

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services & Markets Act 2000. If you have sold or otherwise transferred all of your holding of Ordinary Shares in Pinnacle Staffing Group plc (the “Company”), you should immediately forward this document, together with the accompanying form of proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded to or transmitted in or into the United States, Canada, Australia, Japan, the Republic of Ireland or South Africa. If you have sold or transferred only part of your holding in Ordinary Shares in the Company you should retain these documents.

The Directors whose names appear below, accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. Under no circumstances should the information contained in this document be relied upon as being accurate at any time after the date of this Circular.

Notice of the General Meeting of the Company to be held at the offices of the Company at 258 Capability Green, Luton, Bedfordshire, LU1 3LU at 2:30pm (or if later immediately following the AGM which is convened at 2.00pm) on 20 May 2009 is set out at the end of this document. Shareholders will find appended to this document a Form of Proxy for use at the General Meeting which to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company’s Registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA and, in any event, so as to arrive no later than 2:30pm on 18 May 2009.



**One Wood Street
London
EC2V 7WS**

(Registered in England and Wales No. 05855668)

Directors

Thomas William George Charlton (*Executive Chairman*)

John Hodges (*Non-Executive Deputy Chairman*)

David Hope (*Chief Operating Officer and Finance Director*)*

Lynn Young (*Non-Executive Director*)

*non-independent director

29 April 2009

To holders of Ordinary Shares

Dear Shareholder,

**PROPOSED ACQUISITION OF THE COMPLIANCE COMPANY (GB) LIMITED
NOTICE OF GENERAL MEETING**

Introduction

The Company announced today that it has entered into an agreement to acquire 100 per cent of the ordinary issued share capital of The Compliance Company, a company which has developed and owns the rights to database management software that specifically manages and monitors the compliance status of healthcare staff in line with industry requirements.

Consideration for the Acquisition will be satisfied by the issue of 5,000,000 new Ordinary Shares in the Company at a price of 10 pence per share being the nominal value of Pinnacle's Ordinary Shares and a 247 per cent. premium to the closing mid price of a Pinnacle Ordinary Share on 28 April 2009.

The Acquisition is deemed a substantial property transaction pursuant to section 190 of the Companies Act 2006, therefore requiring the approval of the Shareholders in general meeting and is also classed as a related party transaction under the AIM Rules, by virtue of the fact that The Compliance Company is 100 per cent owned by David Hope, the Company's Chief Operating Officer and Finance Director, and his wife, Hannah Hope.

Shareholder approval for the Acquisition will be sought at a General Meeting which is being convened for 2:30pm (or if later immediately following the AGM which is convened at 2.00pm) on 20 May 2009 at the offices of the Company at 258 Capability Green, Luton, Bedfordshire, LU1 3LU. A notice of the General Meeting is set out at the end of this document.

The purpose of this Circular is to set out the background to and reasons for the Acquisition and explain why your Board considers that the Proposal is in the best interests of the Company and its Shareholders as a whole. The Independent Directors recommend that you vote in favour of the Proposal at the General Meeting.

The Compliance Company (GB) Limited

The business was founded by Mr and Mrs Hope in March 2008 following changes announced by NHS PASA and CQC regarding framework agreements with suppliers of social and healthcare staff. These changes significantly increased the level of compliance required for temporary and permanent staff and Mr and Mrs Hope recognised that there could be significant demand from both individuals and providers of health and social care professionals for an outsourced system to provide and maintain a comprehensive database to comply with both the NHS PASA's and CQC's stringent compliance criteria.

Trading as mymedicalcompliance.com, The Compliance Company has developed a database system that stores standing data about an individual's compliance status in line with NHS PASA and CQC requirements and allows monitoring of the details on a day-to-day basis. The system has also been designed for document storage in line with the requirements of the above. Additionally, the system provides a powerful reporting tool as it is able to interrogate the standing data to determine at what level of compliance an individual is and when this status will expire allowing users to proactively manage the compliance and training status of their workforce.

Management accounts for The Compliance Company from 21 July 2008 to 16 April 2009 show revenues of £15,479, a loss before tax of £2,191 and net liabilities of £2,091. The entire issued share capital of The Compliance Company is currently owned equally by Mr and Mrs Hope.

