

# NOTICE OF ANNUAL GENERAL MEETING CIRCULAR TO SHAREHOLDERS

This document contains a Notice of the Annual General Meeting of Hays plc to be held at 12.00 noon on 7 November 2012 at the Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE.

Shareholders who do not intend to be present at the Annual General Meeting but who wish to vote are asked to appoint a proxy either electronically or by completing and submitting a Proxy Form, in accordance with the instructions contained in this document. Proxy appointments must be received by no later than 12.00 noon on 5 November 2012.

**The appointment of a proxy will not preclude a shareholder from attending and voting in person if they so wish.**

**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 CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000. IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ALL YOUR SHARES IN THE COMPANY, PLEASE SEND THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS TO THE PURCHASER OR TRANSFEREE OR TO THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

Dear Shareholder,

### **Annual General Meeting 2012**

The Annual General Meeting (AGM) of Hays plc (the Company) will be held at 12.00 noon on 7 November 2012 at the Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE. Shareholder registration will be available from 11.00 a.m. I hope you will be available to attend.

Details of the business to be considered are set out in the Notice of AGM (the Notice) that follows this letter.

If you would like to vote on the resolutions but cannot attend the AGM, please appoint a proxy either electronically, by logging on to [sharevote.co.uk](http://sharevote.co.uk) or, if you are a CREST member, by using the CREST electronic proxy appointment service, or by completing and signing the Proxy Form sent to you with the Notice and returning it to our Registrar, Equiniti. Your proxy appointment must be received by **no later than 12.00 noon on 5 November 2012**. For further information about how you may appoint a proxy please see the Notes to the Notice on pages 7 and 8 and the Proxy Form.

I would like to explain and comment further on the proposed business to be dealt with at the AGM.

Resolutions 15 to 17 (inclusive) will be proposed as special resolutions, meaning that for each of those resolutions to be passed, at least three-quarters of the votes cast must be cast in favour of the resolution. All other resolutions will be proposed as ordinary resolutions, meaning that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

#### **Resolution 1**

Shareholders are being asked to receive and adopt the Directors' and Auditor's Reports and the Company's financial statements for the year ended 30 June 2012.

#### **Resolution 2**

Shareholders are being asked to approve a final dividend of 1.67 pence per Ordinary share for the year ended 30 June 2012. If the final dividend is approved, it will be paid on 16 November 2012 to shareholders whose names are recorded on the register of members at the close of business on 12 October 2012.

#### **Resolution 3**

Shareholders are being asked to approve the Directors' Remuneration Report for the year ended 30 June 2012, as set out on pages 54 to 65 of the Company's Annual Report & Financial Statements 2012.

The Company's Auditor, Deloitte LLP, has audited those parts of the Directors' Remuneration Report required to be audited and their report may be found on page 66 of the Company's Annual Report & Financial Statements 2012.

The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, and in compliance with the legislation, shareholders will be invited to approve the Directors' Remuneration Report. The vote is advisory in nature.

#### **Resolution 4**

In accordance with the Company's Articles of Association, any director newly appointed by the Board is required to retire and submit themselves for reappointment at the first annual general meeting following their appointment. Accordingly, Resolution 4 seeks your approval to reappoint Pippa Wicks as a director of the Company, who was appointed as a director on 1 January 2012.

A biography of Pippa is set out in Appendix 1 following the Notice on page 9. In reviewing the recommendations of the Nomination Committee concerning this reappointment, the Board concluded that Pippa is independent in character and judgement, will make effective and valuable contributions to the Board and demonstrates commitment to the role. Accordingly, the Board unanimously recommends her reappointment.

#### **Resolutions 5 to 11**

In accordance with the UK Corporate Governance Code (the Code), every director should seek reappointment each year.

Accordingly, all directors will be seeking reappointment at the AGM (to take effect at the conclusion of the AGM), except for Paul Stoneham who will be retiring at the conclusion of the AGM. Resolutions 5 to 11 seek your approval to reappoint Alan Thomson, Alistair Cox, Paul Venables, William Eccleshare, Paul Harrison, Victoria Jarman and Richard Smelt as directors, who retire from the Board and, being eligible, offer themselves for reappointment. As William Eccleshare will extend his term of office beyond six years, the Nomination Committee has given his performance particular consideration, as recommended by the Code, taking into account the need for progressive refreshing of the Board.

Biographies of the directors seeking reappointment are set out in Appendix 1 following the Notice on page 9. All of the directors offering themselves for reappointment have wide business knowledge and bring valuable skills and experience to the Board. The Board is satisfied that all of the non-executive directors are independent in character and there are no relationships or circumstances that are likely to affect their independence. Following formal performance evaluation of each of these individuals, the Chairman believes that the non-executive directors offering themselves for reappointment continue to be effective and to demonstrate commitment to the role, including sufficient commitment of time for the Board, committee meetings and any other duties, in accordance with the Code.

