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If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Existing Shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document is not an offer of securities, or the solicitation of an offer to acquire securities, in any jurisdiction. This document is also not a prospectus or equivalent document. Members of the public are not eligible to participate in the Placing. New Ordinary Shares will only be issued to those institutional investors, directors, Shareholders and other sophisticated investors who have agreed to subscribe for New Ordinary Shares in accordance with and subject to the terms and conditions of the Placing. The information about the Placing in this document is provided solely for the information of Shareholders in connection with the General Meeting and not to any other person or for any other purpose.

Tenon Group PLC

(incorporated and registered in England and Wales under the Companies Act 1985 (as amended) with registered no. 03931297)

Placing of 88,888,889 new Ordinary Shares of 10 pence each at 45 pence per share and issue of up to 47,777,778 Consideration Shares in connection with the proposed acquisition of RSM Bentley Jennison

and

Notice of General Meeting

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission to AIM will be effective, and dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 30 December 2009.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document.

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 09 to 15 of this document and which contains the Directors' recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of Tenon Group PLC, to be held at Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT at 10.00 a.m. on 29 December 2009, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the meeting should be completed and returned to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, by not later than 10.00 a.m. on 27 December 2009. The completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Important information

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the laws of any state or other jurisdiction of the United States and may not be offered, sold or transferred, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The New Ordinary Shares have not been and will not be registered or qualified for distribution to the public under the securities legislation of any jurisdiction. Accordingly, the New Ordinary Shares may not be offered, sold or transferred, directly or indirectly, in or into Australia, Canada, Japan, New Zealand, South Africa or Switzerland, or any province or territory thereof, or any other jurisdiction in which it would be unlawful to do so.

The release, publication or distribution of this document in certain jurisdictions (including the United Kingdom) may be restricted by law and therefore any persons into whose possession this document comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company, Numis or Altium that would permit possession or distribution of this document in any jurisdiction (including the United Kingdom) where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

Numis, which is regulated and authorised in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and joint broker for the purposes of the AIM Rules exclusively for the Company in connection with the proposed Placing. Numis is not acting for any other person and will not be responsible to any other person for providing the protections afforded to clients of Numis, or for advising any other person in connection with the Placing. The responsibilities of Numis as nominated adviser are owed solely to the London Stock Exchange and not to the Company or to any Director or any person in respect of any decision to acquire New Ordinary Shares in reliance on any part of this document.

Altium, which is regulated and authorised in the United Kingdom by the Financial Services Authority, is acting as joint broker in connection with the proposed Placing. Altium is not acting for any other person and will not be responsible to any other person for providing the protections afforded to clients of Altium, or for advising any other person in connection with the Placing.

This document includes statements that are, or may be deemed to be, forward looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not facts. They appear in a number of places throughout this document and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and its industry. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Any forward looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, none of the Company, Numis or Altium undertakes any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

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Placing statistics

Placing Price.....	45 pence
Number of Existing Shares ¹	191,337,334
Number of new Ordinary Shares being placed on behalf of the Company.....	88,888,889
Number of Ordinary Shares in issue immediately following Admission ²	319,115,112
Estimated net proceeds of the Placing receivable by the Company.....	£39.0m
New Ordinary Shares as a percentage of the Enlarged Share Capital.....	28%

Expected timetable of principal events

Announcement of the Proposed Acquisition and posting of the Circular and Forms of Proxy.....	9 December 2009
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 27 December 2009
General Meeting	10.00 a.m. on 29 December 2009
Admission to AIM and commencement of dealings in the New Ordinary Shares.....	8.00 a.m. on 30 December 2009
CREST accounts credited with New Ordinary Shares.....	30 December 2009
Despatch of definitive share certificates for New Ordinary Shares.....	by 8 January 2010

¹ As at the date of this document (the Company is proposing to issue more Ordinary Shares pursuant to the exercise of options before the General Meeting).

² Assuming the maximum number of Consideration Shares are issued and not taking into account the Ordinary Shares to be issued pursuant to the exercise of options before the General Meeting.

Advisers

Nominated Adviser

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Joint Corporate Brokers and Joint Brokers to the Placing

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Altium Capital Limited
30 St James's Square
London SW1Y 4AL

Solicitors to the Company

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

Solicitors to the Nominated Adviser and Joint Brokers to the Placing

Nabarro LLP
Lacon House
84 Theobald's Road
London WC1X 8RW

Independent auditors

Pricewaterhouse Coopers LLP
Chartered Accountants
and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester M2 3PW

