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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to what action you should take, you are recommended to seek your own advice from an appropriate professional adviser who is authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Harworth Group plc, 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.

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# Harworth

## HARWORTH GROUP PLC

(Incorporated and registered in England and Wales no. 02649340)

### Notice of Annual General Meeting

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Notice is hereby given that the Annual General Meeting of Harworth Group plc will be held on 29 May 2018 at 2:00 p.m. at The Bessemer Conference Room, AMP Technology Centre, Advanced Manufacturing Park, Brunel Way, Waverley, Rotherham, S60 5WG.

This document should be read as a whole. Nevertheless, your attention is drawn to the letter from the Chairman which commences at page 4 of this document and your Board's recommendation that you vote in favour of the resolutions to be proposed at the Annual General Meeting referred to below. This document should be read in conjunction with the Notice of Annual General Meeting set out at the end of this document and the accompanying Form of Proxy for use in connection with the meeting.

Notice of Annual General Meeting of Harworth Group plc, to be held at 2:00 p.m. on 29 May 2018 is set out at the end of this document. To be valid, the enclosed Form of Proxy for use at the meeting should be completed in accordance with the instructions thereon, signed and returned so as to be received by the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8JB as soon as possible but in any event not later than 2:00 p.m. on 24 May 2018. You may appoint a proxy in CREST by completing and transmitting a CREST proxy instruction to Equiniti Limited so that it is received no later than 2:00 p.m. on 24 May 2018. Completion of the Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person. Further instructions relating to the Form of Proxy are set out in the Notice of Annual General Meeting.

The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this document.

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## Expected timetable of principal events

Date of this document	24 April 2018
Record date for dividend	4 May 2018
Latest time and date for receipt of forms of proxy for the Annual General Meeting	2:00 p.m. on 24 May 2018
Annual General Meeting 2018	2:00 p.m. on 29 May 2018
Expected date for payment of dividend	1 June 2018

References to time in this document are to British Summer Time.

The timetable assumes that the Annual General Meeting is not adjourned as a result of there being no quorum, or for any other reason, and that the resolution for a final dividend is approved by Shareholders. If there is an adjournment, all subsequent dates and any other dates referred to in this document are likely to be later than those shown. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.

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**Harworth Group plc**  
(Incorporated and registered in  
England and Wales no. 02649340)

**Registered office:**  
Advantage House  
Poplar Way  
Catcliffe  
Rotherham  
S60 5TR

To: Shareholders of Harworth Group plc

24 April 2018

Alastair Lyons: Chairman  
Owen Michaelson: Chief Executive  
Andrew Kirkman: Finance Director  
Lisa Clement: Senior Independent Director  
Anthony Donnelly: Independent Non-Executive Director  
Andrew Cunningham: Independent Non-Executive Director  
Steven Underwood: Non-Executive Director  
Martyn Bowes: Non-Executive Director

Dear Shareholder

### **Annual General Meeting 2018**

The Annual General Meeting of the Company will be held on 29 May 2018 at 2:00 p.m. at The Bessemer Conference Room, AMP Technology Centre, Advanced Manufacturing Park, Brunel Way, Waverley, Rotherham, S60 5WG. A map to help you with its location is found on the last page of the notice of meeting. As you can see from the notice of meeting there are several items of business to be considered at the Annual General Meeting. The purpose of this letter is to explain this business.

Resolutions 1 to 15 (inclusive) are proposed as ordinary resolutions. This means that, except for Resolution 11 which is an advisory vote only in accordance with the requirements of the Companies Act, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 16 to 19 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

### **Ordinary Resolutions**

#### **1 – Adoption of Annual Report and Financial Statements**

The Directors must present the report of the Directors and the financial statements of the Company for the period ended 31 December 2017 to Shareholders at the Annual General Meeting. The report of the Directors, the financial statements, and the independent auditors' report are contained within the Annual Report.