#### **Resolution 12**

Approval is sought to reappoint Deloitte LLP as Auditor of the Company, to hold office until the conclusion of the next general meeting of the Company at which accounts are laid.

#### **Resolution 13**

Shareholders are being asked to authorise the directors to determine the remuneration of Deloitte LLP as Auditor of the Company.

#### **Resolution 14**

The authority conferred on the directors at last year's annual general meeting to allot the authorised but unissued share capital of the Company expires at the conclusion of the AGM.

The Board recommends that a new authority be granted and Resolution 14, if passed, authorises the directors to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £4,631,860, which represents approximately one-third of the Company's issued share capital, excluding the 74,538,413 Ordinary shares (representing 5.09% of the Company's issued share capital) held in treasury as at 17 September 2012, being the latest practicable date prior to the publication of this document.

This authority will expire at the conclusion of the next annual general meeting or 15 months after the passing of this resolution, whichever is earlier. The directors have no present intention of using this authority, however, it is considered prudent to maintain the flexibility that the authority provides. The directors intend to renew this authority annually.

#### **Resolution 15**

Resolution 15, which will be proposed as a special resolution, seeks to grant the directors authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £732,048, which represents 5% of the Company's issued share capital (including the sale on a non-pre-emptive basis of any shares held in treasury) as at 17 September 2012, being the latest practicable date prior to the publication of this document. The purpose of this resolution is to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders in the context of a rights issue. If given, the authority will expire at the conclusion of the next annual general meeting after the date of the passing of this resolution, or 15 months after the passing of this resolution, whichever is earlier. The directors have no present intention of exercising this authority. The directors intend to renew this authority annually.

Resolutions 14 and 15 comply with the guidelines issued by various investor protection committees, including the Pre-Emption Group, which requires that not more than 7.5% of the issued share capital (excluding treasury shares) be issued for cash on a non-pre-emptive basis during any rolling three-year period.

#### **Resolution 16**

At last year's annual general meeting, shareholders gave the Company permission, until the conclusion of the next annual general meeting, to purchase up to 138,425,462 Ordinary shares of the Company.

Resolution 16, which will be proposed as a special resolution, seeks to renew the Company's general authority to repurchase up to 138,955,815 of its own shares in the market (being less than 10% of the Company's issued share capital) excluding the 74,538,413 Ordinary shares (5.09% of the Company's issued share capital) held in treasury as at 17 September 2012, being the latest practicable date prior to the publication of this document, at or between the maximum and minimum prices specified in the resolution giving the authority.

The Board has indicated its intention to continue to return surplus cash to shareholders via the market purchase of its own shares where circumstances allow and it is not required to finance the organic expansion of the business, acquisitions and dividend payments. Shares will only be purchased if to do so would result in an increase in earnings per share and is in the best interests of shareholders generally. No share purchases were made during the period from 1 July 2011 to 30 June 2012 and none are anticipated in the 2013 financial year.

The authority sought by this resolution will expire at the end of the next annual general meeting or 18 months from the date of the resolution, whichever is earlier.

Chapter 6 of Part 18 of the Companies Act 2006 (the Act) allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The directors may use the authority to purchase shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with the Act) rather than cancel them, subject to institutional guidelines applicable at the time.

No dividends have been paid on shares whilst held in treasury and no voting rights attach to the treasury shares.

On 17 September 2012, being the latest practicable date prior to the publication of this document, the Company had 9,403,320 options outstanding under its various share schemes. This represents 0.68% of the issued share capital of the Company excluding the 74,538,413 Ordinary shares held in treasury as at that date. If the Company were to purchase the maximum number of shares permitted under this resolution, these options would then represent 0.75% of the issued share capital of the Company excluding the 74,538,413 Ordinary shares held in treasury as at 17 September 2012.

#### **Resolution 17**

Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 (the Shareholders' Rights Regulations) increase the notice period required for general meetings of the Company to 21 days, unless shareholders approve a shorter notice period of not less than 14 clear days (annual general meetings will continue to be held on at least 21 clear days' notice).

Prior to the Shareholders' Rights Regulations coming into force, the Company was able to call general meetings (other than an annual general meeting) on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 17, which will be proposed as a special resolution, seeks the necessary shareholder approval to enable the Company to call general meetings on 14 clear days' notice. This approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed to renew this authority.

Note that further changes to the Act mean that, in order to be able to call a general meeting on less than 21 clear days' notice, in addition to shareholder approval, the Company must also offer an electronic voting facility which is accessible to all shareholders. The Company provides the ability for shareholders to vote electronically online.

It is intended that the shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

### Resolution 18

Resolution 18 seeks the approval of shareholders for the renewal of the Performance Share Plan, under a new plan to be known as the 2012 Performance Share Plan (2012 PSP).