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006
“Acquisition Agreement”	the conditional acquisition agreement dated 9 December 2009 between, amongst others, (1) the Vendors, (2) Tenon Limited, (3) Tenon Audit and (4) the Company, relating to the proposed acquisition of the business and assets of RSM Bentley Jennison and the 5,000,000 A shares in the capital of RSM BJ FM Group Limited
“Admission”	the admission of the New Ordinary Shares and the Consideration Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Altium”	Altium Capital Limited, together with Numis, the Company’s joint broker in relation to the Placing
“Business Day”	any day other than a Saturday, Sunday or a UK Bank Holiday on which banks are generally open for normal banking business in the City of London
“Circular”	this circular dated 9 December 2009
“Company” or “Tenon” or “Tenon Group”	Tenon Group PLC
“Consideration Shares”	the Ordinary Shares to be allotted to the shareholders of RSM Bentley Jennison Limited and to the RSM Bentley Jennison Partnership pursuant to the terms of the Acquisition Agreement
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“Directors” or “Board”	the Directors of the Company whose names are set out on page 09 of this document
“Enlarged Group”	the Group as enlarged by the Proposed Acquisition
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following Admission, assuming the maximum number of Consideration Shares are issued
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Shares”	the 191,337,334 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM (the Company is proposing to issue more Ordinary Shares pursuant to the exercise of options before the General Meeting)
“Facilities Agreement”	the facilities agreement dated 2 November 2007 between (1) the Company and Tenon Limited as borrowers, (2) the parties listed therein as original guarantors, (3) Lloyds TSB Corporate Markets as arranger and (4) Lloyds TSB Bank plc as original lender, agent and security trustee as amended and restated on or about the date of this Circular
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“FY 2009”	the financial year of the Company ended 30 June 2009
“General Meeting”	the General Meeting of the Company to be held on 29 December 2009
“Group”	the Company and its subsidiaries;
“H1 2009”	the six months ended 31 December 2008
“H2 2009”	the six months ended 30 June 2009
“H1 2010”	the six months ended 31 December 2009
“H2 2010”	the six months ended 30 June 2010

Definitions

"HMRC"	HM Revenue & Customs
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	the 88,888,889 New Ordinary Shares to be issued pursuant to the Placing
"Notice of General Meeting"	the notice convening the general meeting which is set out on page 18 of this document
"Numis"	Numis Securities Limited, the Company's nominated adviser and, together with Altium, the Company's joint broker in relation to the Placing
"Ordinary Shares"	ordinary shares of 10 pence each in the capital of the Company
"Placing"	the conditional placing of New Ordinary Shares with institutional investors, directors, Shareholders and other sophisticated investors pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 9 December 2009 between (1) the Company, (2) Numis and (3) Altium relating to the Placing
"Placing Price"	45 pence per New Ordinary Share
"Proposed Acquisition"	the proposed acquisition by Tenon Limited and Tenon Audit of the business and assets of RSM Bentley Jennison and the shares in the capital of RSM BJ FM Group Limited pursuant to the Acquisition Agreement
"Resolution"	the special resolution set out in the Notice of General Meeting
"Shareholders"	holders of Ordinary Shares
"Tenon Audit"	Tenon Audit Limited
"UK"	the United Kingdom of Great Britain and Northern Ireland
"US" or "United States"	the United States of America, its territories and possessions
"Vendors"	RSM Bentley Jennison (a partnership), RSM Bentley Jennison Limited and its shareholders, Bentley Jennison Risk Management Limited, RSM BJ Resources Limited, BJ Birmingham Limited, Bentley Jennison Business Solutions Limited, Coach House Associated Limited, BJ Consulting Limited, Cetus Limited and BJ Online Limited

Letter from the Chairman

Tenon Group PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended) with registered no. 03931297)

Directors:

Arthur Leonard Robert Morton (Non-Executive Chairman)
Andrew Paul Raynor (Chief Executive Officer)
Russell Sinclair McBurnie (Finance Director)
Carl Stuart Jackson (Operations Director)
Adrian Howard Martin (Non-Executive Director)
John Anthony Newman (Non-Executive Director)

Registered office:

66 Chiltern Street
London
W1U 4GB

9 December 2009

Dear Shareholder

Placing of 88,888,889 new Ordinary Shares of 10 pence each at 45 pence per share and issue of up to 47,777,778 Consideration Shares in connection with the proposed acquisition of RSM Bentley Jennison

and

Notice of General Meeting

1 Introduction and summary

The Board has today announced the proposed acquisition by the Group of the business and assets of RSM Bentley Jennison, a UK-based professional services firm that provides, amongst other things, accountancy, business advisory and risk management services. The Proposed Acquisition will materially expand the Group's scale and geographic coverage in the UK and will create the seventh largest accountancy and business advisory firm in the UK by fee income¹.

The consideration for the Proposed Acquisition shall be a maximum of £76.3 million which will be satisfied by the payment of initial consideration of £40.0 million in cash and the allotment of new Ordinary Shares up to the value of £17.5 million to the shareholders of RSM Bentley Jennison Limited. Deferred consideration of up to £18.8 million is also payable in cash in equal annual tranches over three years, subject to the meeting of specific performance criteria. Up to an additional £9.0 million may become payable (satisfied by up to £5.0 million in cash and the allotment of up to £4.0 million of new Ordinary Shares) dependent on the realisation of contingent assets in RSM Bentley Jennison of at least equal value.

Tenon has also today announced the Placing of 88,888,889 new Ordinary Shares at 45 pence per share to raise £40.0 million (before expenses). The consideration for the Proposed Acquisition is to be funded partly from the proceeds of the Placing together with the allotment of the Consideration Shares and banking facilities made available under the Facilities Agreement (as amended and restated on or around the date of this Circular).