#### **2 – Approval of Dividend**

The Board restored the payment of dividends to Shareholders in 2015 at an initial level of £2 million on an annualised basis and intends to increase the dividend over time broadly in line with the growth of the business. In October 2017, the Board paid an interim dividend for the financial year ended 31 December 2017 at 0.253p per Ordinary Share and the Board is recommending a final dividend of 0.575p per Ordinary Share, to give a total dividend for the financial year ended 31 December 2017 of £2.7 million or 0.828p per Ordinary Share. It is proposed that the final dividend be paid on 1 June 2018 to those Shareholders on the register of members at the close of business on 4 May 2018.

#### **3 – Election of Director**

Resolution 3 proposes my election, having joined the Company as independent Non-Executive Chairman on 7 March 2018 in succession to Jonson Cox, who stepped down as Chairman and resigned from the Board on 31 March 2018. My biographical details are contained in Appendix 1. The Board unanimously recommends my election.

#### **4–10 – Re-election of Directors**

Resolutions 4 to 10 are being put before Shareholders in accordance with the principles of best practice in corporate governance. The Articles of Association provide that one third of the Directors should offer themselves for re-election each year. However, best practice recommends that all Directors should offer themselves for re-election each year and accordingly all seven of the continuing Directors will offer themselves for re-election. Their biographical details are also shown in Appendix 1. The seven Directors seeking re-election are:

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- (1) Owen Michaelson – Chief Executive;
- (2) Andrew Kirkman – Finance Director;
- (3) Lisa Clement – Senior Independent Director;
- (4) Anthony Donnelly – Independent Non-Executive Director;
- (5) Andrew Cunningham – Independent Non-Executive Director;
- (6) Steven Underwood – Non-Executive Director representing the Peel Group; and
- (7) Martyn Bowes – Non-Executive Director representing the Pension Protection Fund.

The Board unanimously recommends their re-election. Each resolution for re-election will be taken as a separate vote.

The Nomination Committee has reviewed the effectiveness of those directors who are offering themselves for election. Following that review, I confirm that the Board has determined that each of the Directors offering themselves for re-election is and continues to be valuable and effective, that each of them has demonstrated the appropriate level of commitment to his or her role and that each of the Non-Executive Directors is and continues to be fully independent in both character and judgement and there are no relationships or circumstances which are likely to affect, or which could appear to affect, their character or the exercise of their judgement. The review process for existing Directors, selection process for new Directors and the Company's assessment of independence are described in the corporate governance section in the 2017 Annual Report and Financial Statements.

### **11 – Approval of the Directors' Remuneration Report**

The Shareholders approved the Company's Remuneration Policy at the 2016 annual general meeting. As such, unless there is a proposal to amend the policy earlier, it is due to be updated and presented for Shareholder approval at the 2019 annual general meeting.

The Directors' Remuneration Report gives details of the remuneration that was paid to your Directors for the year ended 31 December 2017 and will be paid to them for the year ended 31 December 2018, in accordance with the Company's Remuneration Policy. The Company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the Directors' Remuneration Report capable of being audited.

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 legislation, Shareholders will be invited to approve the Directors' Remuneration Report. The vote is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the Resolution is not passed.

### **12 and 13 – Re-appointment of Auditors and Auditors' Remuneration**

The auditors of a Company must be re-appointed at each annual general meeting at which accounts are laid. Resolution 12 proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP, until the conclusion of the annual general meeting of the Company held in 2019. Resolution 13 gives authority to the Directors to determine the auditors' remuneration.

### **14 – Authority to make political donations**

Part 14 of the Companies Act restricts companies from making political donations to: (i) political parties; (ii) other political organisations; and (iii) independent election candidates and from incurring political expenditure without Shareholders' consent. The Company does not make and does not intend to make donations to political parties, political organisations or independent election candidates, nor does it incur any political expenditure. However, as the definitions used in the Companies Act are broad, it is possible that normal business activities such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform, which might not be thought to be political expenditure in the usual sense, could be caught. Shareholder approval is being sought in this Resolution on a precautionary basis only to allow the Company and any company which, at any time during the period for which this Resolution has effect, is a subsidiary of the Company, to continue to support the community and put forward its views on or in relation to wider business and Government interests, without running the risk of being in breach of the Companies Act.

