

## Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of Tenon Group PLC ('the company') will be held at its offices at 66 Chiltern Street, London W1U 4GB at 10.00am on 15 December 2009 for the purposes of considering and, if thought fit, passing the following resolutions:

### Ordinary business

#### Ordinary resolutions:

1. To receive and adopt the report of the directors and the financial statements for the year ended 30 June 2009.
2. To approve the directors' remuneration report for the year ended 30 June 2009.
3. To declare a dividend of 1.5 pence per ordinary 10 pence share in the capital of the company ('ordinary shares') payable to shareholders on the register on 4 December 2009.
4. To re-elect Carl Stuart Jackson, who retires from the board in accordance with Article 56, as a director of the company.
5. To elect Adrian Howard Martin, who was appointed to the board during the year and who retires in accordance with Article 54, as a director of the company.
6. To re-appoint PricewaterhouseCoopers LLP as auditors.
7. To authorise the directors to agree the auditors' remuneration.

### Special business

#### Ordinary resolutions:

8. THAT, the directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the 'Act') to exercise all powers of the company to allot shares in the company and to grant rights to subscribe for, or to convert any security into, shares in the company ('relevant securities'), up to a maximum aggregate nominal value of £6,377,911.13 provided that:
  - (a) this authority shall (unless previously revoked, varied or renewed) expire on the earlier of 15 months after the passing of this resolution and the conclusion of the next annual general meeting of the company following the passing of this resolution; and
  - (b) the company shall be entitled to make any offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the directors may allot any relevant securities pursuant to such offer or agreement as if such authority had not expired.
9. THAT, the directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all powers of the company to allot equity securities in the company (within the meaning of Section 560 of the Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as near as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £12,755,822.27 provided that this authority shall expire on the date of the next annual general meeting of the company after the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allocated after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### Special resolutions:

10. THAT, subject to the passing of resolution 8 above, the directors be and are hereby generally empowered pursuant to Section 570 and 573 of the Act to allot equity securities (within the meaning of section 560(1) of the Act) for cash, pursuant to the authority conferred in resolution 8 as if section 561(1) of the Act did not apply to such allotment, provided that this power shall expire on the earlier of 15 months after the passing of this resolution and the conclusion of the annual general meeting of the company next following the passing of this resolution. This power shall be limited to the allotment of equity securities:
  - (a) in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of ordinary shares in the capital of the company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares but subject to such exclusions or other arrangement as the directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;
  - (b) otherwise than pursuant to paragraph 10(a) above, up to an aggregate nominal amount of £956,686.67,

but the company may make an offer or agreement which would or might require equity securities to be allotted after this power expires and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

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(continued)

### Special business (continued)

11. THAT the company be unconditionally and generally authorised to make market purchases (as defined by Section 693(4) of the Act) of ordinary shares on such terms as the directors shall determine, provided that:
  - (a) the maximum number of shares which may be so acquired is 19,133,733;
  - (b) the minimum price which may be so paid is 10p per share;
  - (c) the maximum price which may be so paid for each share shall not exceed 5 per cent over the average of the closing middle market price of the ordinary shares (as derived from the Daily Official List) for the five business days immediately preceding the date on which the company agrees to buy the shares concerned; and
  - (d) this authority (unless previously revoked, varied or renewed) shall expire at the earlier of 15 months after the passing of this resolution or the annual general meeting of the company next following the passing of this resolution, except in relation to the purchase of ordinary shares, the contract for which was concluded before such date and which will or may be executed wholly or partly after such date.
12. THAT:
  - (a) the Articles of Association of the company be amended by deleting all the provisions in the company's Memorandum of Association which, by virtue of Section 28 of the Act, are to be treated as part of the company's Articles of Association; and
  - (b) the Articles of Association produced to the meeting 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.

By order of the board



**Christopher Crouch**  
Company secretary

3 November 2009

**Registered office:**  
66 Chiltern Street, London W1U 4GB

### Notes to the Notice of annual general meeting ('AGM')

1. Holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All Proxy Forms must be signed and, to be effective, must be lodged with the company's registrar so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time.
2. The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
3. Only shareholders whose names appear on the register of members of the company as at 48 hours before the time of the meeting shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the company's register of members at 6:00pm on the day which is two days before the day of the meeting or, if the meeting is adjourned, shareholders entered on the company's register of members at 6:00pm on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.

# Explanatory notes of principal changes to the Articles of Association of Tenon Group PLC ('the company')

It is proposed that the company adopt new Articles of Association (the 'New Articles') in order to update the company's current Articles of Association (the 'Current Articles') to take account of the implementation on 1 October 2009 of the final parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised below. Further changes, which are of a minor, technical or clarifying nature including some which merely reflect changes made by the Companies Act 2006, have not been detailed. The New Articles showing the changes to the Current Articles are available for inspection, at an agreed time, please ring 020 7535 1468 during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the company's registered office at 66 Chiltern Street, London W1U 4GB. They will also be available for inspection at the AGM from 9.30am until the conclusion of the AGM.

## 1 The company's objects

The provisions regulating the operations of the company are currently set out in the company's Memorandum and Articles of Association. The company's memorandum contains, among other things, the objects clause which sets out the scope of activities the company is authorised to undertake.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006, the objects clause and all other provisions which are contained in the memorandum of a company already in existence at 1 October 2009 were deemed, with effect from 1 October 2009 onwards, to be contained in a company's Articles of Association. A company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted; this abolishes the need for companies to have objects clauses. For this reason the company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the company's Articles of Association. Resolution 12 approves the removal of these provisions.

## 2 Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006, a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the company's name.

## 3 Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can allot at any time, because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

## 4 Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, its articles had to contain the terms and manner of redemption. The Companies Act 2006 enables the directors to determine such matters provided they are authorised to do so by the articles. The New Articles contain such an authorisation. The company has no plans to issue redeemable shares; if the directors decided to issue redeemable shares, any new shares would need to be issued within the authorisations approved at the AGM or additional shareholder authorisation would need to be obtained.

## 5 Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006, a company only requires shareholder authority to do any of these things and, as a result, it will no longer be necessary for the company's articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.

## 6 Use of seals

Prior to 1 October 2009, a company required authority in its articles to have an official seal for use abroad. After 1 October 2009 such authority is no longer required. Accordingly, the relevant authorisation has been removed in the New Articles. The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.