Shareholders should note that the Placing and the Proposed Acquisition are conditional upon, amongst other things, the Resolution being passed by the requisite majority (75 per cent. of those voting) at the General Meeting. If the Resolution is not passed by the requisite majority, the Placing and the Proposed Acquisition will not proceed. Accordingly, you will find set out at the end of this document a notice convening the General Meeting to be held at Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT at 10.00 a.m. on 29 December 2009. Subject to, amongst other things, the passing of the Resolution at the General Meeting and Admission, dealings in the New Ordinary Shares on AIM are expected to commence on 30 December 2009.

The purpose of this document is to provide you with information about the background to and reasons for the Proposed Acquisition and the Placing and to explain why the Board considers the Proposed Acquisition and the Placing to be in the best interests of the Company and its Shareholders as a whole.

¹ Source: Accountancy Age, July 2009 - based on the combined fee incomes of Tenon and RSM Bentley Jennison.

2 Information on Tenon

Tenon is the ninth largest accountancy and business advisory firm in the UK by fee income¹. The Company's shares were admitted to trading on AIM in December 2000 and the Company has been built through organic growth and by the selective acquisition of advisory and accountancy businesses specialising in the entrepreneurial market. Tenon provides advice to clients to help their businesses grow and enhance their personal wealth and offers a broad range of services including: business tax advice; auditing and accountancy; corporate finance; outsourcing; turnaround and recovery and financial services and specialist tax services. The Company has over 1,800 staff in over 40 locations and in excess of 30,000 clients in total, including more than 10,000 corporates.

In the year ended 30 June 2009, Tenon generated revenue of £150.8 million (2008: £160.3 million). The UK recovery service line enjoyed rapid expansion with revenue growth of 41 per cent., of which 29 per cent. was organic. The Group's continuing operations delivered an underlying operating profit (before amortisation of acquired intangibles, deferred consideration, interest and exceptional items) of £19.0 million (2008: £17.6 million), an increase of 8 per cent. which represents the ninth consecutive year of growth in underlying operating profit. Progress was made in the year in the underlying operating profit margin which increased to 12.6 per cent. (2008: 11 per cent.). The Directors recommended payment of a dividend of 1.5 pence per share, an increase of 7 per cent., which is in keeping with the Company's commitment to a progressive dividend policy in line with earnings growth. As at 30 June 2009, the Group had £44.0 million available to draw down under the Facilities Agreement compared with net debt of £21.1 million.

Tenon's corporate strategy is to continue with its record of growth by establishing leadership in its carefully chosen markets, providing valuable advisory services with measurable financial benefit and contributing to the wealth of its clients. It also intends to continue to grow organically and by acquisition, to add to its geographic coverage and range of services, and to further exploit cross-selling opportunities.

3 Information on RSM Bentley Jennison

RSM Bentley Jennison was founded in Telford in 1984 and originally operated in the West Midlands. The practice now operates throughout England, Scotland and Wales with offices in Birmingham, Bristol, Cardiff, Edinburgh, Fareham, Glasgow, Harrogate, Leeds, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, Stoke, Swindon and Telford. RSM Bentley Jennison was ranked 14th in the UK in the July 2009 Accountancy Age league table of chartered accountants and business advisers by fee income. In the financial year ended 30 September 2009, RSM Bentley Jennison generated revenue of c.£71.3 million (2008: £66.7 million) and an operating profit of approximately £9.6 million (2008: £7.0 million)².

RSM Bentley Jennison provides auditing, accountancy, taxation, business planning and consultancy services to over 20,000 clients nationally and internationally across a wide range of industry sectors. Clients range from private individuals through to large corporates and public sector organisations and include household and international names such as Selfridges, Westminster City Council, United Nations, International Power plc and State Audit Bureau of Qatar. RSM Bentley Jennison has approximately 1,100 employees and partners and has a history of acquisitive and organic growth within its chosen key services. RSM Bentley Jennison is a member of RSM International ("RSMi"), the seventh largest global accounting network that consists of independently owned and managed professional service firms with 705 offices located in 76 different countries and over 30,000 staff. It is intended that the Enlarged Group will join RSMi on completion of the Proposed Acquisition.

There follows a breakdown of revenue and direct contribution by service line for RSM Bentley Jennison which has been extracted from the management accounts of RSM Bentley Jennison and its subsidiary companies. These figures are not audited or statutory figures but have been reviewed by Tenon's accountants who have carried out due diligence on RSM Bentley Jennison.

Revenue and contribution by business segment

In £ millions	Year ended 30 September 2008	Year ended 30 September 2009
Revenue		
ATA	29.2	27.1
IARM	21.8	23.7
FM	6.8	7.4
STS	3.6	7.9
Others (CFI, Forensics, IT)	5.3	5.2
Total revenue	66.7	71.3

¹ Source: Accountancy Age, July 2009.

² These figures have been extracted from the management accounts of RSM Bentley Jennison and its subsidiary companies. They include base levels of profit share and other benefits provided to partners of the Bentley Jennison Partnership. These results are not audited or statutory results.