Background to and reasons for the Acquisition

Historically, the Company's industry compliance requirements have been handled by its in-house resource Pinnacle Recruit (a division of the Company). However since September 2008, The Compliance Company's software has been successfully trialled by Pinnacle without any formal licence or payment alongside its existing resource, on an exclusive basis, to monitor the status of its entire temporary staff. Over this time the software has become increasingly important to the business of Pinnacle and has been modified and tailored to meet the Company's exact requirements and as such all the Group's compliance requirements are now undertaken by The Compliance Company's software. The system has also become a key selling point for Pinnacle when pursuing new business opportunities. Marketing of the system to third parties has now ceased.

The Board has therefore determined that the Acquisition of The Compliance Company is now justified, as it provides the Group with certainty over the future use of the software, through removing the risk of its withdrawal in the absence of a formal long term licence.

Use of The Compliance Company's software has significantly reduced the cost of Pinnacle's compliance procedures whilst also improving the speed of obtaining compliance for temporary staff. The Board

estimates that cost savings of approximately £166,000 per annum are being achieved through using the software largely due to a reduction in the number of staff needed to operate the Company's previous compliance function. Furthermore ownership of the software will continue to give Pinnacle control over day-to-day monitoring of its compliance systems and a tailored compliance reporting facility for branches and management.

The Directors therefore believe that the Acquisition would be in the best interests of the Company and Shareholders for the following key reasons:

- the current and possibly increasing importance of The Compliance Company's software to Pinnacle;
- the potential for the withdrawal of Pinnacle's right to use the software in the absence of a formal long term licence to use it;
- the cost of developing alternative software and the risks of it not being developed on schedule or of it performing inadequately;
- the internal operational cost savings made possible by use of the software; and
- other operational benefits such as: tailored compliance reporting for Company branches and management; website access for all temporary workers that can be linked to Pinnacle's new online payroll website and improved turnaround times for temporary worker compliance.

Consideration for the Acquisition

Consideration for the Acquisition of £500,000 will be satisfied by the issue of 5,000,000 new ordinary shares in the Company (the "Consideration Shares") to David and Hannah Hope at a price of 10 pence each, being the nominal value of Pinnacle's ordinary share capital and 247 per cent. premium to the closing mid price of a Pinnacle ordinary share on 28 April 2009. The Consideration Shares will rank *pari passu* in all respects with the existing Ordinary Shares of the Company, save that David and Hannah Hope have agreed that for a period of 12 months following completion of the Acquisition they will not dispose of the Consideration Shares and that for a further 12 months thereafter any disposal will be made through the Company's broker in order to maintain an orderly market in the shares of Pinnacle. Following the Acquisition, David and Hannah Hope will have a beneficial holding in a total of 5,000,000 Ordinary Shares of the Company representing 5.40 per cent. of the enlarged issued share capital comprising 92,633,070 Ordinary Shares.

Completion of the Acquisition is conditional upon the approval of Shareholders at the General Meeting and admission of the Consideration Shares to trading on AIM.

Conclusion

The Board considers that the Acquisition secures the ownership of one of Pinnacle's key operating systems. In the relatively short time the Company has been using the software to monitor compliance, the value of the system has become clear in enabling Pinnacle to ensure that its workers meet the complex compliance requirements set by the NHS PASA and CQC.

General Meeting

At the end of this document you will find a notice convening an General Meeting to be held at 2:30pm (or if later immediately following the AGM which is convened at 2.00pm) on 20 May 2009 at the offices of the Company at 258 Capability Green, Luton, Bedfordshire, LU1 3LU, together with the Form of Proxy. The business of the General Meeting is to propose the Resolution, the purpose of which is to approve the Acquisition.

Action to be taken

A Form of Proxy for use by Shareholders in connection with the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are requested to complete and sign the Form of Proxy and return in to the Company's Registrars, either in person at Computershare

Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA or posted to the same address so as to be received no later than 2:30pm on 18 May 2009.

Unless the Form of Proxy is received by the date and time mentioned in the instructions, it will be invalid. The completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person if you so wish.

