

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR AUTHORISED PURSUANT TO THE FINANCIAL SERVICES AND MARKETS ACT 2000 IMMEDIATELY. IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR ORDINARY SHARES IN STHREE PLC PLEASE SEND THIS DOCUMENT, TOGETHER WITH THE OTHER ACCOMPANYING DOCUMENTS, AT ONCE TO THE PURCHASER OR TRANSFEREE, OR TO THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.



Registered Office:

41-44 Great Windmill
Street
London
W1D 7NB

Registered in England No. 3805979

7 March 2008

Dear Shareholder

ANNUAL GENERAL MEETING 2008

I am pleased to inform you that our third Annual General Meeting (“**AGM**”) following the Company’s flotation is to be held at Home House, 20 Portman Square, London W1H 6LW on Thursday, 24 April 2008 at 11.30am. The formal notice of the AGM, particulars of the resolutions on which you can vote and details of the administrative arrangements we have made for the AGM are set out in this circular.

If you are not able to come to the AGM in person, your vote is still important and I would urge you to complete, sign and return the accompanying proxy form to be received by 11.30am on Tuesday, 22 April 2008. Submission of a proxy appointment will not prevent you from attending and voting at the AGM in person should you wish to do so.

Your Directors believe that all the proposed resolutions are in the best interests of the Company and its shareholders as a whole and unanimously recommend you to vote in favour of all the resolutions set out in the attached notice as they intend to do in respect of their own shareholdings.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Cleaver', with a stylized flourish at the end.

Sir Anthony Cleaver
Chairman

NOTICE OF 2008 ANNUAL GENERAL MEETING OF STHREE PLC

This document lists the resolutions to be voted on at the Company's Annual General Meeting to be held on Thursday, 24 April 2008 at 11.30am.

Notice is hereby given that the Annual General Meeting of STthree plc will be held at Home House, 20 Portman Square, London W1H 6LW on Thursday, 24 April 2008 at 11.30am to consider the following resolutions:

Resolutions 11 to 13 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

Resolution 1

THAT the Accounts for the financial year ended 2 December 2007, together with the Directors' and Auditor's reports thereon, be received.

Resolution 2

THAT a final dividend of 6.2p per ordinary share be declared and paid on 9 June 2008, to shareholders on the register of members as at the close of business on 2 May 2008.

Resolution 3

THAT the Directors' Remuneration Report for the financial year ended 2 December 2007 be received and approved.

Resolution 4

THAT Mr Russell Clements be re-elected as a Director of the Company.

Resolution 5

THAT Mr Paul Bowtell be elected as a Director of the Company.

Resolution 6

THAT PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid.

Resolution 7

THAT the Directors be authorised to determine the remuneration of the Auditors.

Resolution 8

THAT:

- (i) the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be and is hereby authorised for the purposes of Part 14 of the Companies Act 2006 (the “Act”) during the period from the date of the passing of this resolution to the earlier of the conclusion of the Company’s Annual General Meeting in 2009 and 24 July 2009:
 - (a) to make political donations to political parties, and/or independent election candidates;
 - (b) to make political donations to political organisations other than political parties; and
 - (c) to incur political expenditure,up to an aggregate amount of £50,000, and the amount authorised under each of paragraphs (a) to (c) shall also be limited to such amount;
- (ii) all existing authorisations and approvals relating to political donations or expenditure under Part 10A of the Companies Act 1985 are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and
- (iii) words and expressions defined for the purpose of the Act shall have same meaning in this resolution.

Resolution 9

That the Company be and is hereby authorised to offer employees of the Company and its subsidiaries the opportunity to purchase shareholdings in certain of the Company's subsidiaries as detailed in, and on the terms set out in, Part A of the Appendix accompanying the notice of Annual General Meeting dated 7 March 2008 (a copy of which is presented to the Meeting, signed by the Chairman for the purpose of identification).

Resolution 10

THAT the authority conferred on the Directors by Article 9.2 of the Articles of Association of the Company be and is hereby renewed for the period ending on 24 July 2009 or, if earlier, at the conclusion of the Company’s Annual General Meeting in 2009 and that for such period the Section 80 Amount shall be £446,887.