The Board is, therefore, seeking authority to make political donations to political parties and/or independent election candidates not exceeding £50,000 in total, to make political donations to political organisations other than political parties not exceeding £50,000 in total and to incur political expenditure not exceeding £50,000 in total. In line with the guidance issued originally by the Association of British Insurers and for which the Investment Association has assumed responsibility, it is proposed that this Resolution will be put to Shareholders annually. Therefore, the authority will be valid until the conclusion of the annual general meeting of the Company held in 2019 or, if earlier, 15 months from the date that this Resolution is passed.

### **15 – Allotment of Shares**

The Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by Shareholders. The authority conferred on the Directors at the 2017 annual general meeting under section 551 of the Companies Act to allot shares expires on the date of the forthcoming Annual General Meeting. Accordingly, this Resolution seeks to grant a new authority under section 551 of the Companies Act to authorise the Directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company and will expire at the conclusion of the next annual general meeting of the Company to be held in 2019 or, if earlier, 15 months from the date that this Resolution is passed. Paragraph (A) of Resolution 15 will, if passed, authorise the Directors to allot shares or grant rights to subscribe for, or to convert any security into, such shares in the Company up to a maximum nominal amount of £10,716,558. This amount represents 33 per cent. of the Company's existing issued

ordinary share capital as at 23 April 2018 (being the latest practicable date prior to publication of this Notice). Paragraph (B) of Resolution 15 authorises the Directors to allot, including the shares referred to in (A), further shares up to an aggregate nominal amount of £21,433,117 in connection with a pre-emptive offer to existing Shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas Shareholders to whom the rights issue cannot be made due to legal and practical problems). This amount represents 66 per cent. of the Company's existing issued ordinary share capital as at 23 April 2018 (being the latest practicable date prior to publication of this Notice). This is in accordance with the latest institutional guidelines published by the Investment Association.

Although the Directors have no present intention of exercising this authority, there can be no certainty that this authority will not need to be utilised. The Directors consider that it is in the best interest of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional guidelines to allot shares or grant rights without the need for a general meeting, should they determine that it is appropriate to do so. The Directors intend to renew this authority annually.

As at 23 April 2018 (being the latest practicable date prior to publication of this Notice), the Company held no shares in treasury.

## Special Resolutions

### 16 – Amending the Articles of Association

Having noted that the current Articles of Association were adopted in June 2009, the Company proposes to amend the current Articles of Association in order to ensure that they are kept up to date (the “**New Articles**”).

The New Articles showing all the changes to the current Articles of Association are available for inspection from the date of this Notice until the conclusion of the Annual General Meeting at the Company's registered office and on the Company's website at [www.harworthgroup.com/investors/reports-presentations/](http://www.harworthgroup.com/investors/reports-presentations/). They will also be available for inspection as set out in the notes (note 9) on page 14 of this Notice.

### 17 – Disapplication of Pre-emption Rights

Under section 561(1) of the Companies Act, if the Directors wish to allot Ordinary Shares, or grant rights to subscribe for, or convert securities into Ordinary Shares, or sell treasury shares for cash (other than pursuant to an employee share scheme), they must in the first instance offer them to existing Shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of Ordinary Shares without a pre-emptive offer to existing Shareholders. This cannot be done under the Companies Act unless the Shareholders have first waived their pre-emption rights.

Resolution 17 asks the Shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority contained in this Resolution will be limited to the issue of Ordinary Shares for cash up to an aggregate nominal value of £1,607,483 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which represents approximately 5 per cent. of the Company's issued ordinary share capital as at 23 April 2018 (being the latest practicable date prior to the publication of this Notice).

In accordance with the Pre-emption Group's Statement of Principles, the Board confirms its intention that no more than 7.5 per cent. of the issued share capital will be issued for cash on a non pre-emptive basis during any future rolling three year period without prior consultation with Shareholders. Shareholders should note that this Resolution also relates to treasury shares and will be proposed as a special resolution.