Recommendation

The Independent Directors of Pinnacle, having consulted with the Company's Nominated Adviser, Brewin Dolphin Limited, consider that the terms of the Acquisition are fair and reasonable insofar as the Company's shareholders are concerned. In advising the Board, Brewin Dolphin Limited has taken account of the Independent Directors' commercial assessment of the Proposal.

Accordingly, the Independent Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as they intend to do so in respect of the 26,200,538 Ordinary Shares beneficially held by them, representing approximately 29.9 per cent. of the Company's current issued share capital.

Yours faithfully

The Independent Directors

29 April 2009

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“1985 Act”	Companies Act 1985, as amended
“2006 Act”	Companies Act 2006
“Acquisition”	the acquisition of 100 per cent of the entire issued share capital of the Compliance Company (GB) Limited, the terms of which are set out in this document
“AGM”	the Annual General Meeting of the Company to be held at 2:00pm on 20 May 2009
“Brewin Dolphin Limited”	Nominated Advisor to the Company
“Circular”	this document dated 29 April 2009
“Company” or the “Group” or “Pinnacle”	Pinnacle Staffing Group plc
“Consideration Shares”	5,000,000 new Ordinary Shares in the Company to be issued to Mr and Mrs Hope at a price of 10 pence per share pursuant to the terms of the Acquisition
“CQC”	The Care Quality Commission
“Directors” or “Board”	the Directors of the Company whose names are set out on page 1 of this document
“Form of Proxy”	the form of proxy accompanying this document for use by the Shareholders at the General Meeting
“General Meeting”	the general meeting of the Company to be held at 2:30pm (or if later immediately following the AGM which is convened at 2.00pm) on 20 May 2009, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“Independent Directors”	being Tom Charlton, John Hodges and Lynn Young
“NHS PASA”	the NHS Purchasing and Supply Agency
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Proposal”	the acquisition of The Compliance Company (GB) Limited
“Resolution”	the resolution to be proposed at the General Meeting, as set out in the notice of meeting at the end of this document
“Related Parties”	Mr David Hope and his wife Mrs Hannah Hope by virtue of their interest in the Proposal as set out in this document
“Shareholders”	holders of the issued Ordinary Shares
“The Compliance Company”	The Compliance Company (GB) Limited (whose registered number is 06652188) of Batchworth House, Batchworth Place, Church Street, Rickmansworth, Hertfordshire, WD3 1JE

PINNACLE STAFFING GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05855668)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting (the "Meeting") of Pinnacle Staffing Group plc (the "Company") will be held at the offices of the Company at 258 Capability Green, Luton, Bedfordshire, LU1 3LU at 2:30pm on 20 May 2009 (or as soon as the AGM convened for that date has ended) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

THAT, the purchase by the Company of the entire issued share capital of The Compliance Company (as described in the circular from the Company to its shareholders dated 29 April 2009) from David Hope, a director of the Company who is the Chief Operating Officer and Finance Director, and his wife, Hannah Hope for purposes of section 190 of the Companies Act 2006, be and are hereby approved and that the Board of Directors be authorised to take all actions necessary in contemplation of, or in connection with the purchase and all agreements or documents which the Board of Directors of the Company, or any duly authorised committee may determine are required, or are expedient to give effect to the Acquisition.

By Order of the Board

Jennifer Hall
Company secretary

Registered office:
One Wood Street
London
EC2V 7WS

Dated 29 April 2009

NOTES:

- 1 A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
- 2 A proxy may only be appointed using the procedures set out in these notes and the enclosed proxy form. To appoint a proxy, a member must complete, sign and date the enclosed proxy form and deposit it at the office of the Company's Registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA by 2:30pm on 18 May 2009. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
- 3 In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA by 2:30pm on 18 May 2009.
- 4 Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.
- 5 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 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 and that designated corporate representative will vote on a poll. 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.
- 6 As permitted by regulation 41 of the Uncertificated Securities Regulations 2001, only those persons whose names are entered on the register of members of the Company at 12.01am on 19 May 2009 (or in the event that this meeting is adjourned, on the register of member 48 hours before the time of any adjourned meeting) shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

FORM OF PROXY FOR THE GENERAL MEETING

PINNACLE STAFFING GROUP PLC
(the "Company")