SPECIAL RESOLUTIONS

Resolution 11

THAT the power conferred on the Directors by Article 9.3 of the Articles of Association of the Company be and is hereby renewed for the period ending on 24 July 2009 or, if earlier, at the conclusion of the Company’s Annual General Meeting in 2009 and that for such period the Section 89 Amount shall be £67,033.

Resolution 12

THAT the Company be and is hereby unconditionally and generally authorised for the purposes of Section 166 of the Companies Act 1985 to make market purchases, as defined in Section 163 of that Act, of ordinary shares of 1p each in the capital of the Company (“**Ordinary Shares**”), and where such shares are held in treasury, the Company may use them for the purpose of its employees’ share schemes, provided that:

- (a) the maximum number of Ordinary Shares that may be purchased is 13,406,616;
- (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 1p;
- (c) the maximum price (exclusive of expenses) that may be paid for each Ordinary Share shall be no more than the higher of: (i) the amount equal to 105 per cent. of the average of the middle market quotations of the Ordinary Shares as derived from the London Stock Exchange Daily Official list for the five business days immediately preceding the day on which such Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003); and
- (d) this authority shall, unless previously varied, revoked or renewed, expire on 24 July 2009 or, if earlier, at the conclusion of the Company’s Annual General Meeting in 2009, save that the Company shall be entitled under such authority to make at any time before such expiry any contract to purchase its own shares which will or might be executed wholly or partly after such expiry.

Resolution 13

THAT with effect from 00.01 a.m. on 1 October 2008 or such date as the relevant provisions of the Companies Act 2006 come into force 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

Steve Hornbuckle, FCIS
Company Secretary

7 March 2008
41-44 Great Windmill Street
London W1D 7NB

Notes

1. A member 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 Annual General Meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
2. A form of proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.
3. To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be sent to the Company's Registrars, Capita Registrars, in accordance with the instructions on the form of proxy, so as to arrive no later than 48 hours before the time for holding the meeting or any adjournment of it or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, or (b) lodged using the CREST Proxy Voting Service – see Note 8 below.
4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
5. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. On a vote by show of hands every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.
6. As at 7 March 2008 (being the latest practicable date before the publication of this Notice) the Company's issued share capital consists of 134,066,163 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 7 March 2008 are 134,066,163.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.
9. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

1 Explanatory Notes

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 to 13 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

1.1 Reports and Accounts (Resolution 1)

The Directors of the Company must present the accounts to the AGM.

1.2 Payment of a Final Dividend (Resolution 2)

A final dividend can only be paid after the shareholders at a General Meeting have approved it. A final dividend of 6.2p per ordinary share is recommended by the Board for payment to shareholders on the register of members at the close of business on 2 May 2008. If approved, the date of payment of the final dividend will be 9 June 2008.

1.3 Directors' Remuneration Report (Resolution 3)

The Directors' Remuneration Report sets out the Company's policy towards, and provides details of, the Directors' remuneration. You can find the report on pages 21 to 26 of the Annual Report and Accounts for the year ended 2 December 2007.

1.4 Re-election and election of Directors (Resolutions 4 and 5)

The Company's Articles of Association require that all Directors retire at least every three years and that all Directors appointed by the Board (since the last Annual General Meeting) seek election at the first Annual General Meeting following their appointment. Accordingly, Mr Russell Clements, who has held office since 8 December 2000 (and who was last re-appointed on 29 March 2006), retires and submits himself for re-election, whilst Mr Paul Bowtell, who was appointed as a Director since the last AGM, will retire and submit himself for election by shareholders.

Mr David Tilston was appointed as Interim Chief Financial Officer on 23 January 2008 and will retire at the AGM, should he still hold office at that time.