Resolution 17 also seeks a disapplication of the pre-emption rights on a rights issue so as 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.

If given, the authority will expire at the conclusion of the next annual general meeting of the Company in 2019 or, if earlier 15 months from the date that this Resolution is passed.

Although the Directors have no present intention of exercising this authority, there can be no certainty that this authority will not need to be utilised. The Directors intend to renew this authority annually.

### 18 – Authority to Purchase Own Shares

This Resolution, which will be proposed as a special resolution, renews the authority granted at the 2017 annual general meeting which expires on the date of the forthcoming Annual General Meeting. The Resolution authorises the Company to make market purchases of its own Ordinary Shares as permitted by the Companies Act. The authority limits the number of shares that could be purchased to a maximum of 32,149,675 Ordinary Shares (representing less than 10 per cent. of the issued share capital of the Company as at 23 April 2018 (being the last practicable date prior to the publication of this Notice) and sets minimum and maximum prices.

The Directors have no present intention of exercising the authority to purchase the Company's Ordinary Shares but will keep the matter under review, taking into account market conditions, the cash reserves of the Company, the Company's share price, appropriate gearing levels, other investment opportunities and the overall financial position of the Company. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be likely to promote the success of the Company for the benefit of its Shareholders as a whole.

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange. Any Ordinary Shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to employees' share schemes.

The authority will only be valid until the conclusion of the next annual general meeting in 2019 or, if earlier, 15 months from the date that this Resolution is passed.

As at 23 April 2018 (being the last practicable date prior to the publication of this Notice) the Company had the following awards outstanding under its share schemes:

- aggregate awards of up to 2,525,445 shares under the Harworth Group plc Long Term Incentive Plan;
- aggregate awards of up to 362,327 shares under the Harworth Group plc Management Deferred Share Bonus Plan; and
- aggregate awards of 383,881 shares under the Harworth Group plc Save As You Earn Scheme.

These awards represent in aggregate 1 per cent. of the Company's issued ordinary share capital as at that date. If the authority to purchase the Company's Ordinary Shares granted at the 2017 annual general meeting and the authority proposed to be granted pursuant to Resolution 18 were exercised in full, these awards would, assuming no further Ordinary Shares are issued after that date, represent 1.3 per cent. of the Company's issued ordinary share capital as at that date. This percentage would reduce to 1.1 per cent. if no further purchases are made under the authority granted at the 2017 annual general meeting, but the authority exercised pursuant to Resolution 18 was exercised in full. As at the close of business on 23 April 2018 (being the last practicable date prior to the publication of this Notice), the Company did not hold any shares in treasury and no warrants over the ordinary shares in the capital of the Company existed.

### 19 – General Meetings at Short Notice

The Articles of Association of the Company allow (and the New Articles will continue to allow) it to call general meetings other than an annual general meeting on 14 clear days' notice without obtaining Shareholder approval. Changes made to the Companies Act by 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, which cannot however be less than 14 clear days. In order to preserve its ability to call general meetings on 14 clear days' notice, Resolution 19 seeks such Shareholder approval. 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. The Company undertakes to meet the requirements for electronic voting under the Shareholders' Rights Regulations before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

The Company intends to continue giving 20 working days' notice for annual general meetings in accordance with the UK Corporate Governance Code.

### Notice of publication of Annual Report and Financial Statements

Notice is hereby given that the Harworth Group plc Annual Report and Financial Statements for the financial year ended 31 December 2017 has been published on the Company's website [www.harworthgroup.com](http://www.harworthgroup.com). It can be accessed by going to the Company's home page, clicking on the Investors section of the website and then going to Reports and Presentations. If you have elected to receive Shareholder correspondence in hard copy, then the Annual Report will accompany this Notice.

Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual Report, you can do so by contacting our Registrars, Equiniti Limited, on 0871 384 2301. Lines are open 8:30 a.m. to 5:30 p.m., Monday to Friday (excluding public holidays in England and Wales). Callers from outside the UK should dial +44 (0)121 415 7047.

