

## **PLEASE NOTE**

In light of the COVID 19 pandemic and HM Government's recommendations on social distancing, **shareholders are not allowed to attend the meeting in person.**

**You are kindly requested to submit your votes by proxy.**

You can be assured that no business will be considered other than the resolutions dealt with in this Notice of Annual General Meeting 2020.

The form of proxy is enclosed with this Notice. You can also appoint your proxy electronically using the CREST service. Please see the accompanying notes for further details.

**Again, you are requested to submit your votes by proxy.**

# **Staffline Group Plc**

## **Notice of Annual General Meeting 2020**

### **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspects of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000.

If you have recently sold or otherwise transferred all of your ordinary shares in Staffline Group plc, please send this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Notice of the 2020 Annual General Meeting of Staffline Group PLC to be held at 19-20 The Triangle, NG2 Business Park, Nottingham, NG2 1AE on Wednesday 12 August 2020 at 11.00am is set out on pages 2 to 3 of this document. Shareholders are requested to complete and return the enclosed form of proxy, so as to be received no later than 11.00am on Monday 10 August 2020.

## Notice of Annual General Meeting 2020

**NOTICE** is hereby given that the Annual General Meeting (the “**Meeting**”) of Staffline Group Plc (the “**Company**”) will be held at 19-20 The Triangle, NG2 Business Park, Nottingham, NG2 1AE on Wednesday 12 August 2020 at 11.00am .

You will be asked to consider and vote on the resolutions below.

**In light of the COVID 19 pandemic and HM Government’s recommendations on social distancing, shareholders are not allowed to attend the meeting in person. You are kindly requested to submit your votes by proxy. No business will be considered at the meeting other than the resolutions dealt with in this Notice.**

Resolutions 1 to 9 will be proposed as ordinary resolutions and Resolutions 10 to 13 will be proposed as special resolutions.

### Ordinary resolutions

1. To receive and adopt the accounts of the Company for the financial year ended 31 December 2019, together with the Directors’ Report and the Auditor’s Report.
2. To receive and approve the Directors’ Remuneration Report, in the form set out in the Company’s Annual Report for the year ended 31 December 2019 (Pages 35 to 37 of the 2019 Annual Report).
3. To elect Ian Lawson, who has been appointed as a Director since the last Annual General Meeting of the Company, as a Director of the Company.
4. To elect Daniel Quint, who has been appointed as a Director since the last Annual General Meeting of the Company, as a Director of the Company.
5. To elect Albert Ellis, who has been appointed as a Director since the last Annual General Meeting of the Company, as a Director of the Company.
6. To elect Richard Thomson, who has been appointed as a Director since the last Annual General Meeting of the Company, as a Director of the Company.
7. To appoint Grant Thornton UK LLP as auditors of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company.
8. To authorise the Directors to fix the remuneration of the auditors.
9. **THAT** in substitution for all existing authorities to the extent unused, the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £689,304 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or at the close of business on the date 15 months from the date of the passing of this Resolution (whichever is the earlier) and that the Company may before such expiry make an offer or agreement which would or might require such securities to be allotted after such expiry and the Directors may allot such securities in pursuance of such offer or agreement, notwithstanding that the authority conferred hereby has expired.

### Special resolutions

10. **THAT** if Resolution 9 is passed, the Directors be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that Resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:
  - (a) to the allotment of equity securities in connection with an offer of securities (whether by way of a rights issue, open offer or otherwise), open for acceptance for a period fixed by the Directors, to holders of ordinary shares on the register of members on any fixed record date in proportion to their holdings of ordinary shares, subject to such exclusions or other such arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory; and
  - (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £344,652,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business 15 months after the date of the Meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

11. **THAT** if Resolutions 9 and 10 are passed, the Directors be authorised in addition to any authority granted under Resolution 10 to allot equity securities (as defined in the Act) for cash under the authority given by Resolution 9 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £344,652; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this Notice,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business 15 months after the date of the Meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

12. **THAT** pursuant to section 701 of the Act, the Company be and is hereby granted general and unconditional authority to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of £0.10 each in the capital of the Company ("**Shares**") on such terms and in such manner as the Directors may determine, provided that:

- (a) the maximum number of Shares authorised to be purchased is 6,893,048 Shares;
- (b) the minimum price (exclusive of expenses) which may be paid for a Share is £0.10;
- (c) the maximum price (exclusive of expenses) which may be paid for a Share is the higher of: (i) an amount equal to 105 per cent of the average of the middle market quotations for the Shares as derived from the AIM Appendix of the Daily Official List of London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made; and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out,

and (unless previously revoked, varied or renewed) shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or at the close of business on the date 15 months from the date of the passing of this Resolution (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before the expiry of this authority under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

13. **THAT** a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

**Philip Gormley**

Company Secretary

Staffline Group plc

19 20 The Triangle, NG2 Business Park, Nottingham NG2 1AE

10 July 2020

## Explanatory notes on resolutions

### Resolution 1: Annual report and accounts

The Directors must present the Company's annual accounts, Director's Report and Auditor's Report to shareholders at a general meeting. Those to be presented at the Meeting are in respect of the 52 week period ended 31 December 2019 and are called the 2019 Annual Report. The 2019 Annual Report is available on the Company's website (<https://www.stafflinegroupplc.co.uk/investor-relations/results-reports-and-presentations/>).

### Resolution 2: Directors' Remuneration Report

The Company is seeking shareholder approval for the Directors' Remuneration Report which is set out on pages 35 to 37 of the 2019 Annual Report. This vote is advisory only; therefore, it does not affect the historical remuneration paid to any individual Director.

### Resolutions 3 to 6: Election of Directors

#### *All directors are standing for election.*

Ian Lawson stands for election following his appointment to the Board on 27 April 2020. His biography is set out in the announcement published by the Company on 27 April 2020 and is replicated for ease in note 12 of this Notice.

Daniel Quint stands for election following his appointment to the Board on 18 May 2020. His biography is set out in the announcement published by the Company on 18 May 2020 and is replicated for ease in note 13 of this Notice.

Albert Ellis stands for election following his appointment to the Board on 17 March 2020. His biography is set out in the announcement published by the Company on 17 March 2020 and is replicated for ease in note 14 of this Notice.

Richard Thomson stands for election following his appointment to the Board on 17 September 2019. His biography is set out in the announcement published by the Company on 17 September 2019 and is replicated for ease in note 15 of this Notice.

Biographies of each of the Directors are also set out on page 28 of the 2019 Annual Report.

### Resolutions 7 and 8: Appointment and remuneration of auditors

The Company is required to appoint auditors at each general meeting at which its annual report and accounts are presented to shareholders. Therefore, resolution 7 proposes the appointment of Grant Thornton UK LLP as auditors (to hold office until the next such meeting) and, in accordance with normal practice, resolution 8 authorises the Directors to determine the auditors' remuneration.

Grant Thornton UK LLP replaced PricewaterhouseCoopers LLP as the Company's auditor on 12 November 2019.

### Resolution 9: General authority to allot shares

Resolution 9 would renew the Directors' authority to allot shares up to a maximum nominal amount of £689,304, being approximately 10% of the issued share capital of the Company as at 6 July 2020 (being the latest practicable date prior to the publication of this document). The existing authority would be revoked and this authority would expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or at close of business on the date 15 months from the date of the passing of this Resolution (whichever is the earlier).

The Directors have no present intention of exercising the authority under this Resolution but the Directors wish to ensure that the Company has maximum flexibility in managing the financial resources of the Company.

### Resolution 10: Disapplication of pre-emption rights (General)

Resolution 10 would renew the Directors' authority to allot shares for cash as though the rights of pre-emption conferred by section 561(1) of the Act did not apply:

- (a) in connection with an offer to existing shareholders but not strictly in accordance with statutory pre-emption rights (to allow the Directors to take action to overcome certain practical difficulties which could arise in the case of such offer); and
- (b) up to a nominal amount of £344,652, being approximately 5% of the issued share capital of the Company as at 6 July 2020 (being the latest practicable date prior to the publication of this document) (to give the Directors some flexibility in financing business opportunities as they arise).

This power would expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or at close of business on the date 15 months from the date of the passing of this Resolution (whichever is the earlier). The disapplication of pre-emption rights also applies to the sale by the Company of treasury shares.