The biographies of those Directors retiring at the AGM who wish to seek re-election or election are as follows:

Chief Executive Officer

Russell Clements (age 43) has served as SThree's Chief Executive Officer since 2004 having previously held the position of Deputy Chief Executive Officer since 2001. He worked for VNU Business Publications, a Dutch international publishing company, before joining Computer Futures in 1986 shortly after its inception. He subsequently served as Director and as Joint Managing Director of Computer Futures. Russell holds a degree in Government from the University of Essex and is also a graduate of the Advanced Management Program at the Wharton Business School, University of Pennsylvania. He is former Chairman of the Association of Technology Staffing Companies (ATSCo).

Non-Executive Director

Paul Bowtell (age 39) was appointed to the SThree Board and as Chairman of the SThree Audit Committee, in November 2007 and is currently Chief Financial Officer of TUI Travel PLC, the company formed through the merger of First Choice Holidays plc and the tourism businesses of TUI AG. Paul has extensive experience gained from senior finance roles in a variety of companies including First Choice Holidays PLC, British Gas, a subsidiary of Centrica plc, where he was appointed Finance Director in 2002. Prior to that, Paul worked for W H Smith plc, where he held a number of corporate centre roles before becoming Finance Director of the UK Retail business, and for Forte and Arthur Andersen, where he held, in each case, senior tax roles. Paul is an Associate of the Institute of Chartered Accountants in England and Wales.

Having considered the performance of and contribution made by each of the Directors standing for re-election or election, the Board remains satisfied that each of the relevant Directors performs effectively and demonstrates full commitment to their individual role, including the appropriate commitment of time for Board and Committee meetings and other duties required, and as such, recommends their re-election or election.

1.5 Re-appointment and Remuneration of Auditors (Resolutions 6 and 7)

Resolutions 6 and 7 propose the re-appointment of PricewaterhouseCoopers LLP as Auditors of the Company and authorise the Directors to set their remuneration. The board, on the recommendation of the Audit Committee, recommends the re-election of PricewaterhouseCoopers LLP, as auditors, to hold office until the next general meeting at which accounts are laid.

1.6 Authority to make donations to EU political organisations to incur EU political expenditure (Resolution 8)

The Companies Act 1985 required companies to obtain shareholders' authority for donations to registered political parties and other political organisations totalling more than £5,000 in any twelve month period, and for any political expenditure, subject to limited exceptions. The definition of donation in this context was very wide and extended to bodies such as those concerned with policy review, law reform and the representation of the business community. It could also have included special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or influence support for a particular party.

The relevant provisions of the Companies Act 1985 have been replaced by similar provisions in Part 14 of the Companies Act 2006 with effect from 1 October 2007. Consequently, the terms of this year's resolution have been adjusted to reflect the different technical requirements of Part 14 of the 2006 Act.

It remains the policy of the Company not to make political donations or incur political expenditure as those expressions are normally understood. However, the directors consider that it is in the best interests of shareholders for the Company to participate in public debate and opinion-forming on matters which affect its business. To avoid inadvertent infringement of the Companies Act 2006, the directors are seeking shareholders' authority for the Company and its UK subsidiaries to make political donations and to incur political expenditure during for the period from the date of the passing of this resolution to the earlier of the conclusion of the Company's Annual

General Meeting in 2009 and 24 July 2009, up to a maximum aggregate amount of £50,000.

1.7 New authority to offer employees minority shareholdings in certain of the Company's subsidiaries (Resolution 9)

Shareholders are asked to approve the creation of new employee minority shareholdings in certain of the Company's subsidiaries as detailed in, and on the terms set out in, Part A of the Appendix.

1.8 Directors' authority to allot securities (Resolution 10)

The Directors wish to renew the Company's authority to allot unissued shares in the share capital of the Company. The Directors have no present intention to exercise this authority, however, it is considered prudent to maintain the flexibility that this authority provides. This resolution authorises the Directors to allot relevant securities up to an aggregate nominal value of £446,887 (the amount shown as the Section 80 Amount in Resolution 10) during the 15 months from the date of the resolution or, if earlier, up to the conclusion of the next Annual General Meeting of the Company in 2009. This amounts to approximately one-third of the issued ordinary share capital of the Company as at the date of the Notice of AGM. The Company did not hold any treasury shares at the date of the Notice of AGM.