Revenue and contribution by business segment continued

In £ millions	Year ended 30 September 2008	Year ended 30 September 2009
Contribution		
ATA	12.1	9.4
IARM	8.2	9.8
FM	3.0	3.0
STS	1.6	5.7
Others (CFI, Forensics, IT)	1.4	1.4
Total revenue	26.3	29.3
Contribution %		
ATA	41%	35%
IARM	38%	41%
FM	44%	41%
STS	44%	72%
Others (CFI, Forensics, IT)	26%	27%
Total revenue	39%	41%

Notes:

ATA - Audit, Tax & Advisory, IARM - Internal Audit & Risk Management, FM - Financial Management, STS - Specialist Tax Services, CFI - Corporate Finance

4 Background to and reasons for the Proposed Acquisition

Tenon has grown both organically and by making selective acquisitions in order to expand its activities and geographical presence. RSM Bentley Jennison has achieved similar success having set and delivered ambitious growth rates in recent years.

Following the Proposed Acquisition and integration of the two businesses, the Enlarged Group is expected to have approximately 50 offices, 3,000 staff and to be the seventh largest accounting and business advisory firm in the UK by fee income. The Board believes that the scale, market presence and service portfolio of the Enlarged Group will bring new business opportunities and improve financial performance and strength.

The Proposed Acquisition provides the Enlarged Group with a strong presence in all of the major financial centres in England, Wales and Scotland, with RSM Bentley Jennison and Tenon providing complementary services. In the risk management and recovery service lines, each business provides the other with a new, strong and successful service with the proven ability to grow into new locations. These services provide stable income in a time of economic pressure, and have demonstrated continuing growth. The combined and complementary client base of the Enlarged Group should provide new cross-selling opportunities for an expanded range of services and specialisms.

The Board believes that the Enlarged Group's membership of RSMi is expected to bring significant opportunities from overseas businesses operating within the UK. Supplementing the new scale and reach of the business, membership of the RSMi network should allow the Enlarged Group to access potential clients within larger and more broadly based enterprises, typically capable of purchasing greater volumes of the Group's specialist services.

The Board, working with the key management of RSM Bentley Jennison, has identified significant synergies and cost savings that the Board believes will provide a flexible and efficient operating model and has assumed a prudent base case of £6.3 million of synergies in the first full year of ownership (financial year ended 30 June 2011). The Board believes that a clear opportunity exists to exceed the synergy base case together with the achievement of additional revenue from the increased scale and broader service offering. The exceptional cash cost of delivering the projected £6.3 million of synergies, excluding onerous leases, is estimated at £3.0 million.

Accordingly, the Board believes that, after adjusting for integration costs, the Proposed Acquisition will be earnings enhancing in the first full year of ownership by Tenon while further opportunities exist for significant earnings enhancement going forwards through revenue and cost synergies, growing the business and improving margins.

5 Enlarged Group

The Enlarged Group will be renamed and re-branded RSM Tenon Group PLC. The Company intends to move to the Official List in the first half of 2010, subject to completion of the Proposed Acquisition. The combined business will, in the Directors' view, benefit from a well-balanced business mix comprising businesses that are capable of performing in a complementary manner to smooth revenue generation through different economic conditions.

Growth opportunities

The Board believes that there is significant organic growth potential for the Enlarged Group. Following completion of the Proposed Acquisition, the Enlarged Group will be a leading provider of risk management services with widespread coverage in England, Wales and Scotland; the Board believes that this will generate revenue from specialist services and upscale opportunities. The Enlarged Group should also be able to benefit from membership of the RSMi network by virtue of increased referrals of work from the network and being able to attract larger potential clients. In the recovery service line, the Board believes that the enlarged presence in key locations, such as Leeds, Bristol and Birmingham, will help grow the business and lead to referral opportunities throughout the UK. In the financial management service line, the Board believes there will be an emerging, growing market for the Enlarged Group, fuelled by economic and legislative factors and powered by an aggressive, creative consolidation within an available client base. With the comprehensive geographic and service coverage, the Board believes that the Enlarged Group will be able to drive the development of the cross-selling of services, centrally, with rapid benefits. Following completion of the Proposed Acquisition, the Board intends to continue to evaluate selective acquisition opportunities that emerge.

The Board

Following completion of the Proposed Acquisition, the Board intends to appoint three new directors to the board of the Enlarged Group:

Tony Stockdale, national managing partner of RSM Bentley Jennison - age 56

Tony is the national managing partner for RSM Bentley Jennison and one of the firm's three founding partners. Tony is the main board chairman of RSM Bentley Jennison and has particular responsibility for overall strategy, practice development, acquisitions and partner development/recruitment. He has board responsibility for the firm's significant financial management operation and for the firm's international development. Tony also sits on the main board of RSMi. Before founding Bentley Jennison in 1984, Tony qualified with Thomson McLintock and, after having spent four years in industry (latterly working for a large American multi-national), rejoined McLintock's management consultancy division in their financial advisory section in the Midlands.

Richard Smith, national head of RSM Bentley Jennison's internal audit and risk management business - age 47

Richard is the national head of risk management for RSM Bentley Jennison, managing a 350-strong risk management service line, and a main board member of the firm. Richard has more than 25 years' experience in the delivery of risk management and internal and external audit services to large organisations (more than £100 million turnover) in both the public and private sectors. Richard joined RSM Bentley Jennison in 1984 having previously worked for the UK National Audit Office. Richard is the global head of risk management for RSMi.

