

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

*If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.*

*If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.*

**RWS HOLDINGS plc**

(the “**Company**”)

(**Company Number: 3002645**)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an **ANNUAL GENERAL MEETING** of the Company will be held at the offices of Olswang, 90 High Holborn, London WC1V 6XX, on 12 February 2009, commencing at 11.00 a.m. for the following purposes:

**Ordinary Business**

To consider and, if thought fit, pass the following ordinary resolutions:

1. To receive and adopt the Company's annual accounts for the financial year ended 30 September 2008, together with the last report of the Directors, the last Directors' remuneration report and the Auditors' report.
2. To approve the Directors' remuneration report for the year ended 30 September 2008.
3. To declare the final dividend for the year ended 30 September 2008 of 7.90 pence per ordinary share payable to shareholders on the register at the close of business on 23 January 2009.
4. To reappoint the following Director who retires by rotation: Mr Andrew Brode.
5. To reappoint BDO Stoy Hayward LLP as Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid before the Company and to authorise the Directors to determine the Auditors' remuneration.
6. **THAT:**
  - 6.1 the Directors be generally and unconditionally authorised under section 80 of the Companies Act 1985 (the "1985 Act") to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £688,400;
  - 6.2 this authority shall expire (unless previously revoked by the Company) on the earlier of 12 May 2010 and the conclusion of the annual general meeting of the Company in 2010;
  - 6.3 the Company may make an offer or agreement before this authority expires which would or might require relevant securities to be allotted after it has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that this authority has expired; and
  - 6.4 all previous authorities to allot relevant securities, to the extent unused, be revoked.

## Special Business

To consider and, if thought fit, pass the following special resolutions:

7. **THAT:**

7.1 subject to the passing of resolution 6, the Directors shall have the power under section 95 of the 1985 Act to allot equity securities (as defined in section 94 of the 1985 Act) for cash under the authority conferred by resolution 6 as if section 89(1) of the 1985 Act did not apply to the allotment;

7.2 this power shall be limited to:

7.2.1 the allotment of equity securities in connection with an offer or issue of such securities to holders of ordinary shares on the register on a date fixed by the Directors, whether by way of rights issue, open offer or otherwise, in proportion (as nearly as practicable) to their respective holdings on that date or in accordance with the rights attached to them but subject to such exclusions and other arrangements as the Directors may consider appropriate in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

7.2.2 the allotment (other than under paragraph 7.2.1 above) of equity securities having, in the case of relevant shares (as defined for the purposes of section 89), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate £103,260;

7.3 this power shall cease to have effect on the earlier of 12 May 2010 and the date on which the authority conferred by resolution 6 is revoked or expired;

7.4 the Company may make an offer or agreement before this authority expires which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority has expired; and

7.5 this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the 1985 Act as if in paragraph 7.1 the words "under the authority conferred by resolution 6" were omitted.

8. **THAT** the articles of association of the Company be amended by:

8.1 the insertion, in correct alphabetical order, of the following definitions into Article 1.1:

**"the 2006 Act** the Companies Act 2006;"

**"the Statutes** insofar as they affect the Company, the Act, the Companies Act 1989, the 2006 Act, the Uncertificated Securities Regulations and every other act, statute, statutory instrument, regulation or order for the time being in force concerning companies; " and

8.2 deleting the existing Articles 108 to 114 inclusive, and replacing them with the following new Articles 108, 109 and 110 and by the consequential renumbering of subsequent Articles of the Company's articles of association and the updating of all cross references:

" 108. **Directors' permitted interests**

108.1 A Director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with the Company or any transaction or arrangement that has

been entered into by the Company shall declare the nature and extent of his interest to the other Directors to the extent required by, and in accordance with, the Statutes.

108.2 A Director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with a subsidiary undertaking of the Company or any transaction or arrangement that has been entered into by a subsidiary undertaking of the Company shall declare the nature and extent of his interest to the other Directors of the Company to the same extent, at the same time and in the same way as Article 108.1 would require if the transaction or arrangement were with the Company.

108.3 To the extent permitted by the Statutes, and provided that he has declared the nature and extent of his interest to the other Directors in accordance with Article 108.1 or 108.2:

(a) a Director may, notwithstanding his office, enter into, or otherwise be interested in, any transaction or arrangement with the Company (or any of its subsidiary undertakings) or in which the Company (or any of its subsidiary undertakings) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as vendor, purchaser or otherwise;

(b) a Director may, notwithstanding his office, hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period (subject to the Statutes) and upon such terms as the Board may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide, either in addition to or in lieu of any remuneration under any provision of these Articles;

(c) a Director may, notwithstanding his office, be a director or other officer of, or employed by, or a party to any contract, arrangement, transaction or proposal with or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

(d) a Director, notwithstanding his office, may act by himself or by his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,

and no Director shall, by reason of his holding office as Director (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this Article 108.3 and no transaction or arrangement shall be liable to be avoided by reason of any Director having any interest permitted by this Article 108.3.