1.9 Disapplication of pre-emption rights (Resolution 11)

Under Section 89(1) of the Companies Act 1985, if the Directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must first offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 1985 unless the shareholders have first waived their pre-emption rights and that is what this resolution proposes. The authority will be limited to the issue of shares for cash up to a maximum aggregate nominal value of £67,033 which is equivalent to approximately 5 per cent. of the Company's issued ordinary share capital as at the date of the Notice of AGM. If given, the authority will expire 15 months from the date of the AGM or, if earlier, at the conclusion of the next Annual General Meeting of the Company in 2009. Shareholders will note that this resolution will also apply to the sale of any shares held in treasury by the Company.

1.10 Authority to purchase own shares (Resolution 12)

In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 12 seeks the authority from shareholders to do so. The Company made various market purchases of its ordinary shares for cancellation following its trading update issued in November 2007. As is required, such purchases will only be made if the Directors believe, in the light of market conditions prevailing at the time, that the effect of such purchases will be to increase earnings per share and is in the best interest of the shareholders generally or if the Company decides to satisfy options granted under the Company's Executive Share Option Scheme or Long Term Incentive Plan ('LTIP') through acquiring ordinary shares in the market to transfer to option or award holders upon exercise of their options, or vesting and the Directors are satisfied that this would be in the best interests of the Company taking into account cash resources, capital requirements and the effect of any such

purchase on gearing levels. Any shares purchased by the Company will, unless the Directors determine that they are to be held as treasury shares for the purpose of satisfying employee share options, awards or otherwise, be cancelled and the number of shares in issue will be reduced accordingly.

The Companies Act 1985 allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Company is entitled to hold 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 treasury shares quickly and cost effectively, and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on any shares held in treasury and no voting rights will be exercisable in respect of treasury shares.

The resolution explicitly authorises the Company to use any shares purchased and held in treasury for the purposes of satisfying options granted under the Company's Executive Share Option Scheme or LTIP. If any shares were used in this way, the Company would take them into account when calculating the limits on the number of shares which may be issued under the Scheme(s).

The resolution specifies the maximum number of ordinary shares that may be acquired (approximately 10 per cent. of the Company's issued ordinary share capital as at the date of the Notice of AGM) and the maximum and minimum prices at which they may be bought. The price for such purchases shall not exceed the higher of 105 per cent. of the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for the five business days before each purchase, the price of the last independent trade in the shares on the London Stock Exchange at the time of the purchase and the highest current independent bid for the Company's ordinary shares on the London Stock Exchange at the time of the purchase.

Resolution 12 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire 15 months from the date of the AGM or, if earlier, at the conclusion of the next Annual General Meeting of the Company in 2009.

The total number of options to subscribe for equity shares outstanding at the date of the Notice of AGM is equivalent to 97,500 shares. This represents below 0.1 per cent. of the issued share capital at that date. There are outstanding other employee options and awards but the SThree Employee Share Ownership Trust has agreed to satisfy these. If the Company bought back the maximum number of shares permitted pursuant to the passing of this resolution and cancelled them, then the total number of options and awards to subscribe for equity shares outstanding at that date would still represent below 0.1 per cent. of the issued share capital, as reduced, following those repurchases. At the date of the Notice of AGM, there are no warrants to subscribe for ordinary shares outstanding and no ordinary shares held in treasury.

1.11 Adoption of new Articles of Association (Resolution 13)

It is proposed in this resolution to adopt new articles of association with effect from 1 October 2008 (the "**New Articles**") in order to update the Company's current articles of association (the "**Current Articles**") primarily to take account of changes in English company law brought about by the Companies Act 2006 (including certain provisions of the Companies Act 2006 which came into force on 1 October 2007 and will come into force on 1 October 2008).

The Companies Act 2006 is being implemented in phases with the final phase coming into force on 1 October 2009. Accordingly the resolution adopting the New Articles will only become effective on 1 October 2008 or, if later, when the relevant provisions of the Companies Act 2006 are in force.