In line with governance best practice, the Remuneration Committee has reviewed the operation of the Company's 2007 Performance Share Plan (2007 PSP), which was approved by shareholders in 2007. The conclusion of that review was that the 2007 PSP was working well. In particular, no changes are proposed to the performance conditions used or to the level of awards under the plan. However, the Remuneration Committee concluded that amendments were appropriate in two main areas. First, it concluded that a malus feature (the ability to reduce or eliminate awards in the event of material mis-statement of accounts) should be introduced. Second, in light of the fact that the 2007 PSP extends to a broad population within the Group – currently around 360 senior employees – the Remuneration Committee concluded that the Association of British Insurers' 5% in 10 years equity dilution limit applicable to discretionary share schemes (that is, the restriction on new share issues or transfers of treasury shares within that period) should be applied only to share awards to executive directors and members of the Management Board, and that awards granted to other participants should count only towards the ABI's wider 10% in 10 year limit applicable to all our employee share schemes. The Remuneration Committee also concluded this feature should apply to outstanding awards under the 2007 PSP. The renewal of the plan in 2012 will also enable tax-favoured awards to continue to be made to participants resident in France.

Details of the 2012 PSP are set out in Appendix 2 to this letter. It is intended that, subject to shareholder approval, the first awards under this plan will be made after the AGM.

The Remuneration Committee will continue to keep its long-term incentive arrangements under review in future years to ensure that they remain within market best practice.

### Action to be taken

As referred to above, if you are unable to attend the AGM or wish to register your proxy votes now in relation to the resolutions proposed, you should appoint a proxy either electronically, by logging on to [sharevote.co.uk](http://sharevote.co.uk) (as described in Note 2 of this Notice) or, if you are CREST member, by using the CREST electronic proxy appointment service (as described in Note 7 of this Notice). Alternatively, you may complete and sign the enclosed Proxy Form, and return it (no postage is required) to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In each case, your proxy appointment must be received by **no later than 12.00 noon on 5 November 2012.**

Appointing a proxy either electronically or by returning the Proxy Form will not prevent you from subsequently attending the AGM and voting in person. Further details relating to voting by proxy are set out in the Notes to the Notice on pages 7 and 8.

### Documents available for inspection

Copies of the service contracts for the executive directors, letters of appointment for the non-executive directors and the draft rules of the 2012 Performance Share Plan will be available for inspection at Hays plc, 250 Euston Road, London NW1 2AF during normal business hours on Monday to Friday from the date of this Notice up to and including the date of the AGM, and at the place of the AGM from 11.45am until the close of the AGM.

### Recommendation

The directors believe that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that you vote in favour of the proposed resolutions at the AGM, as they intend to do in respect of their own beneficial holdings.

Yours faithfully

**Alan Thomson**

Chairman

28 September 2012

## Notice of Annual General Meeting (Notice)

NOTICE IS HEREBY GIVEN that the twenty fifth Annual General Meeting (AGM) of Hays plc (the Company) will be held at the Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE at 12.00 noon on Wednesday, 7 November 2012. Resolutions 15 to 17 (inclusive) will be proposed as special resolutions, meaning that for each of those resolutions to be passed, at least three-quarters of the votes cast must be cast in favour of the resolution. All other resolutions will be proposed as ordinary resolutions, meaning that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

### Ordinary Resolutions

#### Resolution 1

THAT the Directors' and Auditor's Report and the Company's financial statements for the year ended 30 June 2012 be received and adopted.

#### Resolution 2

THAT a final dividend of 1.67 pence per Ordinary share recommended by the directors for the year ended 30 June 2012 be declared, which will be paid on 16 November 2012 to shareholders whose names are recorded on the register of members at the close of business on 12 October 2012.

#### Resolution 3

THAT the Directors' Remuneration Report for the year ended 30 June 2012, as set out on pages 54 to 65 of the Company's Annual Report & Financial Statements 2012, be approved.

#### Resolution 4

THAT Pippa Wicks be reappointed as a director of the Company.

#### Resolution 5

THAT Alan Thomson be reappointed as a director of the Company.

#### Resolution 6

THAT Alistair Cox be reappointed as a director of the Company.

#### Resolution 7

THAT Paul Venables be reappointed as a director of the Company.

#### Resolution 8

THAT William Eccleshare be reappointed as a director of the Company.

#### Resolution 9

THAT Paul Harrison be reappointed as a director of the Company.

#### Resolution 10

THAT Victoria Jarman be reappointed as a director of the Company.

#### Resolution 11

THAT Richard Smelt be reappointed as a director of the Company.

#### Resolution 12

THAT Deloitte LLP be reappointed as Auditor of the Company to hold office until the conclusion of the next general meeting at which annual accounts are laid.

#### Resolution 13

THAT the directors of the Company be authorised to determine the Auditor's remuneration.