### Resolution 11: Disapplication of pre-emption rights (Acquisition or Capital Investment)

Resolution 11 would afford the Directors an additional authority to allot shares for cash as though the rights of pre-emption conferred by section 561(1) of the Act did not apply in respect of the allotment up to a nominal amount of £344,652, being approximately 5% of the issued share capital of the Company as at 6 July 2020 (being the latest practicable date prior to the publication of this document) only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

This power would expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or at close of business on the date 15 months from the date of the passing of this Resolution (whichever is the earlier). The disapplication of pre-emption rights also applies to the sale by the Company of treasury shares.

The Directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three year period (other than in connection with an acquisition or specified capital investment, as described in the Pre-emption Group's Statement of Principles) without prior consultation with shareholders.

**Resolution 12: Purchase of own shares**

Resolution 12 will be proposed as a Special Resolution and renews the Company's authority to purchase its own shares in the market during the period until the next Annual General Meeting of the Company for up to 6,893,048 shares, representing approximately 10% of the issued ordinary share capital of the Company as at 6 July 2020 (being the latest practicable date prior to the publication of this document).

The Directors have no current intention of exercising this authority to purchase the Company's ordinary shares. The Company will only exercise this authority to make such a purchase in the market if the Directors consider it is in the best interests of the Shareholders generally to do so and could be expected to result in an increase in earnings per share of the Company.

The Company is permitted to hold shares it has purchased in treasury, as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy options exercised under any of the Company's share schemes. Whilst held in treasury, the shares are not entitled to receive any dividend or dividend equivalent (apart from any issue of bonus shares) and have no voting rights. The Directors believe it is appropriate for the Company to have the option to hold its own shares in treasury if, at a future date, the Directors exercise this authority. The Directors will have regard to investor group guidelines which may be in force at the time of any such purchase, holding or re-sale of shares held in treasury.

If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or at close of business on the date 15 months after the passing of the Resolution (whichever is earlier). It is the Directors' intention to renew this authority each year.

**Resolution 13: Notice period for general meetings**

Resolution 13 will be proposed as a Special Resolution to allow the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice. Annual General Meetings will continue to be held on 21 clear days' notice.

Although not strictly required under the Act, the Directors consider it prudent to seek shareholder approval for a shorter notice period.

If the resolution is passed, the shorter notice period would only be used where it is merited by the business of the meeting and is considered to be in the interests of the shareholders as a whole.

If passed the resolution will be effective until the Company's next Annual General Meeting.

**Recommendation**

The Directors consider that the Resolutions to be proposed at the Meeting are in the best interests of the Company and the shareholders of the Company as a whole. Consequently, the Directors unanimously recommend that you vote in favour of each of the Resolutions to be proposed at the Meeting.

**Action to be taken**

If you would like to vote on the Resolutions, please appoint the chair as proxy. Your proxy must be received by 11.00am on Monday 10 August 2020. Further details relating to voting by proxy are set out in the notes to the Notice.

**Board changes**

On 18 December 2019, the Company announced that Mike Watts had tendered his resignation as Chief Financial Officer to the Board with immediate effect.

On 31 January 2019, the Company announced that Ed Barker had retired with immediate effect as a Non Executive Director and chair of the Company's Audit Committee.

On 20 February 2020, the Company announced that Chris Pullen had tendered his resignation as Chief Executive Officer to the Board but that Chris would continue to carry out his role as Chief Executive Officer during his notice period in order to facilitate an orderly succession and maintain business continuity. On 27 April 2020, the Company announced that Ian Lawson had been appointed as Executive Chairman and that Chris Pullen had stepped down from being a member of the board of directors.

On 23 April 2020, the Company announced that Dawn Ward had tendered her resignation as a Non Executive Director to the Board with immediate effect.

On 24 April 2020, the Company announced that Tracy Lewis had tendered her resignation as Non Executive Chair to the Board with immediate effect.

Details of all director appointments are set out in the notes to resolutions 3 to 6 and the biographies of those directors are set out in notes 12 to 15 below.

## Notes:

### Entitlement to vote

1. The right to vote by proxy at the Meeting is determined by reference to the register of members of the Company. Only those Shareholders registered in the register of members of the Company as at 5.00 pm on Monday 10 August 2020 (or, if the Meeting is adjourned, 5.00pm on the date which is two days before the date of the adjourned meeting) shall be entitled to vote by proxy in respect of the number of shares registered in their name at that time. Changes to entries in the Company's register of members after that time shall be disregarded in determining the rights of any person to vote (and the number of votes they may cast) by proxy.