The principal changes introduced in the New Articles are summarised in Part B of the Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted below.

2 Documents for Inspection

Copies of the following documents will be available for inspection during normal business hours at the Company's registered office from the date of the Notice of AGM to the close of the AGM and at the place of the AGM from 15 minutes prior to its commencement until its conclusion:

- the Executive Directors' service contracts;
- letters of appointment of the Non-Executive Directors;
- the proposed new Articles of Association of the Company, and a copy of the existing Memorandum and Articles of Association marked to show the changes being proposed in Resolution 13; and
- copies of the standard form Articles of Association for subsidiary companies in which employees will be invited to acquire different types of ordinary shares.

3 Entitlement to Attend and Vote

Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at 6.00p.m. on 22 April 2008 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.

4 Administration

For the safety and comfort of those attending the AGM, certain items will not be permitted in the meeting room. These include large bags, cameras, recording equipment and such other items as the Chairman of the AGM may specify. Cloakroom facilities will be provided.

The Chairman will invite questions from shareholders present at the AGM. However, in order to respond comprehensively, it would be helpful to have a note of the details of any proposed questions in advance, although this is not obligatory. Questions may be sent by post to the Company Secretary, Steve Hornbuckle at 41-44 Great Windmill Street, London W1D 7NB or by email to cosec@sthree.com.

APPENDIX

PART A

New offers to employees of minority interests in certain SThree plc subsidiaries

Authority is sought to make offers to employees of minority interests in certain SThree plc subsidiaries. Whilst it is anticipated that the majority of the shares will be offered soon after shareholder approval, and normally in the first year, some will be held back for new employees and promotions, and therefore authority is sought for a period of five years from the date of the Company's Annual General Meeting, to be held on 24 April 2008.

Common Features

Each of the proposed offerings in the subsidiaries, which shareholders are being asked to approve under Resolution 9, will share common features, which are broadly the same common features that shareholders approved last year. In addition, the Company reserves the right to offer employees shares in a UK sub-holding company which owns either several companies or several businesses, with the shares tracking the performance of the relevant business in which the employee is to have a stake.

The common features of the subsidiaries, whether a subsidiary owning the business or a holding company owning several businesses, are as follows:

(i) *Share Capital*

Each subsidiary will have at least two classes of ordinary shares. In the case of a holding company issuing tracker shares in a number of businesses, there will be at least two classes of ordinary shares for each business it owns. One class of ordinary shares will be held by the Company. Other classes will be offered to employees of the Group. The ordinary shares offered to employees will not be more than 25 per cent of the ordinary share capital of each subsidiary; whilst they will have up to 25 per cent of the voting power of the subsidiary, they are entitled to up to only 20 per cent of any dividend on the ordinary shares. There will also be one preference share in issue.

(ii) *Eligibility*

No director of the Company may acquire shares in the relevant subsidiary. Shares will only be offered to employees of the Group. Employees may acquire shares in more than one subsidiary.

(iii) *Purchase price and financing*

The price payable by an employee will be the unrestricted market value of the shares, as determined by an independent third party share valuer. The Group may (but will not normally) lend the purchase price to the employee, on terms that the loan is outstanding until such employee ceases to hold the shares or

ceases to be employed by the Group. A market rate of interest will be charged if a loan is made.

(iv) *Cessation of employment*

If an employee shareholder ceases to be employed by any company in the Group, under provisions contained in the Articles of Association of that company, he can be required to sell his shares in the relevant company. The Board will set a period, which will never be less than three years and will normally be five years (the "Specified Period"), which will apply when the employee acquires the shares. If the sale is within the Specified Period, the price payable can be the lower of the market value and the amount paid for the shares (or, in exceptional circumstances and at the Company's discretion, such other price, not exceeding market value). If the sale is later than the Specified Period the price payable is their market value. For these purposes, market value is determined by computing the earnings per ordinary share of the last financial year prior to the sale multiplied by two thirds of the price/earnings ratio of SThree plc at the time of sale. The price/earnings ratio is calculated on the adjusted earnings per share published in the Company's annual accounts.