### Resolution 14

- (a) THAT the directors of the Company be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the Act) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £4,631,860 until the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution (or at the close of business on the date falling 15 months after the passing of this resolution, whichever is earlier), unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may make offers and enter into agreements before this authority expires which would or might require shares to be allotted, or rights to subscribe for or convert any securities into shares to be granted after the expiry of this authority and the directors of the Company may allot shares and grant rights to subscribe for or convert any securities into shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired;
- (b) THAT, subject to paragraph (c), all existing authorities given to the directors pursuant to section 551 of the Act be revoked by this resolution; and
- (c) THAT paragraph (b) shall be without prejudice to the continuing authority of the directors to allot shares, or grant rights to subscribe for or convert any securities into shares pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

### Resolution 15

#### Special Resolution

THAT, subject to the passing of Resolution 14 in the Notice, and in place of all existing powers, to the extent unused (other than in respect of any allotments made pursuant to offers or agreements made prior to the passing of this resolution) the directors of the Company be generally empowered pursuant to section 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 14 in the Notice, as if section 561(1) of the Act did not apply to such allotment. This power:

- (a) expires at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution, (or at the close of business on the date falling 15 months after the passing of this resolution, whichever is earlier), unless previously renewed, varied or revoked by the Company in general meeting but so that the Company may make offers and enter into agreements before this power expires which would or might require equity securities to be allotted after this power expires and the directors of the Company may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

## Notice of Annual General Meeting (Notice)

continued

- (b) shall be limited to:
- i) the allotment of equity securities in connection with an offer of equity securities to ordinary shareholders in proportion (as nearly as may be practicable) to their existing shareholding, and to people who hold other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
  - ii) the allotment of equity securities for cash otherwise than pursuant to paragraph (i) up to an aggregate nominal amount of £732,048.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words “pursuant to the authority conferred by Resolution 14 in the Notice” were omitted.

### **Resolution 16 Special Resolution**

THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares of 1 pence each in the capital of the Company (Ordinary Shares) provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 138,955,815;
- (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 1 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of:
  - i) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
  - ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the current highest independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System (SETS);

- (d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or 18 months from the date of the passing of this resolution, whichever is earlier; and
- (e) a contract to purchase shares under this authority may be made prior to the expiry of this authority, and concluded in whole or part after the expiry of this authority.

### **Resolution 17 Special Resolution**

THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice, provided this authority expires at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution.

### **Resolution 18 Ordinary Resolution**

That the 2012 Performance Share Plan, the main provisions of which are summarised in Appendix 2 of the Circular and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and the directors be and they are hereby authorised to do all acts and things as may be necessary or desirable to carry the same into effect.

### **Hays plc**

250 Euston Road  
London  
NW1 2AF

Registered in England and Wales  
Company No. 2150950

By order of the Board

### **Alison Yapp**

Company Secretary  
28 September 2012

## Notes to the Notice of Annual General Meeting (Notes)

1. If you wish to attend the AGM, please bring the Attendance Card which is attached to the enclosed Proxy Form. It will authenticate your right to attend, speak and vote at the AGM and will also speed up your admission to the AGM.
2. A shareholder is entitled to appoint one or more proxies to attend, speak and vote instead of him or her at the AGM, provided that, if more than one proxy is appointed, each proxy must be appointed to exercise rights attaching to different shares. A proxy must vote in accordance with the instructions given by the shareholder appointing them. A proxy need not be a shareholder of the Company. If you wish to appoint a proxy or proxies and give proxy voting instructions you may complete and sign the Proxy Form accompanying this Notice in accordance with the instructions thereon, and return it to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive at least 48 hours before the appointed time of the AGM (or any adjournment thereof), that is to say, no later than 12.00 noon on 5 November 2012. Alternatively, you may register the appointment of a proxy or proxies, or voting instructions for the AGM electronically by logging on to [sharevote.co.uk](http://sharevote.co.uk). You will need to have available the 25-digit number made up of your Voting ID, Task ID and Shareholder Reference Number printed on your Proxy Form. Full details of the procedure are given on the website. Your electronic proxy appointment and/or voting instructions must be received no later than 48 hours before the appointed time of the AGM (or any adjournment thereof), that is to say, no later than 12.00 noon on 5 November 2012. If you are a CREST member you may also appoint a proxy or proxies through the CREST electronic proxy service in accordance with Note 7 of this Notice.
3. Completion and return of the Proxy Form or any electronic voting instrument or CREST Proxy Instruction (as described at Note 7) will not prevent you from attending and voting at the AGM, instead of your proxy, if you wish to do so. As above, those attending the AGM should bring with them the Attendance Card attached to the Proxy Form.
4. If you wish to appoint more than one proxy, each proxy must be appointed in respect of a specified number of shares within your shareholding. If you wish to do this by completing and returning the Proxy Form, each proxy must be appointed on a separate Proxy Form. Additional Proxy Forms may be obtained by contacting the Registrar on 0871 384 2843 (calls to this number are charged at 8 pence per minute from a BT landline. Charges from other telephone providers may vary) or, if dialling internationally, on +44 (0) 121 415 7047. The helpline is open Monday to Friday 8.30am to 5.30pm, excluding bank holidays. Alternatively you can 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. If you wish to appoint more than one proxy electronically you may do so by following the instructions at [sharevote.co.uk](http://sharevote.co.uk) or, if using the CREST electronic proxy service, by following the procedures described in the CREST Manual.
5. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Act (a Nominated Person) does not have a right to appoint a proxy. Nominated Persons may have a right under an agreement with the shareholder by whom he/she was nominated to be appointed (or to have someone else appointed) as a proxy for the AGM. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights.
6. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof 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.

