

RM plc, New Mill House, 183 Milton Park, Abingdon, Oxon OX14 4SE

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

If you are in any doubt about the action you should take, you should immediately consult your independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold your shares in RM plc, please hand this document and the accompanying form of proxy to the purchaser, stockbroker or other agent through whom the sale was effected, for transmission to the purchaser.



18 December 2006

## Dear Shareholder,

I have pleasure in enclosing a copy of the report and accounts for 2006 and Notice of the Annual General Meeting of the Company to be held at 2.00 pm on 22 January 2007 at 140 Milton Park, Abingdon, Oxon OX14 4RS. I hope that as many members of the Company as possible will be able to attend.

The Company is seeking your consideration and approval of the matters set out below:

### Ordinary business

**Routine business** The routine business of the Annual General Meeting includes the consideration of the Company's report and accounts, the proposal to pay a final dividend of 4.05p per share and proposals to re-appoint Deloitte & Touche LLP as the Company's auditors and to authorise the Directors to fix the remuneration of the auditors.

**Re-election of Directors** Three Directors, Tim Brighouse, Mike Tomlinson and Rob Sirs, are retiring and offering themselves for re-election as, under the Articles of Association, one third of all Directors are required to retire each year. Biographical details for each of these Directors are contained in the annual report and accounts.

The Combined Code on Corporate Governance requires the Board to set out why they believe a Non-Executive Director should be re-elected (Code Provision A.7.2). Tim Brighouse was appointed as a Non-Executive Director in May 2004; his appointment is governed by a fixed-term letter of appointment and runs until May 2007. He is retiring and offering himself for re-election as required under the Group's Articles of Association. Mike Tomlinson was appointed as a Non-Executive Director in February 2004; his appointment is governed by a fixed-term letter of appointment and runs until February 2007. He is retiring and offering himself for re-election as required under the Group's Articles of Association. The Board believes that both Non-Executive Directors' contribution and commitment as Independent Non-Executive

Directors are beneficial to the Group. As Chairman, I confirm that their performances continue to be effective and to demonstrate their commitment to their roles.

### Special business

**The Board Report on Remuneration** In accordance with Section 241A of the Companies Act 1985 (the "Act") and the Combined Code on Corporate Governance, as published by the Financial Reporting Council, your Board is asking for your approval of the Board Report on Remuneration, as set out in the Company's report and accounts for the year ended 30 September 2006.

**Issues and repurchases of ordinary shares** The notice includes two special resolutions renewing the Directors' authority to increase the issued share capital and a special resolution authorising the Company to make market purchases of its shares.

The first special resolution, Resolution 9, renews the authority granted to the Directors by Article 9 of the Company's Articles of Association to allot new shares. Resolution 9 is in accordance with Section 80 of the Act and renews the Directors' authority to allot ordinary shares in the capital of the Company up to a nominal amount of £611,472 (the "Section 80 amount"), being 33.33% of the issued ordinary share capital at 24 November 2006.

The second special resolution, Resolution 10, disapplies Section 89 of the Act, in accordance with Section 95 of the Act, so as to renew the Directors' authority under Article 9 of the Company's Articles of Association to allot further shares for cash (a) by way of a rights issue (as defined in the Company's Articles of Association) and (b) otherwise than by way of a rights issue, up to an aggregate nominal amount of £91,730 (the "Section 89 amount"), being 5% of the nominal value of the Company's issued ordinary share capital on 24 November 2006.

Both these authorities will expire on the date of the next Annual General Meeting or on 22 April 2008 whichever is the earlier. It is worth noting that Section 80 of the Act will be repealed and replaced by Clauses 540 to 542 of the Companies Act 2006. Where an authority has been given under Section 80 of the Companies Act 1985 when the Companies Act 2006 comes into force the authority will continue until it expires.

I must stress that, at present, your Directors have no current intention of using these powers.

The third special resolution, Resolution 11, authorises the Company to make market purchases of up to 10% of its issued ordinary share capital at 24 November 2006 (i.e. 9,172,991 ordinary shares). This authority will expire on the date of the next Annual General Meeting or on 22 April 2008 whichever is the earlier. The share repurchases made to date under the authorities granted by shareholders have enhanced pre-exceptional earnings per share to the benefit of all shareholders. The Board believes that it would be appropriate to have the option to use a proportion of the Company's cash resources to make further market repurchases of ordinary shares. The minimum price which may be paid for each share is the nominal value and the maximum price which may be paid for a share is an amount equal to 5% above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased.