(v) *Restrictions on transfer*

If a minority shareholder wishes to transfer or dispose of his shares (other than to certain family members or on his leaving the employment of the Group) he must first offer them to the Company and the price payable for such shares is their market value. If the Company declines to purchase the shares, they can be transferred to a third party.

(vi) *Consideration payable*

If the Company acquires any shares from a minority shareholder, the consideration can either be paid in cash or in Ordinary Shares in the Company, at the Company's discretion. Any Ordinary Shares issued by the Company in this respect will be within the annual limit of authority granted under section 80 of the Companies Act 1985 approved by the Company's shareholders each year.

(vii) *Restrictions on alterations*

Certain provisions of the arrangements outlined above, namely the persons who are eligible to acquire shares in the relevant subsidiary, the maximum percentage of shares in the subsidiary which may be offered to employees, and the terms on which the company can acquire the shares from the employees cannot be altered to the advantage of employee shareholders without the prior approval of the Company's shareholders in general meeting (except for minor amendments to benefit administration, or to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the employee shareholders, the relevant subsidiary or for members of the Group).

(viii) *Pension benefits*

The acquisition of shares by employees, and their sale, will not give rise to any pensionable benefits.

A standard form Articles of Association, containing the full details of the ordinary shares which Group employees can acquire, and the terms on which they can dispose of such shares, will be available for inspection at 41-44 Great Windmill Street, London W1D 7NB, the registered office of the Company, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the Meeting and will be available at the place of the meeting for at least 15 minutes prior to and at the Meeting. The Company reserves the right to alter the Articles of Association in any way it is advised is desirable or necessary to take account of the proposed CGT entrepreneurs' relief which is currently proposed to be available for disposals from 6 April 2008.

In the case of an overseas subsidiary, the Company also reserves the right to offer employees shares in a UK sub-holding company which owns such overseas subsidiary, either directly or indirectly, and which track the performance of such overseas subsidiary. The Company also reserves the right to make such changes to the Article of Association for an overseas subsidiary as it may be advised is necessary or desirable to take account of the local legal and tax requirements.

The various companies in which Group employees are to be, subject to your approval, invited to acquire shares are set out below. All figures are guideline only, based on existing management or statutory accounts, as available:

PROGRESSIVE

Engineering, UK

Progressive Engineering ('PE') is part of the Progressive brand ('PCR'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in the UK, each operating out of Birmingham, Bristol, Manchester and Scotland.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. PCR will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by PCR, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit/(Loss)
Engineering, UK	£3,874	(£568)

Progressive Netherlands

Although shareholders approved the creation of a minority stake in both the permanent and contract businesses of Progressive Netherlands in 2006, the approval given related to one entity only. At the time of the creation of the Minority Stake in the contract business, the permanent business was transferred to a separate entity and a new shareholder authority is therefore required for the permanent part of the business, Progressive Netherlands perm ('PNP').

Shares in the proposed business will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

PNP already has a trading history and access to any database and intellectual property rights. For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Progressive Netherlands	€2,380	€687

Progressive Australia

Progressive Australia ('PA') is part of the Progressive brand ('PCR'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in Australia operating out of Sydney.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. PCR will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by PCR, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Progressive Australia	Nil	Nil

Pharmaceuticals, UK

Progressive Pharmaceuticals ('PP') is part of the Progressive brand ('PCR'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in the UK operating out of London.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. PCR will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by PCR, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Pharmaceuticals, UK	£154	(£157)

Strategic Resource Group ('SRG')

SRG is an established business and it is now planned to create new minority stakes in respect of permanent and contract businesses in the UK operating out of London.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

SRG already has access to any necessary database and intellectual property rights and has some trading history as a recruitment business.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Strategic Resource Group	£9,687	£297