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 & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available 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(s), to procure that his 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 sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning procedures, practical limitations of the CREST system and timings and to the relevant website at [Euroclear.com/CREST](http://Euroclear.com/CREST).

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.

8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
9. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that (where more than one corporate representative has been appointed) they do not do so in relation to the same shares.
10. The Company specifies that only those shareholders entered in the register of members of the Company at 6.00 p.m. on 5 November 2012 or, if this AGM is adjourned, entered in the register of members at 6.00 p.m. on the date which is two days before the time of any adjourned AGM, shall be entitled to attend and vote at the AGM in respect of the number of Ordinary shares registered in their name at the time. Changes to the entries in the register of members after 6.00 p.m. on 5 November 2012 or, if this AGM is adjourned, in the register of members at 6.00 p.m. on the date which is two days before the time of any adjourned AGM, shall be disregarded in determining the rights of any person to attend and vote at the AGM.
11. A copy of this Notice, and other information required by section 311A of the Act, can be found at [hays.com](http://hays.com) under the Investor Centre.
12. Shareholders attending the AGM have a right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the AGM unless: (a) to do so would interfere unduly with the preparation for the AGM or would involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
13. Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous annual general meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to cover any costs incurred in complying with sections 527 or 528 of the Act and is required to forward any statement placed on a website to the Company's Auditor not later than the time when it makes the statement on the website. The business which may be dealt with at the AGM must include any statement that the Company has been required under section 527 of the Act to publish on a website.
14. Copies of the service contracts for the executive directors, letters of appointment for the non-executive directors and the draft rules of the 2012 Performance Share Plan will be available for inspection at Hays plc, 250 Euston Road, London NW1 2AF during normal business hours on Monday to Friday from the date of this Notice up to and including the date of the AGM, and at the place of the AGM from 11.45am until the close of the AGM.
15. As at 17 September 2012, being the latest practicable date prior to the publication of this Notice:
  - i) the following changes have taken place to the substantial shareholdings information disclosed by the Company, as detailed on page 50 of the Company's Annual Report & Financial Statements 2012. On 5 September 2012, The Capital Group Companies, Inc. disclosed that their indirect holding had increased to 6.57% due to aggregation of their holdings by Capital Research and Management Company and Capital Group International, Inc.; and
  - ii) the following changes have taken place to the directors' interests in shares as detailed on page 65 of the Company's Annual Report & Financial Statements 2012. On 31 August 2012, Victoria Jarman purchased 14,000 Ordinary shares. On 7 September 2012, Alistair Cox was granted an award over 164,334 shares and Paul Venables was granted an award over 118,485 shares under the Deferred Annual Bonus Plan. There have been no other changes to the beneficial or non-beneficial holdings of the directors.
16. As at 17 September 2012, being the latest practicable date prior to the publication of this Notice, the issued share capital of the Company was 1,389,558,153 Ordinary shares of 1 pence each (excluding treasury shares) with each share carrying the right to one vote. Therefore, the total voting rights in the Company as at 17 September 2012 was 1,389,558,153.
17. Except as provided above, shareholders who wish to communicate with the Company in relation to the AGM should do so in writing either to the Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or to the Company Secretary at the Company's Registered Office. Documents or information relating to the appointment of a proxy can also be sent electronically by logging onto [sharevote.co.uk](http://sharevote.co.uk).

You may not use any electronic address provided either in this Notice or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated in this Notice or any such related document.
18. The results of the voting at the general meeting will be announced through a Regulatory Information Service and will also be available on our website [hays.com](http://hays.com) on 7 November 2012.

## Appendix 1

### Biographies of the directors seeking reappointment

#### **Pippa Wicks**

##### [Independent Non-Executive Director, 49](#)

Appointed non-executive director on 1 January 2012 and is a member of the Audit, Nomination and Remuneration Committees. Pippa graduated in Zoology from Oxford University following which she spent nine years with management consultants, Bain & Company. She is currently Managing Director of AlixPartners LLP, the global business advisory firm. She was previously a non-executive director of Ladbrokes plc where she was also a member of its audit committee, Group Finance Director of Courtaulds Textiles plc, Chief Executive of FT Knowledge at Pearson plc, and a non-executive director of Hilton International plc and Arcadia plc. Pippa has considerable broad-ranging experience gained at a senior level and brings valuable strategic and operational insights to the Board's decision making.

