

## **PINNACLE STAFFING GROUP PLC**

**NOTICE IS HEREBY GIVEN** that the second annual general meeting of the Company will be held at the offices of Eversheds LLP at 1 Wood Street, London, EC2V 7WS on Wednesday, 21st May 2008 at 3:00pm to transact the following business:

### **ORDINARY BUSINESS**

1. To receive the accounts of the Company for the year ended 31 December 2007 and the reports of the directors and the auditors.
2. To re-elect D Laing as a director.
3. To re-elect T Jones as a director.
4. To elect J Skinner as a director.
5. To elect E Gowrie as a director.
6. To appoint PricewaterhouseCoopers LLP as auditor to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the Directors to fix their remuneration for PricewaterhouseCoopers LLP as auditor.

### **SPECIAL BUSINESS**

To consider and, if thought fit, (and in the case of resolution 9 to the passing of resolution 8) pass the following resolution. Resolution 8 will be proposed as an ordinary resolution and resolution 9 as a special resolution.

8. THAT the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") (in substitution for any existing authorities to allot relevant securities) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum nominal amount of £2,921,103 (being approximately 33.33% of the issued share capital of the company) provided that such authority shall expire at the conclusion of the next Annual General Meeting (or, if earlier on 20 August 2009) and provided further that the Company may before such expiry make such offers or agreements which would or might require relevant securities to be allotted after such expiry.
9. THAT, subject to the passing of resolution 8, the Directors be and are hereby empowered pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash as if section 89(1) did not apply to such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with a rights issue or other issue in favour of the holders of ordinary shares (notwithstanding that, by reason of such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, the equity securities to be issued are not offered to all such holders in proportion to the number of ordinary shares held by each of them); and
- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £438,165 being approximately 5% of the Company's issued share capital;

and such power shall expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (or if earlier 20 August, 2009) save that the Company may before such expiry make any offers or agreements which would or might require equity securities to be allotted after such expiry.

10. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

That, new Articles of Association, a copy of which was presented to the meeting and signed by the Chairman for the purposes of identification, be hereby approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association with effect from 1 October 2008.

Dated: 17 April 2008

By Order of the Board  
David Laing  
Secretary

Registered Office:  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4JL

**Notes:**

1. A member who is entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, vote instead of the member. Completion and

return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.

2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or notarially certified or office copy of such power or authority, must reach the Company's registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol, BS99 3FA not less than 48 hours before the time of the meeting or of any adjournment of the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's share register at 6:00pm on 19 May 2008 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## EXPLANATION OF SPECIAL BUSINESS OF THE COMPANY

### **Resolution 8**

The Companies Act 1985 requires the directors' authority to allot shares be subject to the approval of the shareholders at general meeting. This authority was last granted at the AGM held in 2007. It has been decided to renew this authority at this time to keep it in line with the power to allot shares under Article 16 of the Articles of Association of the Company.

### **Resolution 9**

The Companies Act 1985 requires that any equity securities issued wholly for cash must first be offered to existing shareholders in proportion to their existing holding, although this requirement may be modified by special resolution. This power was last granted at the AGM held in 2007. The directors feel it would be prudent to renew this power at the 2008 AGM in order to ensure that they have adequate authority to issue new shares.

### **Resolution 10**

The Company is seeking to amend its Articles of Association to comply with the Companies Act 2006 (the "Act") which is being brought into force in stages. Most of the changes that your board are suggesting to the Articles of Association have come into force since January 2007. However, one major change, the new directors' duty to avoid conflicts of interest and the means by which those conflicts can be authorised, is due to come into force on 1 October 2008. After discussion, the board came to the decision that this change in the law meant that the current Articles of your company would be in conflict with the Companies Act and would need to be amended. It is therefore the intention of the board to seek members' authority to change its Articles at this annual general meeting rather than have to hold another general meeting later in the year. The Board is seeking for authority to amend the Articles, such amendments to be adopted on 1 October 2008. It is the board's intention that until that time, the Company would operate under the current Articles of Association.

As well as some cosmetic changes the main amendments to your Company's Articles would be as follows:

#### *Electronic Communications*

This an expansion of the current Articles relating to electronic communication and permits the Company to send and receive notices, proxies and documents in electronic format or by posting on a website.

#### *Age Limit for Directors*

To bring the Company in line with the Employment Equality (Age) Regulations 2006, the requirement for directors to retire at the age of 70 has been removed.

### *Meetings/AGM*

The Act now requires a public company to hold its AGM within six months from its accounting reference date. The proposed Articles contain an amendment to reflect this change in the law. Similarly Extraordinary General Meetings no longer exist, in future any meeting of the Company's members which is not the Annual General Meeting will be known as a General Meeting.

As of October 2007, members are entitled to nominate another person or persons to enjoy or exercise all or any specified rights of the member. In particular where shares are held on behalf of another, the Act provides a right for the exercise of specified rights where it receives requests from members and from those whose shares are held by that member. The proposed Articles have provisions reflecting these changes.

### *Proxies/Corporate Representatives*

The Act enables members to appoint more than one proxy or where appropriate more than one corporate representative, provided each proxy/corporate representative exercises rights attached to a different share or shares. Proxies are also able to attend a general meeting and to speak and vote (both on a poll and on a show of hands). Corporate representatives already had these rights.

### *Extraordinary resolutions*

The Act does not refer to extraordinary resolutions only to ordinary, special and written resolutions. The proposed new Articles have therefore removed all reference to extraordinary resolutions.

### *Directors' duty to avoid conflicts of interest*

Under the Act the board of a company is given the power to authorise conflicts of other directors provided the conflicted director does not take part in the vote or is counted as part of the quorum.

A copy of the Articles of Association with the changes clearly marked will be available for members to inspect at the Annual General Meeting.