
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.

Harworth

HARWORTH GROUP PLC

Registered in England

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

Registered number: 02649340

Notice of Annual General Meeting

Notice of Annual General Meeting of Harworth Group plc to be held on Monday 29 June 2020 at 8:00 a.m. at Unit 5A, Advanced Manufacturing Park, Brunel Way, Waverley, Rotherham, S60 5WG.

Due to the restrictions on movement introduced by the UK Government in response to the COVID-19 pandemic, shareholder attendance at the Annual General Meeting is no longer possible. Shareholders are encouraged to appoint the Chair of the meeting to cast their votes for them by submitting a Form of Proxy in accordance with the instructions printed on the enclosed Form of Proxy. The Form of Proxy must be received before 8:00 a.m. on 25 June 2020.

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Expected timetable of principal events

Date of this document	5 June 2020
Latest time and date for receipt of forms of proxy for the Annual General Meeting	8:00 a.m. on 25 June 2020
Annual General Meeting 2020	8:00 a.m. on 29 June 2020

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. 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 the Regulatory News Service.

Letter from the Chair of the Board

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

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

5 June 2020

Dear Shareholder

Annual General Meeting 2020

The Annual General Meeting of the Company will be held on 29 June 2020 at 8:00 a.m. at Unit 5A, Advanced Manufacturing Park, Brunel Way, Waverley, Rotherham, S60 5WG.

COVID-19

In response to the Coronavirus (COVID-19) pandemic, the UK Government has introduced new laws which impose limitations on travel and public gatherings, subject to certain exemptions. Shareholders must adhere to these new laws and UK Government guidance and so should not attend the AGM. The law requires that any Shareholder who attempts to gain access to the AGM must be excluded from the meeting on grounds of public safety.

While the pandemic restricts our ability to follow our usual AGM format, we are still legally required to hold our AGM but Shareholder attendance will be limited to the two Shareholders (or proxies) required to form a quorum under our Articles of Association and social distancing measures will be in place for the attendees.

The Board believes these measures are necessary and appropriate in light of the pandemic to protect the health and wellbeing of the Company's employees, Shareholders and wider stakeholders. We hope Shareholders will understand the steps we are taking.

We will continue to monitor the evolving impact of the pandemic. If it becomes necessary or appropriate to change the timing, venue or format of the AGM, we will inform Shareholders as soon as we can. Please monitor our website at www.harworthgroup.com/investors and announcements via the Regulatory News Service.

Although you will not be able to attend the AGM in person, you will still be able to ensure your votes are counted by using the proxy facility available to appoint the Chair of the meeting to cast your vote for you. Further instructions on how to appoint the Chair of the meeting as your proxy are provided in the notes to the Notice of Annual General Meeting. All resolutions will be voted on a poll which ensures Shareholders' votes are counted according to the number of shares held. Shareholders can also submit questions in advance of the AGM by emailing them to investors@harworthgroup.com. Responses will be provided in writing as soon as practicable and, where a series of questions follow a common theme, responses will be published on the website at www.harworthgroup.com/investors.

Following the conclusion of the AGM the results will be announced via Regulatory News Service and made available on the Company's website at www.harworthgroup.com.

Notwithstanding our current balance sheet strength and liquidity headroom, the macro economic environment is one of heightened uncertainty. After due consideration, the Board, therefore, believes that it is now prudent to not recommend to the AGM the previously announced final dividend of 0.7p per share for the financial year ended 31 December 2019. However, the Board recognises the importance of dividends to shareholders and therefore intends to consider the appropriateness and timing of an additional interim dividend (equivalent to the previously announced 2019 final dividend) for the financial year ending 31 December 2020 when it has a clearer view of the ongoing effects on the Company of the COVID-19 pandemic.

Resolutions

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 18 (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 2019 to Shareholders at the AGM. The report of the Directors, the financial statements, and the independent auditors' report are contained within the Annual Report.

2 – Election of Director

Resolution 2 proposes the election of Kitty Patmore, who joined the Company as Chief Financial Officer with effect from 1 October 2019.

3 – 10 – Re-election of Directors

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 eight of the continuing Directors will offer themselves for re-election. Their biographical details are shown in Appendix 1. The eight Directors seeking re-election are:

- (1) Alastair Lyons – Chair;
- (2) Owen Michaelson – Chief Executive;
- (3) Lisa Clement – Senior Independent Non-Executive Director;
- (4) Andrew Cunningham – Independent Non-Executive Director;
- (5) Ruth Cooke – Independent Non-Executive Director;
- (6) Angela Bromfield – Independent Non-Executive Director;
- (7) Steven Underwood – Non-Executive Director; and
- (8) Martyn Bowes – Non-Executive Director representing the Pension Protection Fund.

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 re-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 make a valuable and effective contribution to the Board, 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 their character or the exercise of their judgement.

Alongside our preliminary results, we announced Owen Michaelson's intention to retire as Chief Executive on 31 December 2020. Owen is seeking re-election until that date. The Board has commenced a process to appoint a successor and an announcement will be made as soon as a successor has been selected.

Due to the length of her service, Lisa Clement, the current Senior Independent Non-Executive Director, would cease to be considered independent for the purposes of the UK Corporate Governance Code at the end of 2020. She will, therefore, retire from the Board on 30 September 2020 and is seeking re-election until that date. The Nomination Committee is leading the process to identify a suitable candidate to succeed Lisa and an announcement will be made when a successor is appointed.