#### **Alan Thomson**

##### [Chairman, 66](#)

Appointed Chairman of the Board and of the Nomination Committee on 10 November 2010 having been appointed as a non-executive director on 1 October 2010. Alan graduated with an MA degree in History and Economics from Glasgow University. He is currently Chairman of Bodycote plc, the international provider of thermal processing services and a non-executive director of Alstom SA, the French power generation, rail transportation and electrical transmission equipment manufacturer. He was formerly Group Finance Director of Smiths Group plc from 1995 until his retirement in 2006 and was, until 2011, the Senior Independent Director and Audit Committee Chairman of Johnson Matthey plc. He is a past President of the Institute of Chartered Accountants of Scotland.

#### **Alistair Cox**

##### [Chief Executive, 51](#)

Appointed to the Board on 1 September 2007 and became Chief Executive on 15 November 2007. Alistair is a Chartered Engineer, having graduated in Aeronautical Engineering and holds an MBA from Stanford University Graduate School of Business in California. He began his career at British Aerospace, subsequently moving to Schlumberger in 1982 where he held a number of roles in field engineering, management and research science. After graduating from business school, he was a manager at McKinsey & Company before joining Blue Circle Industries (latterly Lafarge) where he was Group Strategy Director and latterly Regional Director for Asia. He became Chief Executive at Xansa plc in 2002 before joining Hays. Alistair is a non-executive director of 3i Group plc.

#### **Paul Venables**

##### [Group Finance Director, 50](#)

Appointed Group Finance Director on 2 May 2006. Paul is a Chartered Accountant. He was a Senior Manager at Deloitte and Touche, now Deloitte LLP. He worked for Exel plc for 13 years prior to the acquisition of Exel plc by Deutsche Post in December 2005. At Exel he held a number of senior finance and operational roles, including Deputy Group Finance Director, and was a member of the executive board of Exel plc and Chairman of their Acquisitions and Projects Review Board. He joined Hays from DHL Logistics, a division of Deutsche Post World Net. Paul is Senior Independent Director of Wincanton plc.

#### **William Eccleshare**

##### [Independent Non-Executive Director, 56](#)

Appointed non-executive director on 24 November 2004 and a member of the Audit, Nomination and Remuneration Committees. William graduated with a Masters degree in History from Cambridge University. He was previously Chairman and CEO of Young & Rubicam EMEA and Wunderman EMEA, held senior

executive roles at McKinsey & Company, where he was also a Partner, and was Chairman and Chief Executive of BBDO Europe, where he was responsible for all BBDO advertising, direct marketing, digital and public relations agencies in 44 countries. He is Chief Executive Officer of Clear Channel Outdoor Holdings Inc, the world's largest outdoor advertising media owner, having previously held the role of President and Chief Executive Officer of Clear Channel's International division. William played a major role in the development of the new Hays brand identity and continues to bring clarity on the Company's marketing approach, especially across the Group's international markets.

#### **Paul Harrison**

##### [Independent Non-Executive Director, 48](#)

Appointed non-executive director on 8 May 2007, he is Chairman of the Remuneration Committee, a member of the Audit and Nomination Committees and Senior Independent Director. Paul is a Chartered Accountant. He was a Senior Manager at Price Waterhouse, now PricewaterhouseCoopers LLP, and was responsible for the provision of audit and advisory services to large private and publicly listed companies. He joined The Sage Group plc as Group Financial Controller in 1997 and became its Group Finance Director in April 2000. As finance director of a major technology and people-based international company, Paul has a strong technical understanding of governance best practice combined with practical commercial acumen. He is an influential voice on a wide range of matters and is well placed to represent the views of shareholders.

#### **Victoria Jarman**

##### [Independent Non-Executive Director, 40](#)

Appointed non-executive director on 1 October 2011, Victoria is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees. Victoria graduated with a BEng (Hons) degree in Mechanical Engineering from the University of Leicester and is a Chartered Accountant, having spent her early career at KPMG before moving to Lazard Corporate Finance in 1998. She was formerly Chief Operating Officer of Lazard's London and Middle East operations and a member of its European Management Committee. Victoria is a non-executive director of De La Rue plc and a member of its audit and nomination committees. In addition to her accounting skills, she brings a wealth of international corporate finance and operational experience, which is valuable as the Group continues to broaden its business across a wide range of disciplines and geographies.

