Directors' Age** The provision of the Existing Articles relating to Directors who have achieved the age of seventy have been omitted, as the 2006 Act does not make special requirements in this respect and implementation of the existing provisions could be unlawful.

**11.7 Electronic and Web Communications** The 2006 Act enables companies to communicate with members by electronic and/or website media. The New Articles include appropriate provisions to take advantage of this. Before the Company may communicate with a member by website communication, it must ask the relevant member individually to agree that the Company may send to him documents or information by means of a website and the Company must either have received a positive response or have received no response within twenty-eight days beginning with the date on which the request was sent. The Company will notify the member (in writing or by other permitted means) when a relevant document or information is placed on the website and the member can at any time request a printed version of the document or information.

**11.8 Directors' Conflicts of Interest** The 2006 Act sets out Directors' general duties and as from 1 October 2008 these duties include the obligation that Directors avoid any situation where he has or can have a direct or indirect interest which conflicts or may conflict with the interests of the Company. The obligation is widely drafted and could include circumstances where the Company's interests are not prejudiced; accordingly, the 2006 Act specifically empowers Directors to authorise conflicts and potential conflicts where appropriate if the Articles of Association of the Company contain a provision to this effect and it also permits such Articles of Association to contain other provisions for dealing with conflicts of interest so as to avoid breaches of duty. The New Articles give the Directors the authority to give such approval and include other provisions to allow conflicts of interest to be dealt with in a way similar to the current position.

The New Articles contain safeguards which will apply when Directors decide whether or not to give authority in respect of a conflict or potential conflict: only Directors with no interest in the matter under consideration may participate in the relevant decision and in doing so they must act in a way which they consider in good faith will be most likely to promote the Company's success. The Directors may impose limits or conditions in giving authority where they feel this to be appropriate.

In addition, to avoid difficulties arising in relation to confidential information in the context of a conflict, the New Articles contain provisions in this respect.

**Work Group plc**

Saffron House  
6 – 10 Kirby Street  
London  
EC1N 8EQ

Phone 020 7492 0000  
Fax 020 7492 0001  
[www.workgroup.plc.uk](http://www.workgroup.plc.uk)

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