### Recommendation

**Your Board is of the opinion that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its Shareholders as a whole and recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings.**

### Action to be taken

Hard copies of a Form of Proxy for the Annual General Meeting for use by the Company have been sent to all Shareholders. If you do not intend to be present at the Annual General Meeting, please complete, sign and return the Form of Proxy as soon as possible (and, in any event, so as to be received not later than 2:00 p.m. on 24 May 2018), in accordance with the instructions printed on it. Completion of the Form of Proxy will not preclude you from attending and voting in person if you so wish.

Yours sincerely

**Alastair Lyons**  
Chairman

## Appendix 1: Directors biographies

### New Appointment

#### 1. Alastair Lyons (Chairman)

Alastair was appointed as Non-Executive Chairman on 7 March 2018 as successor to Jonson Cox. He also chairs the Nomination Committee and is a member of the Remuneration Committee.

Alastair is Non-Executive Chairman of Welsh Water and Deputy Chairman of Bovis Homes Group PLC but will retire from his role at Bovis Homes in May 2018. He was Non-Executive Chairman of Admiral Group plc from 2000 to 2017 and of Serco Group plc and Towergate Insurance until June 2015. Previously in his executive career, Alastair was Chief Executive of the National Provident Institution and the National and Provincial Building Society, Managing Director of the Insurance Division of Abbey National plc and Director of Corporate Projects at National Westminster Bank plc. He has a broad base of business experience with a particular focus on mortgage lending and insurance industries. He was awarded the CBE in 2001 for services to social security having served as a non-executive director of the Department for Work and Pensions and the Department of Social Security.

### Directors offering themselves for re-election

#### 2. Owen Michaelson (Chief Executive)

Owen joined the Board on 24 March 2015, having previously been Chief Executive of HEPGL from 28 September 2012 and of the Harworth Estates division of UK Coal since August 2010. He was last re-elected in May 2017 and has served for 3 years 2 months (7 years 9 months including his appointment to HEPGL and the Harworth Estates division of UK Coal).

Owen has more than 26 years' experience in the remediation of brownfield land and has held executive roles at the Peel Group, Black Country Properties and Viridor. Prior to becoming the Chief Executive of Harworth Group plc, he took over the stand alone operations of Harworth Estates at the commencement of the restructuring of the former UK Coal in August 2010. He established the business as a recognised developer of brownfield land, before being appointed to the Board of Harworth Group plc following the Acquisition.

#### 3. Andrew Kirkman (Finance Director)

Andrew joined the Board on 1 January 2016, was last re-elected in May 2017 and has served for 2 years 4 months.

Prior to joining Harworth, Andrew was Finance Director of Viridor, the recycling and renewable energy subsidiary of Pennon Group plc, for five years. He has also previously held a number of other senior finance roles, including Chief Financial Officer at Balfour Beatty Capital and Global Head of Corporate Finance at Bovis Lend Lease. Andrew is a Fellow of the Institute of Chartered Accountants and has an MA in politics, philosophy and economics from Oxford University.

#### 4. Lisa Clement (Senior Independent Director)

Lisa joined the Board on 15 December 2011 and was last re-elected in May 2017. Lisa was appointed Chair of the Remuneration Committee and Senior Independent Director on 1 October 2016. She is also a member of the Nomination Committee. She was formerly Chair of the Audit Committee and has served for 6 years 5 months.

Lisa was formerly Chief Financial Officer of Sea Containers Limited, Managing Director of Capita Learning and Development, and has held senior divisional roles at Cendant Inc and BPP Holdings plc.

#### 5. Anthony Donnelly (Non-Executive Director)

Anthony joined the Board on 24 March 2015 having previously been a Non-Executive Director of HEPGL from 10 December 2012 and a Director of the Harworth Estates division of UK Coal from January 2011. He is a member of the Audit and Remuneration Committees. He was last re-elected in May 2017 and has served for 3 years 2 months (7 years 4 months including his appointment to HEPGL and the Harworth Estates division of UK Coal).