#### **Richard Smelt**

##### [Independent Non-Executive Director, 55](#)

Appointed non-executive director on 15 November 2007 and is a member of the Audit, Nomination and Remuneration Committees. Richard graduated in Psychology from Leeds University, is a Fellow of the Chartered Institute of Personnel and Development and has an MBA from the London Business School. With over 30 years' experience in HR management, he was Group Human Resources Director of Carphone Warehouse Group plc and Group Human Resources Director of Northern Rock plc post nationalisation. He currently has a portfolio of interests in private equity and corporate restructuring. Richard has been influential in helping the Company to enhance the key skills within its global workforce and has supported management in creating an industry-leading development process for all levels of employees.

## Appendix 2

### Additional information relating to the 2012 Performance Share Plan

#### Eligibility and grant procedure

Executive directors and other employees of the Company and its subsidiaries (the Group) may be invited to participate in the 2012 PSP at the discretion of the Remuneration Committee (the Committee).

Awards can be granted in the 42 day period commencing on any of the following: the AGM approving the 2012 PSP; the announcement of the Company's results for any period; or the occurrence of exceptional circumstances which the Committee considers justify the grant of awards. No payment is required for the grant of awards. No invitations to participate in the 2012 PSP may be made more than ten years following the date on which it is approved by shareholders.

#### Value of awards

Award levels will be determined each year by the Committee but will not exceed two times a participant's base salary in any financial year. Awards for the 2012/13 financial year will be capped at 175% of base salary for executive directors and 120% of base salary for other senior executives.

#### Performance conditions

The vesting of awards is dependent on performance. There will be no retesting of performance. The Committee may set different performance conditions for different participants as it considers appropriate. Awards granted to participants at Management Board level (including executive directors) are based on a three-year performance period. Awards granted to participants below Management Board level are based on a one-year performance period and a further two-year holding period. The Committee may set different performance conditions for future awards having regard to the Company's strategic priorities, shareholder expectations and market conditions prevailing at that time provided that the future performance conditions are not less demanding.

For awards made in 2012 to executive directors and the members of the Management Board, the vesting of one-half of the award will depend on the Group's cumulative Earnings Per Share (EPS) and the vesting of the remaining one-half of the award will depend on the Group's total shareholder return (TSR) against a comparator group. These performance measures are considered to be key value drivers of the business over the next three years. In combination with TSR, EPS provides a balance for management between earnings growth and the outperformance of peers and is clearly aligned to shareholder interests and the delivery of long-term shareholder value. The Committee believes the equal mix of the two conditions is the most appropriate combination for a long-term incentive plan for a business with Hays' characteristics.

EPS will be calculated in accordance with International Accounting Standard IAS 33. Goodwill impairments arising from acquisitions made prior to 30 June 2006 are excluded from the EPS calculation. The calculation of EPS may be adjusted to take into consideration any unusual non-recurring items determined by the Committee as not reflecting the underlying performance of the Company. EPS will be measured in terms of the cumulative annual basic EPS achieved over the performance period. In the same way as for previous years' awards under the 2007 PSP, the Committee will set EPS targets using market consensus (reflecting the current point in any cycle) being a range of +/- 4% around the consensus forecast EPS as the first year of the three-year cycle with a range of RPI plus 4% to RPI plus 12% over the remaining two years of the cycle for threshold and maximum payment respectively. The Committee considers this range to remain appropriate over several cycles. For each new award granted, the Committee reviews the range to ensure it remains appropriate. Vesting will be on a straight-line basis according to the sliding scale set out in the vesting schedule below.

TSR will be calculated against a comparator group comprising: Adecco SA, CDI Corporation, Kelly Services Inc., Manpower Inc., Michael Page International plc, Randstad Holdings NV, Robert Half International Inc., Robert Walters plc, SThree plc and USG People NV. The peer group has been chosen to reflect most closely the mix of the Company's business. Vesting of the TSR component is subject to satisfactory financial performance over the performance period as determined by the Committee.

#### Vesting schedule

For the awards made in 2012 to executive directors and the members of the Management Board, the award will vest on a straight-line basis in accordance with the table below:

Performance Condition	Target Reached	Vesting of Award Component
Cumulative EPS target (50% of award)	Threshold	25%
	Maximum	100%
TSR target relative to comparator group (50% of award)	Median (threshold)	25%
	Upper quartile	100%

The EPS and TSR components will operate independently. There will be no payout under either component for achieving less than threshold performance.

The Committee adopted these vesting levels after consulting with shareholders and considers that they are suitably demanding targets having regard to the business strategy, shareholder expectations, cyclicality of the recruitment industry in which the Group operates and on the basis of external advice.

The Committee may set different vesting levels in future years in order to ensure that all targets remain stretching. Performance against the targets will be reported annually in the Company's Annual Report and Accounts.

#### Malus

The Committee has discretion to reduce or eliminate the number of Shares subject to unvested awards and options in circumstances where it becomes aware of facts amounting to a material misstatement of accounts.