### Proxies

2. A Shareholder is entitled to appoint the chair as his or her proxy to exercise all or any of his or her rights to vote at the Meeting. As previously noted, you are kindly asked to appoint the chair of the meeting as proxy in order to vote at the Meeting.
3. A Form of Proxy is enclosed. To be valid any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post or, during normal business hours only, by hand at the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, no later than 11.00am on Monday 10 August 2020 (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

### CREST Proxy Instructions

4. CREST members who wish to appoint the chair as proxy through the CREST electronic proxy appointment service may do so by using 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, in order to be valid, must be transmitted so as to be received by the Company's agent Computershare Investor Services PLC (ID 3RA50) by 11.00am on Monday 10 August 2020. 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 Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. 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 or her CREST sponsor or voting service provider(s) take(s)) 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.
7. 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 (as amended).

### Corporate representatives

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.

### Total Voting Rights

9. As at 6 July 2020 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consisted of 68,930,486 ordinary shares of 10 pence each, carrying one vote each, of which the Company effectively holds 1,140,400 shares in treasury (being held by the Employee Benefit Trust). Therefore, the total voting rights in the Company as at 6 July 2020 are 67,790,086.

### Information available on the Website

10. A copy of this Notice can be found at:

<https://www.stafflinegroupplc.co.uk/investor-relations/shareholder-information/agm/>

Shareholders may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

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**Information available for inspection**

11. The following information is available for inspection during normal business hours at the registered office of the Company (excluding weekends and public holidays). It will also be available for inspection at the place of the Meeting from 15 minutes immediately before the Meeting until its conclusion (although as previously noted you are requested not to attend the Meeting in person but to submit your votes by proxy):
- (a) copies of the service contracts and letters of appointment of the Directors;
  - (b) a copy of the Company's articles of association; and
  - (c) qualifying third party indemnity provisions of which the Directors have the benefit.

**Election of Directors**

12. Ian Lawson brings over 15 years' public company board-level experience across both the support services and engineering sectors. He retired from Severfield PLC in January 2018 after serving over four years as Chief Executive, and prior to this he was a main board director of Kier Group PLC from 2005 to 2013, with responsibilities for the Services, Property and Residential Divisions.
13. Daniel Quint is an experienced CFO with over 10 years' experience at board level at both public and private companies. Most recently, Daniel was Interim CFO at AIM listed Young & Co.'s Brewery PLC. Prior to this, Daniel spent three years as CFO of SPIE UK, the leading energy, safety and environmental solutions provider. Daniel also spent five years at Robert Walters, the global recruitment consultancy, where he held the role of Finance Director (UK, Middle East and Africa). He is a Fellow of the Institute of Chartered Accountants in England and Wales.
14. Albert Ellis brings considerable experience in the staffing and human capital sector having spent over 21 years at Harvey Nash, the technology recruitment and IT solutions group. Albert held the position of Group Chief Executive Officer for 14 years and, prior to that, Chief Financial Officer. Prior to that, Albert also held a number of senior finance roles within Hays PLC, the FTSE 250 recruitment company. Albert is a qualified Chartered Accountant and is also currently a Trustee of Asia House.
15. Richard Thomson has over 18 years' experience as an independent director and board-level advisor. He began his career at Rothschild where he spent seven years, followed by five years at Alcentra, a global asset management firm, and more recently acting as Turnaround Director and Advisor on multiple situations. Richard has two masters degrees from St Catherine's College Oxford and holds the Securities Institute diploma from The Chartered Institute for Securities and Investment as well as the Financial Times Non-executive Director diploma, and is a member of The Institute for Turnaround.

**Questions**

16. The Board recognises that the Annual General Meeting normally represents an opportunity to engage with shareholders and provides a forum that enables shareholders to ask questions of the Board. In light of this and the restrictions on attendance at the meeting, the Board will seek to respond to questions which are put forward to the Board via email. Shareholders are gratefully requested to submit their questions (together with their name as shown on the Company's register of members and the number of shares held) to the following email address [investors@staffline.co.uk](mailto:investors@staffline.co.uk) by no later than 11.00am on Monday 10 August 2020.