Real Resourcing

Banking and Pharmaceuticals, UK

Real Resourcing Banking ('RRB') and Real Resourcing Pharmaceuticals ('RRP') are parts of the Real Resourcing brand ('RR'). Whilst RRB is already established with some trading history, RRP is a relatively new sector of that business. It is now planned to set up minority stakes formally in respect of permanent and contract businesses in the UK operating out of London.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

Whilst RRB is already established with some trading history, RRP currently has little or no trading history in its own right. RR will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire any relevant portion of the recruitment businesses currently operated by RR, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Banking and Pharmaceuticals, UK	£2,397	£171

Real Resourcing Netherlands

Real Resourcing Netherlands ('RRN') is part of the Real Resourcing brand ('RR'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in the Netherlands operating out of Amsterdam.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. RR will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by RR, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit/(Loss)
Real Resourcing Netherlands	£293	(£237)

PATHWAY

HR and Legal, Dubai

Pathway Dubai ('PD') is part of the Pathway brand ('PB'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in the HR and Legal sectors, operating out of Dubai.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. PB will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by PB, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
HR and Legal, Dubai	Nil	Nil

Pathway Germany

Pathway Germany ('PG') is part of the Pathway brand ('PB'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses, operating out of a major German city.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. PB will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by PB, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Pathway Germany	Nil	Nil

Madison Black

Madison Black Netherlands

Madison Black Netherlands ('MBN') is part of the Madison Black brand ('MB'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses, operating out of Amsterdam.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. MB will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by MB, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Madison Black Netherlands	Nil	Nil

HUXLEY ASSOCIATES

Huxley France

Huxley France ('HF') is part of the Huxley brand ('HB'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in the Global Markets and Banking Tech/ICT sectors, operating out of Paris.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. HB will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by HB, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Huxley France	Nil	Nil

Banking Technology, US

Huxley Banking Tech US ('HBTUS') is part of the Huxley brand ('HB'), and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses in the Banking Technology sector, operating out of New York.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. HB will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by HB, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Banking Technology, US	Nil	Nil

Accountancy, Energy and HR, UK

Huxley Energy ('HE') and Huxley HR ('HHR') are parts of the Huxley brand ('HB'), and relatively new sectors of that business. It is now planned to set up formally in respect of permanent and contract businesses, operating out of London.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. HB will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by HB, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Accountancy, Energy and HR, UK	£556	£28

COMPUTER FUTURES SOLUTIONS

Multilingual Solutions, Belgium

Multilingual Solutions, Belgium is part of the Computer Futures Solutions ('CFS') brand, and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses, operating out of Brussels.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. CFS will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by CFS, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
Multilingual Solutions, Belgium	€295	€135

JP Gray, Europe

JP Gray ('JPG') is part of the Computer Futures Solutions ('CFS') brand, and a relatively new sector of that business. It is now planned to set up formally in respect of permanent and contract businesses, each operating out of Brussels and Amsterdam.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

The businesses currently have little or no trading history in their own right. CFS will make available any database and intellectual property rights, as required, to the entities and, prior to the offer, the businesses will acquire the relevant portion of the recruitment businesses currently operated by CFS, on normal business terms.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
JP Gray, Europe	€400	€232

HRSS, UK

HRSS ('HRSS') is part of the Computer Futures Solutions ('CFS') brand, and is an established business. It is now planned to create new minority stakes in respect of permanent and contract businesses in the UK, each operating out of Thames Valley, Manchester and London.

Shares in the proposed businesses will be offered to Group employees at open market value as certified by an independent share valuer, on the terms as set out above.

HRSS already has access to any necessary database and intellectual property rights and has some trading history as a recruitment business.

For the year ended 2 December 2007, the summary financial information is as follows:

Business (all figures in 000's)	Revenue	Operating Profit
HRSS, UK	£4,647	£127

APPENDIX

PART B

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions and the provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. The New Articles reflect the fact that the chairman of a general meeting no longer has a casting vote.

Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The New Articles reflect all of these new provisions.

Directors' interests

The Companies Act 2006 sets out directors' general duties. The provisions largely codify the existing law, but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of

association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict of potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a directors' defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