The Company will only exercise the authority granted by the proposed resolution where the Board reasonably believes that repurchasing its shares will increase earnings per share (unless the Company intends to hold the shares as treasury shares) and is in the best interests of shareholders generally. The maximum number of shares which may be purchased is 9,172,991 and the minimum price which may be paid for each share is the nominal value. The number of options to subscribe for equity shares that are outstanding at 24 November 2006 is 5,728,295, being 6.25% of the issued ordinary share capital at that date and 6.94% of the issued ordinary share capital at that date if the authority to make market purchases set out above were used in full, in both cases excluding treasury shares. The Company has no warrants to subscribe for equity shares that are outstanding at 24 November 2006.

Any shares purchased by the Company will be cancelled and the number of shares reduced accordingly (unless the Company holds the shares as treasury shares). The number of treasury shares held by the Company at 24 November 2006 is 23,937, being 0.026% of the issued ordinary share capital (excluding treasury shares), which for accounting purposes is immaterial.

The fourth special resolution, Resolution 12, is to amend the Articles of Association of the Company so as to allow for all notices and documents (excluding share certificates) to be sent or supplied by the Company to its shareholders in electronic form. This is in line with the Transparency Directive and the Companies Act 2006. This will have a number of advantages, including: (i) speedier delivery of documents; (ii) cost savings for the Company on the delivery of documents; (iii) saving on environmental resources; and (iv) confirmation of receipt of proxy appointments. This is only one of a number of alternative delivery mechanisms offered by the Company and shareholders can, if they wish, continue to receive all material in hard copy by post. To receive your shareholder documentation electronically, you will need to inform the Company of your email address by registering it with our Registrars, Capita Registrars.

#### Action to be taken

Please note that we have asked you to complete and return any proxies to our Registrars, Capita Registrars, and not directly to the Company. You will see instructions on how to fold the form and return it, reply paid, to the Registrars, on the back of the proxy. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service should refer to note 3 of the Notice of Annual General Meeting set out on page 6 of this document.

#### Recommendation

Your Directors consider that the above proposals are in the best interests of RM plc and its shareholders and recommend that you vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Yours sincerely



**John Leighfield**  
Chairman

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of RM plc will be held at 140 Milton Park, Abingdon, Oxon OX14 4RS at 2.00 pm on 22 January 2007 to consider and, if thought fit, pass the following resolutions:

### Ordinary resolutions

#### Ordinary business

1. To receive and consider the Company's accounts and the reports of the Directors and auditors for the year ended 30 September 2006.
2. To declare a dividend.
3. To re-elect Tim Brighthouse as a Director.
4. To re-elect Mike Tomlinson as a Director.
5. To re-elect Rob Sirs as a Director.
6. To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the Directors to fix the remuneration of the auditors.

#### Special business

8. To approve the Board Report on Remuneration contained in the Company's annual report and accounts for the year ended 30 September 2006.

### Special resolutions

9. That the authority and power conferred on the Directors by Article 9 of the Company's Articles of Association be renewed for the period ending on the date of the Annual General Meeting in 2008 or 22 April 2008, whichever is the earlier, and for such period the Section 80 amount shall be £611,472.
10. That the authority and power conferred on the Directors by Article 9 of the Company's Articles of Association be renewed for the period ending on the date of the Annual General Meeting in 2008 or 22 April 2008, whichever is the earlier, and for such period the Section 89 amount shall be £91,730.

11. That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 166 of the Companies Act 1985 to make market purchases (as defined in Section 163 of that Act) of Ordinary Shares of 2p each in the capital of the Company provided that:
  - (a) the maximum number of shares which may be purchased is 9,172,991;
  - (b) the minimum price which may be paid for each share is the nominal value thereof;
  - (c) the maximum price which may be paid for a share is an amount equal to 5% above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
  - (d) this authority shall expire at the conclusion of the next Annual General Meeting, or 22 April 2008, whichever is earlier (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

12. That the Articles of Association of the Company are amended as follows to allow for all notices and documents (excluding share certificates) to be sent or supplied by the Company to its shareholders in electronic form:
  - 12.1 Article 2 shall be amended by deleting the "." at the end of the definition of "in writing" and the following words added to the definition:
 

"including (but only to the extent that (a) the Directors so resolve, either generally or in relation to particular categories of document, and (b) the recipient (if not the Company) has requested or agreed) communications sent or supplied in electronic form."