Mark Lucas, national head of Tenon Corporate Finance - age 44

Mark is Tenon's national head of corporate finance and a member of its senior management group. Prior to that he was regional managing director responsible for a network of offices across the southern region. Mark started his career in the Basingstoke office of BKL Weeks Green ("BKL") (a partnership subsequently acquired by Tenon) as a trainee and left in 1989 to join PricewaterhouseCoopers. In 1992, he rejoined BKL to lead the audit and due diligence team and became partner in 1994 and then director of business services. He has held regional leadership roles and chaired Tenon Audit before taking over as national head of corporate finance and head of Tenon's own acquisition team.

The Board is confident that these three executive appointments will bring valuable skills and expertise to Tenon's existing management team. Save for these three appointments, the Board will remain as currently constituted.

Tony Stockdale and Richard Smith will enter into new service agreements on completion of the Proposed Acquisition. Their new service agreements are identical save for their salaries (Tony Stockdale's salary will be £400,000 per annum and Richard Smith's salary will be £300,000 per annum). The notice period to terminate their employment is 12 months but they may be dismissed summarily in certain circumstances including gross misconduct and long term sickness absence.

Dividend policy

The Company has a history of consistently paying dividends and the Board intends to continue to do so as long as they consider it commercially prudent for the Company, bearing in mind the financial position and resources required for the Company's development.

Pro-forma statement of net assets

The unaudited pro-forma statement of net assets of the Enlarged Group is based on the net assets of Tenon as at 30 June 2009, set out in the audited results for Tenon for the year ended on that date, and has been prepared on the basis of the notes set out below to illustrate the effect on the consolidated net assets of the Tenon Group as though the Proposed Acquisition had completed on 30 June 2009.

Letter from the Chairman

The unaudited pro-forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and, therefore, it does not represent the Enlarged Group's actual financial position or results. It has been prepared on the basis of the accounting policies of the Tenon Group.

Unaudited pro-forma balance sheet

	Tenon FY ¹ 2009 £m	Proposed acquisition funding - Placing proceeds and Facilities Agreement draw down £m ²	Proposed ³ Acquisition £m	Pro-forma balance sheet £m
Fixed assets	98.2	-	72.3	170.5
Current assets				
Trade and recoverables	51.5	-	7.5	59.0
Deferred tax	-	-	5.0	5.0
Cash	14.1	54.0	(39.5)	28.6
	65.6	54.0	(27.0)	92.6
Current liabilities				
Overdraft	-	-	-	-
Trade and payables	28.0	-	1.6	29.6
Taxation	2.7	-	0.7	3.4
Loans and leases	9.4	-	4.3	13.7
Provisions (including deferred consideration)	4.4	-	0.6	5.0
	44.5	-	7.2	51.7
Net current assets	21.1	54.0	(34.2)	40.9
Long-term liabilities				
Loans and leases	25.8	15.0	-	40.8
Deferred tax	1.9	-	-	1.9
Provisions (including deferred consideration)	2.1	-	20.2	22.3
	29.8	15.0	20.2	65.0
Net assets	89.5	39.0	18.0	146.5
Share capital	19.1	8.1	3.6	30.8
Share premium	27.2	30.9	14.4	72.5
Reserves	43.2	-	-	43.2
	89.5	39.0	18.0	146.5

Notes:

1 Based on Tenon's reported statutory balance sheet as at 30 June 2009.

2 Net proceeds of £39.0 million from the Placing and £15.0 million drawn down under the Facilities Agreement.

3 Expected cash payments on completion of the Proposed Acquisition, net assets acquired and consolidation adjustment on completion of the Proposed Acquisition based on RSM Bentley Jennison balance sheet as at 30 September 2009 and terms of the Acquisition Agreement.

6 Details of the material contracts

On 9 December 2009, the Company, Tenon Limited and Tenon Audit entered into the Acquisition Agreement with, amongst others, the Vendors, pursuant to which the Group has, on the terms and subject to the conditions therein, agreed to purchase the business and assets of RSM Bentley Jennison and the 5,000,000 A shares in the capital of RSM BJ FM Group Limited.

On 9 December 2009, the Group entered into an amendment and restatement agreement in respect of the Facilities Agreement. Under the Facilities Agreement (as amended and restated) the lending banks will make an additional £35.0 million available to the Group which will be used to help fund the Proposed Acquisition, costs of integration and provide additional headroom for the Group to invest in organic and acquisitive growth.

Details of the Acquisition Agreement and the Facilities Agreement can be found in the Appendix to this Circular.

7 Details of the Placing

The Company is proposing to raise £40.0 million (before expenses) by way of a placing of 88,888,889 new Ordinary Shares to help fund the Proposed Acquisition. The Placing Price represents a discount of approximately 9.5 per cent. to the closing middle market price of 49.75 pence per Ordinary Share on 8 December 2009 (being the last Business Day prior to the announcement of the Proposed Acquisition). Under the terms of the Placing Agreement, Numis and Altium, as agents

Letter from the Chairman

for the Company, have agreed to use their reasonable endeavours to procure places for the New Ordinary Shares at the Placing Price or, failing which, have agreed to subscribe themselves as principal for the remaining New Ordinary Shares at the Placing Price. The New Ordinary Shares represent approximately 28 per cent. of the Enlarged Share Capital.

