



RM plc

New Mill House, 183 Milton Park, Abingdon, Oxfordshire, 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.

17 December 2008

Dear Shareholder,

I have pleasure in enclosing a copy of the Report and Accounts for 2008 and Notice of the Annual General Meeting of the Company to be held at 2.00 pm on 19 January 2009 at 140 Milton Park, Abingdon, Oxfordshire 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 4.55p 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.

Election of Directors

Three Directors, John Leighfield, Mike Tomlinson and Mike Greig, 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. The Articles of Association also require that newly-appointed Directors offer themselves for election at the next AGM following their appointment. Terry Sweeney, Chief Executive, and Jo Connell, Non-Executive Director, were both appointed during the year and will therefore offer themselves for election. 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). John Leighfield was appointed as a Non-Executive Director on 3 November 1993; his appointment is governed by a fixed-term letter of appointment and runs until 1 May 2010. 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 on 2 February 2004 and re-appointed on 28 January 2007; his appointment is governed by a fixed-term letter of appointment and runs until January 2010. He is retiring and offering himself for re-election as required under the Group's Articles of Association. Jo Connell was appointed as a Non-Executive Director on 20 December 2007; her appointment is governed by a fixed-term letter of appointment and runs until 20 December 2010. She was appointed during the year and will therefore offer herself for election. The Board believes that all three Non-Executive Directors' contributions and commitment as 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 439 of the Companies Act 2006 (the "2006 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 2008.

Issues and repurchases of ordinary shares

The notice includes two special resolutions renewing the Directors' authority to increase the issued share capital, a special resolution authorising the Company to make market purchases of its shares and a special resolution to amend the Articles of Association.

The first special resolution, Resolution 11, renews the authority granted to the Directors by Article 9 of the Company's Articles of Association to allot new shares. Resolution 11 is in accordance with Section 80 of the Companies 1985 (the "Act") and renews the Directors' authority to allot ordinary shares in the capital of the Company up to a nominal amount of £620,569 (the "Section 80 amount"), being 33.33% of the issued ordinary share capital at 24 November 2008.

The second special resolution, Resolution 12, 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 £93,095 (the "Section 89 amount"), being 5% of the nominal value of the Company's issued ordinary share capital at 24 November 2008.

Both these authorities will expire on the date of the next Annual General Meeting or on 19 April 2010 whichever is the earlier. It is worth noting that Section 80 of the Act will be repealed and replaced by Clauses 549 to 551 of the 2006 Act. Where an authority has been given under Section 80 of the Act when the 2006 Act comes into force the authority will continue until it expires. These provisions of the 2006 Act are not expected to come in to force until 1st October 2009.

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

The third special resolution, Resolution 13, authorises the Company to make market purchases of up to 10% of its issued ordinary share capital at 24 November 2008 (i.e. 9,309,471 ordinary shares). This authority will expire on the date of the next Annual General Meeting or on 19 April 2010 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 5 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 9,309,471 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 2008 is 5,439,513, being 5.84% of the issued ordinary share capital at that date and 6.49% 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 2008.

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 2008 is 28,101, being 0.03% of the issued ordinary share capital (excluding treasury shares), which for accounting purposes is immaterial.

Authorisation of situational conflicts

From 1 October 2008 Directors have a duty to avoid a situation in which there is, or may be, a conflict between the interests of the Company and the direct or indirect interests of the Director or between the Director's duties to the Company and to another person. Section 175 of the 2006 Act has introduced a new statutory power for a board to authorise such situational conflicts, provided this is done in advance. Boards of public companies and existing private companies must be authorised to deal with conflicts before directors can approve these conflicts. Accordingly, the fourth special resolution, Resolution 14, amends the Articles of Association so as to allow a quorum of Directors (excluding the Director(s) having the actual or potential situational conflict) to approve a situation where a Director(s) has a direct or indirect interest that conflicts or may possibly conflict with the interests of the Company in accordance with Section 175 of the 2006 Act.

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. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST MB122, Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent, BR3 4BR. You may also vote online, via the Shareholder Portal, at www.capitashareportal.com If you have not already done so, you will have to register to use this facility; you will need your Investor code which can be found on your Form of 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 4 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, Oxfordshire OX14 4RS at 2.00 pm on 19 January 2009 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 2008.
- 2 To declare a dividend.
- 3 To re-elect John Leighfield as a Director.
- 4 To re-elect Mike Tomlinson as a Director.
- 5 To re-elect Mike Greig as a Director.
- 6 To elect Terry Sweeney as a Director.
- 7 To elect Jo Connell as a Director.
- 8 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.
- 9 To authorise the Directors to fix the remuneration of the auditors.

Special business

- 10 To approve the Board Report on Remuneration contained in the Company's Annual Report and Accounts for the year ended 30 September 2008.

Special resolutions

- 11 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 2010 or 19 April 2010, whichever is the earlier, and for such period the Section 80 amount shall be £620,569.
- 12 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 2010 or 19 April 2010, whichever is the earlier, and for such period the Section 89 amount shall be £93,095.
- 13 That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 166 of the Act to make market purchases (as defined in Section 163 of the 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 9,309,471;
 - 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 5 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 19 April 2010, 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.
14. That the Articles of Association of the Company are amended as follows to allow for the authorisation of Director(s) situational conflicts by the Board of the Company.

New Article 103A be inserted as follows after Article 103:

Authorisation of situational conflicts

A quorum of Directors (excluding the Director(s) having the actual or potential situational conflict) may approve a situation where a Director(s) has a direct or indirect interest that conflicts or may possibly conflict with the interests of the Company in accordance with Section 175 of the Companies Act 2006.

By order of the Board,

A.J. Robson
Secretary
17 December 2008

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

Notes:

- 1 A form of proxy is enclosed for use by shareholders and, if appropriate, must be deposited with the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the Annual General Meeting ("AGM"). Appointment of a proxy does not preclude a shareholder from attending the AGM and voting in person.
- 2 A member entitled to attend and vote at the AGM may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. In order to be valid an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notari ally) must be returned by one of the following methods:
 - in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
 - via www.capitashares.co.uk or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below and in each case must be received by the Company not less than 48 hours before the time of the meeting.
- 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 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.
- 5 In accordance with Section 325 of the 2006 Act, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the 2006 Act. Persons nominated to receive information rights under Section 146 of the 2006 Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with Section 149(2) of the 2006 Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
- 6 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.
- 7 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 17 January 2009 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 17 January 2009 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.
- 8 The issued share capital of the Company as at 21 November 2008 was 93,094,708 ordinary shares, carrying one vote each. The Company holds 28,101 ordinary shares in treasury and is not permitted to exercise voting rights in respect of those shares. Therefore, the total number of voting rights in the Company on 21 November 2008 was 93,066,607.

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