- 12.2 Article 2 shall also be amended by adding the following paragraph after the paragraph which ends ““share” and “shareholder” shall be construed accordingly”:

“The expression “electronic form” and related expressions shall have the same respective meanings as in the Companies Act 2006, the former including, without limitation, email, facsimile, CD-Rom, audio tape and telephone transmission and (in the case of electronic communication by the Company in electronic form in accordance with Article 134(A) and where the context permits) publication on a Web site.

The expression “address” shall include, in relation to communication in electronic form, any number or address used for the purposes of such communication.”

- 12.3 Article 65(a) shall have the following words added at the end of the Article:

“or comply with Article 133”

- 12.4 Article 65(b) shall have the following words added at the end of the Article:

“or comply with Article 133”

- 12.5 Article 125 shall have the following words added at the end of the Article:

“To the extent permitted by the Statutes and agreed by the member, the documents referred to in this Article may be sent or supplied in electronic form.”

- 12.6 Article 128(A) shall be amended by deleting the following words:

“at his registered address, or (if he has no registered address with the United Kingdom);

“, if any, within the United Kingdom”; and

“, or by delivering it to such address addressed as aforesaid”.

Article 128(A) shall also be amended by adding the following words at the end of the sentence which ends “for the service of notices”:

“or, subject to the Statutes, by sending it in electronic form or making it available on a Web site, in accordance with Article 134 below”.

Article 128(A) shall now read as follows:

“(A) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it by post in a pre-paid cover addressed to such member to the address supplied by him to the Company as his address for the service of notices or, subject to the Statutes, by sending it in electronic form or making it available on a Web site, in accordance with Article 134 below. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.”

- 12.7 Article 128 shall also be amended by adding the following as Article 128(B); renumbering the present Article 128(B) as Article 128(D) and renumbering the present Article 128(C) as Article 128(E):

“Any document or notice which, in accordance with the Companies Act 2006 and these Articles, may be sent by the Company in electronic form shall, if so sent, be deemed to be received at the expiration of 12 hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that a communication was sent by the Company in electronic form shall be conclusive evidence of such sending.”

- 12.8 Article 128 shall also be amended by adding the following as Article 128(C):

“(C) Any document or notice which, in accordance with the Companies Act 2006 and these Articles, may be sent or supplied by means of a Web site shall, if so sent, be deemed to be received when the material was first made available on the Web site, or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the Web site.”

- 12.9 Article 131 shall be amended by deleting the word “an” and adding the words “a postal” before “address” and the following words shall be added at the end of the Article:

“other than in electronic form.”

12.10 Article 132 shall be amended by deleting the following:

“In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.”; and

replacing the deleted sentence with the following:

“In any such case the Company may still, where applicable, serve notice in electronic form and shall send confirmatory copies of the notice by post to members to whom it was not sent in electronic form if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.”

12.11 Article 133 shall be renumbered Article 135 and those Articles following it shall be renumbered accordingly, and the following new Articles 133 and 134 shall be added:

“133 Signature of documents

Where under these Articles a document requires to be signed by a member or other person then to be valid, if in electronic form, it must incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that member or other person, in such form as the Directors may approve, or be accompanied by such other evidence as the Directors may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.”

“134 Electronic communication

(A) The Company may send or supply documents or information in electronic form to its members. Any member may notify the Company of an address for the purpose of his receiving communications in electronic form from the Company, and having done so shall be deemed to have agreed to receive notices and other documents from the Company in electronic form.

(B) In addition, the Company may satisfy its obligation to send or supply a member any notice or other document by:

(a) publishing such notice or document on a Web site; and

(b) notifying him by email, or otherwise, that such notice or document has been so published, specifying the address of the Web site on which it has been published, the place on the Web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders’ meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Companies Act 2006, (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general meeting and (iv) such other information as the Statutes may prescribe.

(C) Any amendment or revocation of a notification given to the Company under this Article shall only take effect if in writing, signed by the member and on actual receipt by the Company thereof.

(D) A communication in electronic form shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.”

12.12 In the existing Article 133 change the number “five” to “seven”.

By order of the Board,

**A.J. Robson**  
Secretary  
18 December 2006

Registered Office:  
New Mill House  
183 Milton Park  
Abingdon  
Oxon  
OX14 4SE

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy (or proxies) to attend and, on a poll, vote instead of that member. A proxy need not be a member of the Company. A form of proxy is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the meeting in person.
2. 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 deposited at Capita Registrars Proxy Department, PO Box 25, Beckenham, Kent BR3 4BR not less than 48 hours before the time for holding the meeting or adjourned meeting 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.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting (and any adjournment thereof) 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.