#### Cessation of employment

Awards made to employees who leave the Group at any time prior to vesting will lapse unless they leave by reason of disability, injury, ill-health, or in other circumstances at the discretion of the Committee (good leavers).

The Committee will determine the extent to which awards made to good leavers will vest at the normal vesting date, based on the extent to which the performance conditions are met and the proportion of the performance or holding period falling prior to the cessation of employment. However, where in the opinion of the Committee earlier vesting is appropriate, the awards will vest by reference to the performance achieved up to that time but will still be pro rated on the basis outlined above.

If an employee leaves the Group by reason of death, the sale of their employing company or the sale of the business in which they are employed, then the Committee will determine at that date the extent to which the award will vest on leaving, based on the extent to which the performance conditions are met at that date and the proportion of the performance period falling prior to that date.

### **Change of control**

In the event of a change of control of the Company, the Committee may determine, with the acquiring company's agreement, that the award should be replaced with an equivalent award over shares in the acquiring company.

Any such replacement awards would (unless the acquiring company decides otherwise) be subject to performance conditions which the acquiring company considers equivalent to those applicable to the original awards.

If the Committee determines that a replacement award should not be made then the Committee will determine the extent to which an award will vest having regard to the extent that the performance conditions are met by that date and the time that has elapsed between the grant of the award and the date of change of control.

Any internal reorganisation to create a new holding company will not result in the accelerated vesting of awards; they will be replaced by awards over shares in the new holding company unless the Committee determines otherwise.

### **Adjustment of awards**

Upon the vesting of an award, a participant will receive either, at the discretion of the Committee, additional shares or a cash amount representing the value of dividends that would have accrued on those shares during the period up to vesting of the award and reinvested.

If there is a variation in the share capital of the Company (including without limitation a capitalisation, rights issue, open offer, consolidation, sub-division or reduction of capital, a capital distribution, demerger or other event having a material impact on the value of the shares), the shares under award may be adjusted as the Committee reasonably considers appropriate to reflect that variation.

### **Rights attaching to shares**

A participant will not have any voting or dividend rights prior to the vesting of the award. All shares allotted under the 2012 PSP will carry the same rights as any other issued Ordinary shares in the Company and application will be made for the shares to be listed by the UK Listing Authority and traded on the London Stock Exchange.

Benefits received under the 2012 PSP are not pensionable and may not be assigned or transferred except on a participant's death.

### **Alterations to the 2012 PSP**

In addition to the Committee's powers to vary the performance conditions described above, it will have authority to amend the rules of the 2012 PSP, provided that no amendment to the advantage of participants or eligible employees may be made to provisions relating to the key features of the 2012 PSP without the prior approval of shareholders in general meeting, unless the amendment is minor and made to benefit the administration of the 2012 PSP, to take account of a change or proposed change in legislation or to obtain or maintain favourable (or avoid unfavourable) tax, exchange control or regulatory treatment. Key features are: who can be a participant, the limits on the number of shares that can be issued under the 2012 PSP, the basis for determining a participant's entitlement to shares, the rights attaching to an award, the provisions relating to adjustments in the event of a variation in the Company's share capital and the amendment provisions themselves.

Additional schedules to the rules can be established to operate the 2012 PSP outside the UK. These schedules can vary the rules of the 2012 PSP to take account of any securities, exchange control, employment laws or taxation laws or regulations. There will be a French schedule to the 2012 PSP that will govern the grant of awards to French participants.

### **Limits on the issue of shares**

The 2012 PSP will be subject to the limit that, in any ten-year period, not more than 10% of the issued ordinary share capital of the Company from time to time may be issued or issuable under all the Company's share plans. Awards made to participants who are not executive directors or members of the Management Board will only fall within this 10% limit. In addition, not more than 5% of the issued ordinary share capital of the Company from time to time may be issued or issuable under the Company's discretionary share plans in any ten-year period. Awards made to participants who are executive directors and members of the Management Board will fall within this limit as well as the 10% limit set out above. The foregoing application of these limits for the purposes of the 2012 PSP will also apply to remaining awards under the 2007 PSP.

The Committee will adopt appropriate policies to ensure that sufficient shares are available for the plan throughout the ten-year period, and may purchase shares in the market if desirable. The Committee may use treasury shares for the purposes of the 2012 PSP and transfers of such shares will count towards the percentage limits for so long as it is a recommendation of the Association of British Insurers that they should do so.

Where awards are granted over existing shares, the Committee has discretion to hold them in a discretionary employee benefit trust. The trust will also have the facility to subscribe for new shares within the limits referred to above. The trust will not in any event hold more than 5% of the Company's issued ordinary share capital.

If the Committee so determines, awards may be satisfied, in whole or part, by way of a cash payment equal to the market value of the shares under the award on vesting. In that event, the shares under that award will not be counted towards the dilution limits set out above.