The Placing is conditional, amongst other things, on:

- (i) the Resolution to be proposed at the General Meeting being passed;
- (ii) the Placing Agreement becoming unconditional in all respects (save for Admission) and it not having been terminated; and
- (iii) Admission becoming effective by not later than 8.00 a.m. on 30 December 2009 (or such later time and date as the Company, Numis and Altium may agree, not being later than 15 January 2010).

The Placing Agreement also contains certain warranties (subject to limitations which are usual for an agreement of this type) given by the Company in favour of Numis and Altium as to certain matters relating to the Company and its business. In addition, the Company has given certain undertakings to Numis and Altium and has agreed to indemnify Numis and Altium in relation to certain liabilities it may incur in respect of the Placing. Numis and Altium have the right to terminate the Placing Agreement, in certain circumstances, prior to Admission including, amongst other things, (i) for certain *force majeure* events or other events involving certain material adverse changes relating to the Tenon Group or (ii) in the event of a breach of the warranties set out in the Placing Agreement.

The Company has agreed to pay to Numis and Altium a placing commission together with certain costs and expenses incurred in connection with the Placing.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to, amongst other things, the Resolution being passed by the requisite majority at the General Meeting, it is expected that Admission will become effective, and that trading in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 30 December 2009.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive any dividend or other distribution declared or made after Admission.

It is expected that the New Ordinary Shares will be delivered in CREST on 30 December 2009 and that share certificates for the New Ordinary Shares to be held in certificated form will be despatched by first class post by 8 January 2010.

8 Directors' participation in the Placing

The following Directors have agreed to subscribe for New Ordinary Shares at the Placing Price in the Placing. These subscriptions are being carried out on the same terms as the Placing. Immediately after Admission, it is expected that these Directors will have the following shareholdings:

Director	Number of New Ordinary Shares subscribed for in the Placing	Total number of Ordinary Shares held following the Placing and Admission	Percentage of the Enlarged Share Capital
Bob Morton	555,555	855,555	0.27
Andy Raynor	222,222	2,179,920	0.68
Carl Jackson	111,111	649,006	0.20
Russell McBurnie	111,111	131,966	0.04
Adrian Martin	27,777	27,777	0.01
John Newman	27,777	27,777	0.01

9 Current trading and prospects

Tenon

The Directors are confident that the Company's performance for the full year will be in line with their expectations, demonstrating the resilience of the portfolio of services offered and the Group's predictable recurring income streams.

High insolvency levels and investment in good quality recruits continue to fuel the growth of the recovery and related services. Whilst the corporate finance transactional pipeline has increased, revenues remain relatively flat on the prior year on a reduced cost base. Actions taken at the outset of H2 2009 to reduce the cost base and increase efficiency have proved successful and individual margins remain under review. The Group continues to experience increased interest in tax and financial planning services and expects significant benefit from these services in the first quarter of 2010. As a result of this and the normal cycle of recovery activities it is expected that overall profits will be slightly more second half weighted than the previous year. In line with the prior year, net debt is expected to increase in the first half as a result of payments for deferred consideration, bonuses relating to prior year profits and further investment in recovery working capital.

The net debt position of the Group as at the date of this Circular was approximately £31.0 million. In view of the costs associated with Proposed Acquisition and the implementation of identified synergies, as well as the short-term working capital funding requirements of RSM Bentley Jennison (a maximum of £10 million), the Directors expect that the Enlarged

Letter from the Chairman

Group's headroom under its new facilities will, at its minimum expected to be in the first half of 2010, be approximately one-third of the Enlarged Group's total available funds.

As an additional benefit, the asset structure of the Proposed Acquisition means that approximately £60 million of the acquired goodwill will be allowable for tax purposes over a maximum 10-year period. Discounted over 10 years the net cash benefit of this to the Group, at current tax rates, is approximately £10 million.

10 General Meeting

Set out on page 18 of this document is a notice convening the General Meeting to be held on 29 December 2009 at 10.00 a.m. at Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT. The Resolution to be proposed at the General Meeting is a special resolution to:

- change the Company's name to RSM Tenon Group PLC;
- waive the provision in the Company's articles of association which sets the maximum amount of shares that may be allotted by the Company, lest resolution 12 to be proposed to the annual general meeting of the Company to be held on 15 December 2009 is not passed;
- authorise the Directors to allot New Ordinary Shares pursuant to the Placing and the Acquisition Agreement; and
- disapply statutory pre-emption rights in relation to the allotment of the New Ordinary Shares and the Consideration Shares.

The authorities granted by the Resolution will be in addition to the general authorities due to be granted at the Company's annual general meeting, to be held on 15 December 2009. In accordance with section 571(6) of the Act, (a) the reasons for the Directors' recommendation to vote in favour of the Resolution are set out in paragraph 13 of this document (b) the amount to be paid to the Company in connection with the allotment of the New Ordinary Shares and the Consideration Shares is approximately £61.5 million and (c) the Directors believe that the proposed disapplication of pre-emption rights pursuant to the Resolution is necessary in order to enable the Company to carry out the Placing and the Proposed Acquisition without incurring the substantial costs and delays that would be involved in a public offering.