108.4 For the purposes of Articles 108.1 to 108.3 inclusive, an interest of a person who is connected with a Director (within the meaning of section 252 of the 2006 Act) shall be treated as an interest of the Director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has.

#### 109. **Authorisation of conflicts of interest by the Directors**

109.1 Any matter (a "**Relevant Matter**") which would otherwise constitute or give rise to a breach by a Director of his duty under section 175 of the 2006 Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as Director) may be authorised by the Directors to the fullest extent permitted by law in accordance with this Article. In particular (but without limitation), subject to any authorisation required under this Article 109, a Director may be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company is interested.

109.2 Any Director may propose that a Relevant Matter be authorised by the Directors. Such proposal and any authorisation given by the Directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the Directors (or in such other manner as the Directors may approve) in accordance with these Articles, except that no

authorisation shall be effective unless the requirements of section 175(6) of the 2006 Act have been complied with.

109.3 Any authorisation of a matter under this Article 109 shall be subject to such terms, conditions and limitations as the Directors may specify, whether at the time of giving the authorisation or subsequently. The Directors may terminate or vary any authorisation at any time. The Director concerned must act in accordance with any terms, conditions or limitations specified by the Directors in accordance with this Article.

109.4 Unless otherwise specified by the Directors at any time, the terms and conditions on which a Relevant Matter has been authorised shall be deemed to include authority for the Director concerned, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the 2006 Act:

(a) to exclude himself from participation in discussion (whether at meetings of the Board or otherwise), or receipt of documents or information, relating to the Relevant Matter and/or to arrange for documents or information relating to the Relevant Matter to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information; and/or

(b) not to disclose to the Company, or use in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a Director of the Company which relates to the Relevant Matter and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.

This Article 109.4 is without prejudice to any equitable principle or rule of law which may otherwise excuse or release the Director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information as referred to in Articles 109.4(a) and (b).

109.5 The Directors may specify, as a term of authorisation of any Relevant Matter, that a Director is entitled to accept benefits from third parties in relation to the Relevant Matter without breaching section 176 of the 2006 Act.

109.6 No Director shall, by reason of his office as Director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the Directors in accordance with this Article 109. No transaction or arrangement shall be liable to be avoided by reason of any interest of a Director to the extent that it has been so authorised.

109.7 For the purposes of Article 109, references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

#### 110. **Directors' powers to vote**

110.1 A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying the terms of appointment), or the termination of his own appointment, as the Director of, or the holder of any other office or place of profit with, the Company or any undertaking in which the Company is interested but, where proposals for such resolutions relate to two or more Directors, those proposals may be divided and a resolution may be put in relation to each Director separately and in such case each of the Directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning him.

110.2 Subject to Article 110.1 and except as otherwise provided in these Articles, a Director shall not vote (or be counted in the quorum) in respect of any transaction or arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him, within the meaning of section 252 of the 2006 Act) may reasonably be regarded as likely to give rise to a conflict of interest and, if he purports to do so, his vote shall not be counted.

- 110.3 The prohibition in Articles 110.1 and 110.2 shall not apply and a Director may (unless otherwise prohibited under these Articles) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- (a) any transaction, arrangement or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
  - (b) the giving of any guarantee, security or indemnity in respect of:
    - (i) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or
    - (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
  - (c) any arrangement, transaction or proposal concerning the issue or offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
  - (d) any transaction, arrangement or proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him, within the meaning of section 252 of the 2006 Act) does not hold an interest (as that term is used in Part 22 of the 2006 Act) representing one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;
  - (e) any transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the transaction or arrangement relates;
  - (f) the purchase or maintenance of insurance either for or for the benefit of any Director or persons who include Directors;
  - (g) the giving of any indemnity against liability incurred by him in connection with his duties, powers or office in relation to the Company or any of its subsidiary undertakings, where all other Directors are also offered indemnities on substantially the same terms; and
  - (h) any transaction, arrangement or proposal relating to the funding of expenditure incurred by him in defending proceedings in connection with his duties, powers or office in relation to the Company or any of its subsidiary undertakings (or enabling him to avoid incurring such expenditure), where all other Directors are also offered a transaction, arrangement or proposal on substantially the same terms.
- 110.4 Subject to the Statutes, the Company may by ordinary resolution suspend or relax the restrictions in Articles 110.1 or 110.2 to any extent or ratify any transaction or other arrangement not duly authorised by reason of a contravention of those Articles.
- 110.5 If any question arises at any meeting as to whether an interest of a Director may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive, except insofar as the nature or extent of the interest of the Director concerned, so far as known to him, has not been declared to the Directors.
- 110.6 For the purposes of this Article 110:

(a) an interest of a person who is connected with a Director (within the meaning of section 252 of the 2006 Act) shall be treated as an interest of the Director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has;

(b) references to a conflict of interest include a conflict of interest and duty and a conflict of duties;

(c) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

(d) references to a transaction or arrangement include a proposed transaction and a proposed arrangement and references to an arrangement include a contract or any other form of arrangement. "

By Order of the Board

M A McCarthy

Secretary

Dated: 12 January 2009

Registered office:

55 Baker Street, London W1U 7EU

**The Directors consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions.**

## NOTICE OF ANNUAL GENERAL MEETING – NOTES

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the 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. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time for holding the meeting. The return of a completed proxy form or other such instrument will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
3. The Company's shareholders will be asked to approve the remuneration report set out on pages 10 and 11 in the Company's Annual Report at the Annual General Meeting and Resolution 2 is drafted accordingly.
4. The Company must appoint auditors at each general meeting at which accounts are presented to shareholders to hold office until the conclusion of the next such meeting. Resolution 5 seeks shareholder approval to re-appoint BDO Stoy Hayward LLP as the Company's auditors. In accordance with normal practice, Resolution 5 also seeks authority for the Directors to fix their remuneration.
5. Under section of the 80 Companies Act 1985, the Directors are prevented, subject to certain exceptions, from allotting relevant securities without the authority of the shareholders in general meeting. Relevant securities are defined in the act to include the Company's ordinary shares or securities convertible into the Company's ordinary shares. Resolution 6, which will be proposed as an ordinary resolution at the Annual General Meeting, authorises the Directors to allot relevant securities up to an aggregate nominal value of £688,400, representing approximately one third of the share capital of the Company in issue at 9 January 2009 (being the last practicable date prior to the publication of this notice). The Directors' authority will expire on the earlier of 12 May 2010 and the conclusion of the Company's Annual General Meeting in 2010. This authority complies with guidelines issued by institutional investors. The directors have no immediate plans to make use of this authority. As at the date of this notice the Company does not hold any ordinary shares in the capital of the Company in treasury.
6. Under section 89 of the Companies Act 1985, when new shares are allotted, they must first be offered to existing shareholders pro rata to their holdings. The existing authority disapplying this pre-emption right conferred by a special resolution at the last annual general meeting of the Company held on 11 February 2008 is soon to expire and it is therefore proposed that it be renewed. Resolution 7, which is proposed as a special resolution, renews, for the period ending on 12 May 2010 or, if earlier, the date of the next Annual General Meeting, the authorities previously granted to the Directors to: (a) allot shares of the Company in connection with a rights issue or other pre-emptive offer; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £103,260 (representing in accordance with institutional investor guidelines, approximately 5% of the share capital in issue as at 9 January 2009 (being the last practicable date prior to the publication of this notice)) as if the pre-emption rights of section 89 of the Companies Act 1985 did not apply.
7. An interim dividend of 2.50 pence per Ordinary share was paid on 18 July 2008. At the above meeting it will be proposed that a final dividend of 7.9 pence per Ordinary share in issue as at 23 January 2009 be declared in favour of those shareholders appearing on the Register of Members as at the close of business on that date. The shares will become ex dividend on 21 January 2009 and the dividend will be paid on 20 February 2009.
8. The Companies Act 2006 sets out directors' general duties which largely codify the previous law but with some changes. Under the Companies Act 2006, since 1 October 2008 a director has had a duty to 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. Resolution 8 will be proposed at the forthcoming Annual General Meeting and will if passed amend the articles of association of the Company to include such provisions. The amended articles of association will give the Directors authority to approve such situations and will include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.
9. There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. Firstly, 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.
10. It is also proposed that the amended articles of association should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director from being in breach of duty if a conflict of

interest or potential conflict of interest arises. These provisions will only apply where the situation giving rise to the potential conflict has previously been authorised by the Directors.

11. The Directors consider the Resolution 8 to amend the articles of association to be in the best interests of the Company and the shareholders as a whole.
12. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
13. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
14. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11 a.m. on 10 February 2009 (or, in the event of any adjournment, 11 a.m. on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
15. As at 9 January 2009 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 41,303,988 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 9 January 2009 are 41,303,988.
16. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so using the following means: (1) by writing to the Company Secretary at the Registered Office address; or (2) by writing to the Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this Notice of AGM or in any related documents (including the Proxy Form).
17. You may if you wish appoint more than one proxy, but each proxy must be appointed in respect of a specified number of shares within your holding. If you wish to do this, each proxy must be appointed on a separate Proxy Form. Additional Proxy Forms may be obtained from the Company Secretary by telephoning 01753 480200. Alternatively you may photocopy the enclosed Proxy Form the required number of times before completing it. When appointing more than one proxy you must indicate the number of shares in respect of which the proxy is appointed.