After early finance roles with Scottish & Newcastle Breweries from 1986, Anthony joined Morrison Homes Limited as Finance Director in 1990. In 2000 he was appointed Managing Director of Scotland based AWG Property Limited. He has consequently overseen the workout and extraction of value from an extensive commercial and residential portfolio across the UK & Ireland and its transformation into a strategic and income generating portfolio.

#### 6. Andrew Cunningham (Non-Executive Director)

Andrew joined the Board on 26 April 2016, was appointed as Chair of the Audit Committee with effect from 1 October 2016 and is also a member of the Nomination Committee. He has served for 2 years.

Andrew graduated from Cambridge University and then trained as a chartered accountant with Deloitte Haskins and Sells (a predecessor firm of PricewaterhouseCoopers LLP). In 1989 he was made a corporate finance and audit partner. In 1996 he was appointed as Finance Director of Grainger plc, which was to become the UK's largest listed residential investor, and then Chief Executive in 2009. He retired from Grainger plc at the end of 2015. Andrew is a Fellow of the Institute of Chartered Accountants and of the Royal Institution of Chartered Surveyors.

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#### **7. Steven Underwood (Non-Executive Director)**

Steven joined the Board on 2 August 2010 as a representative of the Peel Group, the Company's largest Shareholder. He was last re-elected in May 2017. He is a member of the Audit and Remuneration Committees. He has served for 7 years 9 months.

Steven is Chief Executive of the Peel Group of companies and brings to the Board the extensive experience of the Peel Group in brownfield land remediation and regeneration.

#### **8. Martyn Bowes (Non-Executive Director)**

Martyn joined the Board on 24 March 2015 as a representative of the Pension Protection Fund, having previously been a Non-Executive Director of HEPGL from 19 March 2013. He was last re-elected in May 2017. Martyn has served for 3 years 2 months (5 years 2 months including his appointment to HEPGL).

Martyn originally trained as an accountant and as a banker. He has spent the majority of his career in banking, most recently from 2001 to 2007 with Barclays Capital as Managing Director, Real Estate Finance. Since leaving Barclays he has pursued a portfolio business career, which in 2012 involved a takeover with fellow Directors of the South of England based Welbeck Land real estate business. Martyn now acts as Finance Director for Welbeck Land and also maintains other interests in debt advisory and healthcare.

The external directorships and similar positions held by certain of our Non-Executive Directors are referenced in the "Board and Company Secretary" section of the corporate governance report in the Annual Report.

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## Definitions

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

<b>Companies Act</b>	the Companies Act 2006, as amended
<b>Board or Directors</b>	the Board of Directors of the Company, whose names appear on page 5
<b>Acquisition</b>	the acquisition by the Company of the 75.1% of the shares in HEPGL which the Company did not already own, which completed on 24 March 2015
<b>Annual General Meeting or AGM</b>	the annual general meeting of Harworth Group plc convened for 2:00 p.m. on 29 May 2018 (or any adjournment of it), notice of which is set out at the end of this document
<b>Annual Report</b>	the Annual Report and Financial Statements of the Company for the year ended 31 December 2017 made available to Shareholders on 24 April 2018
<b>Articles or Articles of Association</b>	the current articles of association of the Company
<b>CREST</b>	the UK based electronic system for paperless settlement of trades in listed securities, of which Euroclear UK is the operator
<b>Document or Notice</b>	this document
<b>Form of Proxy</b>	the form of proxy relating to the Annual General Meeting being sent to Shareholders with this document
<b>Harworth, or Company</b>	Harworth Group plc, a company incorporated in England and Wales with registered number 02649340
<b>Harworth Group or Group</b>	the Company, its subsidiaries and subsidiary undertakings at the date of this document
<b>HEPGL</b>	Harworth Estates Property Group Limited, a company incorporated in England and Wales with registered number 08232459
<b>Official List</b>	the official list of the Financial Conduct Authority
<b>Ordinary Shares</b>	Ordinary Shares of 10 pence each in the capital of the Company
<b>Peel Group</b>	Peel Holdings Limited (company no. 2567V) of Billown Mansion House, Ballasalia, Malew, Isle of Man, IM9 3DL and its subsidiaries from time to time
<b>Registrars</b>	Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 8JB
<b>Resolutions</b>	the ordinary and special resolutions to be proposed at the Annual General Meeting, as set out in the Notice of Annual General Meeting which is set out at the end of this document
<b>Shareholders' Rights Regulations</b>	the Companies (Shareholders' Rights) Regulations 2009
<b>Shareholders</b>	holders of Ordinary Shares, each individually being a "Shareholder"