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05855668)*

General Meeting – 20 May 2009

I/We
(Full Name in Block Capitals please)

of.....
being a member/members of Pinnacle Staffing Group plc entitled to attend and vote at general meetings of the Company, hereby appoint

.....
of.....
or failing him/her, the Chairman of the meeting to be my/our proxy and vote for me/us on my/our behalf at the general meeting of the Company to be held at the offices of the Company at 258 Capability Green, Luton, Bedfordshire, LU1 3LU at 2:30pm (or as soon as the AGM convened for that date has ended) on 20 May 2009, and at any adjournment thereof. The proxy will vote as indicated below in respect of the ordinary resolution set out in the notice of Meeting:

Ordinary Resolution

For Against Withheld

THAT the acquisition of The Compliance Company (GB) Limited
be and is hereby approved

Signed:Dated: 2009

Please tick here if this proxy is one of multiple appointments being made (see note 1)

Enter in the box provided the number of shares in relation to which your proxy is authorised
or leave blank to authorise your proxy to act in relation to your full voting entitlement

NOTES

1. If you wish to appoint as proxy another person (who need not be a shareholder), please insert the name of that other person in the box provided and delete the words "the chairman of the Meeting". Any alteration made to this Form of Proxy must be initialed by the person who signs it. A shareholder may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. To appoint more than one proxy, a photocopy of this Form of Proxy may be used or additional forms may be obtained from: Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA. If the proxy is being appointed with authority to vote less than your total holding please indicate in the box marked with an asterisk the number of shares your proxy is to vote. If the box marked with an asterisk is left blank your proxy will be deemed to be authorised to vote your total holding (or if this Form of Proxy has been issued in respect of a designated account for a shareholder, the total holding for that designated account).
2. If you wish your proxy to cast your votes for or against a resolution you may insert an 'X' in the appropriate box. If you do not wish your proxy to vote on any particular resolution, you may insert an 'X' in the 'Vote Withheld' box. A 'Vote Withheld' is not a 'vote' and will not be counted in the calculation of the votes 'For' and 'Against' a resolution. If you do not indicate how your proxy is to vote, you will be deemed to have authorised your proxy to vote or to withhold your vote as your proxy thinks fit. Your proxy will also be entitled to vote at his or her discretion on any other resolution properly put to the Meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, changes to entries on the principal register of members of the Company maintained in England (the 'Principal Register') after 12.01am (London time) on the day immediately before the day of the Meeting or any adjourned meeting (as the case may be) shall be disregarded in determining the rights of a shareholder to attend or vote at the Meeting or any adjourned meeting (as the case may be). Accordingly, a shareholder entered on the Principal Register at 12.01am on the day immediately before the day of the Meeting or any adjourned meeting (as the case may be) shall be entitled to attend and vote at the Meeting or any adjourned meeting (as the case may be) in respect of the number of such shares entered against the shareholder's name at that time.
4. This Form of Proxy must be signed by the shareholder or the shareholder's attorney or, if the shareholder is a corporation, be under seal or signed by a duly authorised representative.
5. In the case of joint registered holders of any shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the Principal Register.
6. In order to be valid, this Form of Proxy (and any power of attorney or other authority, if any, under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board) must be deposited not less than 48 hours before the time of the holding of the Meeting (or any adjournment), at the offices of the Registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA, United Kingdom. In the case of an appointment of a proxy submitted in electronic form, such appointment must be received not less than 48 hours before the time of the holding of the Meeting (or any adjourned meeting). It should be noted, however, that any power of attorney or other authority relating to an appointment of a proxy cannot be submitted electronically and must be deposited as referred to above for the appointment to be valid. Completion and return of the Form of Proxy will not preclude a shareholder from attending or voting in person.
7. A proxy need not be member of the Company and the appointment of a proxy will not preclude a shareholder from attending and voting in person at the Meeting or at any adjournment thereof.



Third Fold and Tuck in

BUSINESS REPLY SERVICE
Licence No. SWB 1002



Computershare Investor Services PLC
PO Box 1075
The Pavilions
Bridgwater Road
Bristol
BS99 3FA

First Fold

Second Fold