11 Action to be taken

You are invited to attend the General Meeting of the Company to be held at Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT at 10.00 a.m. on 29 December 2009. A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed in accordance with its instructions and returned to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 27 December 2009. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish.

12 Additional Information

In common with many financial advisers, the Company's subsidiary, Tenon Financial Services Limited ("TFS"), was involved in the sale of structured financial products, including those underwritten by Lehman Brothers International until the failure of that entity. TFS is now undertaking an investigation in conjunction with the Financial Services Authority into the appropriateness of certain of these sales.

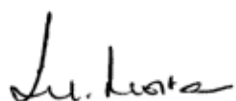
These investments represented a small proportion of TFS's business which in turn comprised less than 8 per cent. of Group turnover in FY 2009. The conclusion of the investigation is not expected to have a material impact on the continuing business of the Group.

In preparation for the Proposed Acquisition, the Financial Services Authority has given its approval for the change of control of RSM Bentley Jennison's regulated activities.

13 Recommendation

The Directors consider that the Proposed Acquisition and the Placing are in the best interests of the Company and its Shareholders as a whole. Accordingly the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as they intend to do in respect of their holdings amounting, in aggregate, to 2,816,448 Ordinary Shares, representing approximately 1.5 per cent. of the existing issued share capital of the Company at the date of this document.

Yours sincerely



Chairman

Appendix

Acquisition Agreement

On 9 December 2009 (1) the Vendors, (2) the shareholders named therein, (3) Tenon Limited, (4) Tenon Audit and (5) the Company, entered into a share and business asset purchase agreement (the "Acquisition Agreement") pursuant to which, on the terms and subject to the conditions of the Acquisition Agreement:

- Tenon Limited has agreed to buy 5,000,000 A shares in the capital of RSM BJ FM Group Limited held by RSM Bentley Jennison;
- Tenon Limited has agreed to buy the non-audit business and non-audit assets from the Vendors relating to the RSM Bentley Jennison business; and
- Tenon Audit has agreed to buy the audit business from the Vendors relating to the RSM Bentley Jennison business.

The Company has agreed to guarantee certain liabilities of Tenon Limited to the Vendors under the Acquisition Agreement.

Conditions

The Acquisition Agreement is conditional, amongst other things, on the following having occurred on or before 15 January 2010:

1. the Resolution to be proposed at the General Meeting being passed;
2. the Placing Agreement having being duly entered into, having become unconditional in accordance with its terms (save for any conditions relating to Admission or pre-completion of the Acquisition Agreement having occurred) and not having lapsed or been terminated in accordance with its terms;
3. the London Stock Exchange agreeing to Admission, subject only to allotment of the Consideration Shares and New Ordinary Shares; and
4. each of the Vendors having performed and discharged all obligations under Regulations 11, 13 and 14 of the Transfer of Undertakings (Protection of Employment) Regulations 2006 in relation to the employees of the Vendors who are assigned to the audit and non-audit business of the Vendors.

Consideration

The consideration due under the Acquisition Agreement is as follows:

- (a) £40.0 million payable in cash;
- (b) the allotment by the Company of new Ordinary Shares to the value of £17.5 million to the shareholders of RSM Bentley Jennison Limited (subject to a four year lock-in period post completion, with certain customary exceptions, such as, transfer to family members);
- (c) deferred consideration of up to £18.8 million payable in cash in equal annual tranches over three years subject to the meeting of specific performance criteria; and
- (d) up to an additional £9.0 million payable (up to £5.0 million in cash and up to £4.0 million by the allotment of new Ordinary Shares) dependent on the realisation of certain contingent assets of the RSM Bentley Jennison business.

Warranties and indemnities

The Acquisition Agreement contains indemnities and certain customary warranties given by the Vendors. The liability of the Vendors in relation to the warranties is capped at the total consideration (including deferred consideration) paid to the Vendors (in cash and in shares of the Company) at the time that any claim for breach of warranty is brought.

Non-compete provisions

Certain of the Vendors are subject to non-compete restrictions for three years from completion of the Acquisition Agreement.

Termination rights

The Acquisition Agreement is capable of being terminated by Tenon Limited or Tenon Audit if, amongst other things:

- there is any material breach of any of the restrictions placed on the Vendors for the period before completion of the Acquisition Agreement; or
- before the business day prior to Admission is expected to occur, any of the warranties are found to be materially untrue, inaccurate or misleading to a material extent.

Facilities Agreement

The Company entered into a sterling term and revolving credit facilities agreement originally dated 2 November 2007 between (1) the Company and Tenon Limited as borrowers, (2) the parties listed therein as original guarantors, (3) Lloyds TSB Corporate Markets as arranger and (4) Lloyds TSB Bank plc as original lender, agent and security trustee as amended and restated on the date of this Circular (the "Facilities Agreement" and the facilities made available thereunder, the "Facilities").