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## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Harworth Group pic (the “Company”) will be held at The Bessemer Conference Room, AMP Technology Centre, Advanced Manufacturing Park, Brunel Way, Waverley, Rotherham, S60 5WG on 29 May 2018 at 2:00 p.m. for the following purposes:

### Ordinary business

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company’s annual accounts together with the Directors’ report and the auditors’ report on those accounts for the period ended 31 December 2017.
2. To declare a final dividend for the financial year ended 31 December 2017 of 0.575 pence per Ordinary Share, payable on 1 June 2018 to those shareholders on the register of members at the close of business on 4 May 2018.
3. To elect Alastair Lyons as a Director appointed since the last annual general meeting of the Company.
4. To re-elect Owen Michaelson as a Director of the Company.
5. To re-elect Andrew Kirkman as a Director of the Company.
6. To re-elect Lisa Clement as a Director of the Company.
7. To re-elect Anthony Donnelly as a Director of the Company.
8. To re-elect Andrew Cunningham as a Director of the Company.
9. To re-elect Steven Underwood as a Director of the Company.
10. To re-elect Martyn Bowes as a Director of the Company.
11. To approve the Directors’ Remuneration Report for the year ended 31 December 2017. This is an advisory vote in accordance with the Companies Act 2006.
12. To resolve that PricewaterhouseCoopers LLP be reappointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting.
13. To authorise the Directors to agree the remuneration of the Company’s auditors.

### Special business

To consider and, if thought fit, pass the following resolutions of which resolutions numbered 14 to 15 (inclusive) will be proposed as ordinary resolutions and resolutions numbered 16 to 19 (inclusive) will be proposed as special resolutions:

#### *Political donations*

14. That, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised, in aggregate, to:
  - a. make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
  - b. make political donations to political organisations other than political parties not exceeding £50,000 in total; and
  - c. incur political expenditure not exceeding £50,000 in total,

(as such terms are defined in sections 363 to 365 of the Companies Act 2006) during the period commencing on the date of the passing of this resolution and finishing at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date which is 15 months after the date of this resolution), provided that the aggregate amount of any such political donations made and political expenditure incurred by the Company and its subsidiaries pursuant to this authority shall not exceed £50,000.

#### *Authority to allot shares*

15. a. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to:
  - i. allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company:
    - (A) up to an aggregate nominal amount of £10,716,558; and
    - (B) comprising equity securities (as defined in the Companies Act 2006) up to an aggregate nominal amount of £21,433,117 (including within such limit any shares issued or rights granted under paragraph (A) above) in connection with an offer by way of a rights issue:

- I. to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
- II. to people who are holders of 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;

for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date which is 15 months after the date of this resolution); and

- ii. make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.
- b. That, subject to paragraph (c) all existing authorities given to the Directors pursuant to section 551 of the Companies Act 2006 be revoked by this resolution.
  - 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 security 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.

#### *Amending the current Articles of Association*

16. That the current Articles of Association be amended to ensure that the articles of association are kept up to date and that the amended articles of association produced to the meeting and signed by the Chairman of the meeting for identification purposes be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

#### *Authority to disapply pre-emption rights*

17. That, if Resolution 15 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:
  - a. to allotments for rights issues and other pre-emptive issues; and
  - b. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph a. above) up to a nominal amount of £1,607,483.