In order for a proxy appointment 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 relates to the appointment of a proxy or to 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 the issuer's agent (ID"RA10") by the latest time(s) for receipt of proxy appointments specified in, or in a note to, the notice of meeting. 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.

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.

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.

4. Copies of the register of Directors' interests in the share capital of the Company and all contracts of service under which Directors of the Company are employed by the Company or any of its subsidiaries are available for inspection at the Company's registered office during business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the conclusion of the Annual General Meeting and will also be available for inspection at the place of the meeting from fifteen minutes before it is held until its conclusion.
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders entered on the Company's register of members at 2.00 pm on 20 January 2007 or, if the meeting is adjourned, on the Company's register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's register of members after 2.00 pm on 20 January 2007 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

**RM plc**

**For the use of Shareholders ONLY**

**Form of proxy for Annual General Meeting to be held on 22 January 2007**

I/We .....(Block letters)

of.....

.....(Address)

being (a) member(s) of the above named Company hereby appoint the Chairman of the Meeting\* or ..... as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 140 Milton Park, Abingdon, Oxon OX14 4RS at 2.00 pm on 22 January 2007 and at any adjournment thereof. I/We direct my/our Proxy to vote in respect of the Resolutions set out in the Notice of Meeting as shown below.

**Ordinary resolutions**

(Please mark X in appropriate box)

- 1. To receive and consider the Company's accounts and reports of the Directors and auditors for the year ended 30 September 2006.
- 2. To declare a dividend.
- 3. To re-elect Tim Brighouse as a Director.
- 4. To re-elect Mike Tomlinson as a Director.
- 5. To re-elect Rob Sirs as a Director.
- 6. To re-appoint Deloitte & Touche LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.
- 7. To authorise the Directors to fix the remuneration of the auditors.
- 8. To approve the Board Report on Remuneration contained in the Company's annual report and accounts for the year ended 30 September 2006.

| For | Against | Withheld |
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**Special resolution**

- 9. To authorise the Directors to allot securities up to the Section 80 amount.
- 10. To authorise the Directors to allot securities up to the Section 89 amount.
- 11. To authorise the Directors to make market purchases of the Company's shares.
- 12. To amend the Articles of Association of the Company to allow for all notices and documents (excluding share certificates) sent or supplied by the Company to its shareholders in electronic form.

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\*Delete the words 'the Chairman of the Meeting' if you wish to appoint any person other than the Chairman of the Meeting as your proxy and insert the name of the person you wish to appoint. A shareholder is entitled to appoint a proxy of his/her choice. A proxy need not be a member of the Company. The appointment of a proxy will not preclude you from attending and voting at the meeting in person.

Names of joint holders (if any) .....

Dated this ..... day of .....

Signature(s) .....

- 1. Please indicate with an 'X' in the appropriate boxes how you wish the proxy to vote. The proxy will exercise his discretion as to how he votes or whether he abstains from voting:
  - 1.1 on any resolution referred to above if no instruction is given in respect of that resolution; and
  - 1.2 on any business or resolution considered at the meeting other than the resolutions referred to above.
- 2. To be effective, this form, and any power of attorney under which it is executed (or a duly certified copy of any such power of attorney), must be deposited at Capita Registrars Proxy Department, PO Box 25, Beckenham, Kent BR3 4BR not less than 48 hours before the time for holding the meeting or adjourned meeting 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.
- 3. Where the member is a corporation this form must be under its common seal or signed by an attorney or a duly authorised officer of the corporation.
- 4. In the case of joint holders only one need sign this form, but the names of the other joint holders should be shown in the space provided. The vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. Seniority will be determined by the order in which the names of the holders appear in the register of members in respect of the joint holding.
- 5. To be entitled to attend or vote at the meeting (and for the purpose of determining the number of votes you may cast), you must be entered in the Company's register of members at 2.00 pm on 20 January 2007 or, if the meeting is adjourned, you must be entered on the register 48 hours before the time fixed for the adjourned meeting.
- 6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service should refer to note 3 on page 6 of the Notice of Annual General Meeting.
- 7. The "Withheld" option is provided to enable you to abstain on any particular resolution. However, it should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
- 8. Any alteration to this form of proxy must be initialled by the person who signed it.

Third fold and tuck in

BUSINESS REPLY SERVICE  
Licence No. MB 122

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**Capita Registrars  
Proxy Department  
PO Box 25  
Beckenham  
Kent  
BR3 4BR**

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