The principal terms of the Facilities Agreement (as restated) are as follows:

Facilities and interest rates

£75,000,000 split between:

- (i) a £25,000,000 term loan facility ("Facility A");
- (ii) a £45,000,000 revolving credit facility ("Facility B"); and
- (iii) a £5,000,000 overdraft facility entered into on 14 September 2009 (interest rate of 1.5 per cent. per annum above Lloyds TSB's base rate from time to time).

Advances under the Facilities Agreement bear interest at rates per annum equal to LIBOR plus any applicable mandatory costs (essentially costs associated with regulatory requirements) plus a relevant margin.

The termination date for Facility A is 2 November 2012 and the termination date for Facility B is the fifth anniversary of the date on which the Facilities Agreement is amended and restated.

The outstanding balance under Facility A is repayable in three instalments: £4,500,000 on 30 June 2010, £5,500,000 on 30 June 2011 and the balance on 2 November 2012.

Each revolving loan made under Facility B is repayable on the last day of its interest period or on the termination date for Facility B for any revolving loans which are outstanding at that time.

Guarantees and security

The Facilities are guaranteed by cross guarantees from the Company, Tenon Limited, Tenon Pension Trustees Limited, Premier Strategies Limited and Tenon (IOM) Ltd.

The Company and Tenon Limited have provided security over all or substantially all of their assets in support of their obligations as borrowers and/or guarantors of the Facilities.

RSM BJ FM Group Limited is required to give guarantees and security in support of the Facilities within 10 business days of it becoming wholly-owned by Tenon Limited.

Covenants

The Facilities Agreement contains covenants and undertakings by and restrictions on the Company and its subsidiaries (subject to certain agreed exceptions) which are typical for bank facilities of this type including: (i) compliance with laws, (ii) restrictions on acquisitions and disposals, (iii) restrictions on the creation of security interests, (iv) restrictions on incurring financial indebtedness, (v) restrictions on granting guarantees or indemnities and (vi) restrictions on declaring dividends.

In addition to the above, there are the following specific financial covenants which are tested on a quarterly basis: (i) minimum net worth; (ii) leverage covenant; (iii) interest covenant; and (iv) cash flow cover covenant.

Events of default

The Facilities Agreement contains customary events of default for facilities of this type including: (i) payment defaults, (ii) breaches of representation, (iii) covenant defaults, (iv) cross-defaults, (v) insolvency events, (vi) change in ownership, (vii) litigation, (viii) repudiation, and (ix) material adverse change.

The occurrence of an event of default would allow the lenders to, amongst other things, declare all outstanding loans immediately due and payable and enforce their security.

Notice of General Meeting

Tenon Group PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended)
with registered no. 03131297)

NOTICE IS HEREBY GIVEN THAT a General Meeting of Tenon Group PLC (the "Company") will be held at Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT at 10.00 a.m. on 29 December 2009. The business of the meeting will be to consider as special business and, if thought fit, to pass the following resolution (the "Resolution"), which will be proposed as a special resolution of the Company:

SPECIAL RESOLUTION

THAT, conditional only on the Placing Agreement (as such term is defined in the circular to shareholders of the Company dated 9 December 2009 (the "Circular")), becoming unconditional in all respects (save only for the passing of this Resolution and Admission (as such terms are defined in the Circular)) and the Placing Agreement not being terminated in accordance with its terms:

- (1) the name of the Company be changed to RSM Tenon Group PLC;
- (2) the provision treated pursuant to paragraph 42(2)(a) of Schedule 2 to the Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008 as a provision of the Company's articles of association setting the maximum amount of shares that may be allotted by the Company be and is hereby waived in respect of the issue of new Ordinary Shares of 10 pence each in the capital of the Company (the "New Ordinary Shares") in connection with the Placing and the Proposed Acquisition (as such terms are defined in the Circular);
- (3) the Directors be authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise the powers of the Company to allot New Ordinary Shares up to an aggregate nominal amount of £14,500,000 in connection with the Placing and the Proposed Acquisition; and
- (4) the Directors be empowered pursuant to section 571 of the Act to allot New Ordinary Shares up to an aggregate nominal amount of £14,500,000 pursuant to the authority conferred by paragraph (3) above as if section 561(1) of the Act did not apply to such allotment,

and unless previously renewed, revoked, varied or extended, such authority and power shall expire on 31 January 2010, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority and power had not expired.

The authority and powers granted by this Resolution are in addition to and not in substitution for the authority and powers granted at any previous annual general meeting of the Company.

9 December 2009

Registered office:

66 Chiltern Street
London
W1U 4GB

By order of the Board:

Christopher Crouch
Company Secretary

Notes:

1. Holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, speak and vote at the General Meeting. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting. A Shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the General Meeting. A proxy need not be a Shareholder. More than one proxy can be appointed in relation to the General Meeting 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. Please also indicate if 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, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 10.00 a.m. on 27 December 2009 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 General Meeting 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 General Meeting shall be entitled to attend the General Meeting 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 General Meeting.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's Register of Members at 6.00 p.m. on the day which is two days before the day of the General Meeting or, if the meeting is adjourned, Shareholders entered on the Company's register of members at 6.00 p.m. on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.