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date which is 15 months after the date of this resolution) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

#### *Authority to purchase own shares*

18. That, pursuant to section 701 of the Companies Act 2006, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its Ordinary Shares of 10 pence each in the capital of the Company, subject to the following conditions:
    - a. the maximum number of Ordinary Shares authorised to be purchased is 32,149,675;
    - b. the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 10 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 per cent. of the average of the middle market quotations of an Ordinary Share of the Company as derived from the London Stock Exchange Daily Official List for the 5 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 highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System;
    - d. this authority shall expire at the close of the next annual general meeting of the Company (or, if earlier, at the close of business on the date which is 15 months from the date of this resolution); and
    - e. a contract to purchase shares under this authority may be made before the expiry of this authority, and concluded in whole or in part after the expiry of this authority.
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*Notice of general meetings*

19. That, subject to the Articles of Association of the Company as in force from time to time, a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

**Chris Birch**  
Secretary  
24 April 2018

**Registered in England and Wales No. 02649340**  
Registered Office  
Advantage House  
Poplar Way  
Catcliffe  
Rotherham  
S60 5TR

## Notes

### Entitlement to attend and vote

1. The right to attend and vote at the meeting is determined by reference to the Company's register of members. Only a member entered in the register of members at 6:30 p.m. on 24 May 2018 (or, if this meeting is adjourned, in the register of members at 6:30 p.m. on the day two days prior to the adjourned meeting) is entitled to attend and vote at the meeting and a member may vote in respect of the number of Ordinary Shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

### Proxies

2. A shareholder of the Company may appoint one or more proxies (who need not be a member of the Company) to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A shareholder may only appoint a proxy or proxies by:

- completing and returning the proxy form enclosed in this pack (Form of Proxy); or
- if you are a user of the CREST system (including CREST Personal Members), having an appropriate CREST message transmitted.

You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated. To appoint more than one proxy, (an) additional Form(s) of Proxy may be obtained by contacting the Registrars helpline on 0871 384 2301 or you may photocopy the Form of Proxy enclosed in this pack. Lines are open 8:30 a.m. to 5:30 p.m., Monday to Friday (excluding public holidays in England and Wales). Callers from outside the UK should dial +44 (0)121 415 7047.

**IMPORTANT: In any case your Form of Proxy must be received by the Company's registrars no later than 2:00 p.m. on 24 May 2018.**

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID number: RA 19) by 2:00 p.m. on 24 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). We may treat a proxy appointment sent by CREST as invalid in the circumstances set out in Regulation 35(5Ka) of the Uncertificated Securities Regulations 2001.

Further details of the appointment of proxies are given in the notes to the Form of Proxy enclosed with this pack.

### Corporate representative

3. 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 member provided that where more than one corporate representative has been appointed they do not exercise their powers differently in relation to the same shares.

### Nominated persons

4. 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 have a right under an agreement between him and the shareholder by whom he was nominated, 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 may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies as stated above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

### Issued Share Capital and Total Voting Rights

6. As at 23 April 2018 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 321,496,760 Ordinary Shares, carrying one vote each. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at 23 April 2018 are 321,496,760.

### Members' requests under Section 527 of the Companies Act 2006

7. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish a statement on a website 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 Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the last annual general meeting. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

### Members' rights to ask questions

8. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### Inspection of documents

9. The following documents will be available for inspection at the location of the Annual General Meeting and at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE from 15 minutes before the Annual General Meeting until it ends:
  - Copies of the Executive Directors' service contracts.
  - Copies of the letters of appointment of the Non-Executive Directors.
  - A copy of the New Articles.

### Website

10. A copy of this notice and other information required by section 311A of the Companies Act 2006, can be found at [www.halworthgroup.com](http://www.halworthgroup.com).

### Voting results

11. The results of the voting at the Annual General Meeting will be announced through a regulatory information service and will appear on the Company website, [www.halworthgroup.com](http://www.halworthgroup.com) on 29 May 2018.

### Communications with the Company

You may not use any electronic address provided either in this notice or any related document (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

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