11 – Approval of the Directors' Remuneration Report

The Directors' Remuneration Report gives details of the remuneration that was paid to your Directors for the year ended 31 December 2019 and will be paid to them for the year ended 31 December 2020, in accordance with the Company's current Remuneration Policy. The Company's auditors for the financial year ended 31 December 2019, PricewaterhouseCoopers LLP, have audited those parts of the Directors' Remuneration Report capable of being audited. 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 – Appointment of Auditors and Auditors' Remuneration

The auditors of a Company must be appointed at each annual general meeting at which accounts are laid. Following a competitive tender process overseen by the Audit Committee in 2019, details of which are set out in the Audit Committee Report on pages 98 and 99 of the Annual Report, the Board is recommending the appointment of Ernst & Young LLP as the Company's external auditors, in succession to PricewaterhouseCoopers LLP, with effect from the conclusion of the AGM. Resolution 12 seeks approval of that appointment. 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 of 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 2021 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 2019 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 2021 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 £10,739,181. This amount represents 33 per cent. of the Company's existing issued ordinary share capital as at 4 June 2020 (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 £21,478,362 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 4 June 2020 (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 4 June 2020 (being the latest practicable date prior to publication of this Notice), the Company held no shares in treasury.

Special Resolutions

16 – 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 16 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 £1,610,877 (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 4 June 2020 (being the latest practicable date prior to the publication of this Notice).

In accordance with the Pre-emption Group's Statement of Principles (before the flexibility applied by its statement dated 1 April 2020 in response to the COVID-19 pandemic), 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 16 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 2021 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.

17 – Authority to Purchase Own Shares

This Resolution, which will be proposed as a special resolution, renews the authority granted at the 2019 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 32,217,542 Ordinary Shares (representing less than 10 per cent. of the issued share capital of the Company as at 4 June 2020 (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 2021 or, if earlier, 15 months from the date that this Resolution is passed.

As at 4 June 2020 (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 456,101 Ordinary Shares under the Harworth Group plc Long Term Incentive Plan;
- aggregate awards of up to 379,230 Ordinary Shares under the Harworth 2019 Restricted Share Plan; and
- aggregate awards of 536,725 Ordinary Shares under the Harworth Group plc Save As You Earn Scheme.

These awards represent in aggregate 0.4 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 2019 annual general meeting and the authority proposed to be granted pursuant to Resolution 17 were exercised in full, these awards would, assuming no further Ordinary Shares are issued after that date, represent 0.5 per cent. of the Company's issued ordinary share capital as at that date. This percentage would reduce to 0.5 per cent. if no further purchases are made under the authority granted at the 2019 annual general meeting, but the authority exercised pursuant to Resolution 17 was exercised in full. As at the close of business on 4 June 2020 (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.

18 – General Meetings at Short Notice

The Articles of Association of the Company 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 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.

Typically, the Company gives 20 working days' notice for annual general meetings in accordance with the Financial Reporting Council's Guidance on Board Effectiveness. This year we have not been able to give that much notice due to the practical constraints caused by the COVID-19 pandemic but we have given shareholders 21 clear days' notice of the annual general meeting in accordance with the Companies Act. We intend to give 20 working days' notice of future annual general meetings.

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 2019 has been published on the Company's website 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, 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 9:00 a.m. to 5:00 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

All Directors seeking re-election are 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 recommend that you vote in favour of the Resolutions to be proposed at the AGM, 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 AGM for use by the Company have been sent to all Shareholders. 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 8:00 a.m. on 25 June 2020), in accordance with the instructions printed on it. You are encouraged to appoint the Chair of the meeting to cast your vote for you.

Yours sincerely



Alastair Lyons
Chair of the Board

Appendix 1: Directors' biographies

New Appointments

1. Katerina (Kitty) Patmore (Chief Financial Officer)

Kitty was appointed Chief Financial Officer on 1 October 2019. She joined from Harwood Real Estate, which managed one of the largest private rented housing investment portfolios in the United Kingdom, where she was Director with responsibility for Finance and Operations. She led the finance function, investor relations and capital markets including a London Stock Exchange main market fundraising process.

Kitty started her career in banking at Barclays specialising in structured real estate finance before moving into real estate mezzanine finance across the UK and Europe for a private debt fund, DRC Capital.

Directors offering themselves for re-election

1. Alastair Lyons (Non-Executive Chair)

Alastair was appointed as Non-Executive Chair on 7 March 2018 and has served for 2 years 2 months. He also chairs the Nomination Committee and is a member of the Remuneration Committee.

Alastair is Non-Executive Chair of Welsh Water, Vitality Health, AECS, Admiral's European holding company, and the Eaton House private schools group. He was Non-Executive Chair of Admiral Group plc from 2000 to 2017, Deputy Chair of Bovis Homes from 2008 to 2018, Chair of Serco Group plc from 2010 to 2015 and Chair of Towergate Insurance from 2011 to 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.

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 has served for 5 years 2 months (9 years 9 months including his appointment to HEPGL and the Harworth Estates division of UK Coal). Owen will retire from the Board on 31 December 2020.

Owen has more than 30 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, 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 following the re-listing of the Company in 2015.

Owen is a Non-Executive Director of Covanta Holding Corporation, a global provider of waste treatment facilities in the USA, UK and China. He is also a Board member for the Sheffield City Region Local Enterprise Partnership and Chair of the British Property Federation's Regional Policy Committee.

3. Lisa Clement (Senior Independent Director)

Lisa joined the Board on 15 December 2011. She is Chair of the Remuneration Committee and Senior Independent Director. She was formerly Chair of the Audit Committee and stepped down as a member of the Nomination Committee on 31 December 2019. Lisa has served for 8 years 5 months and will retire from the Board on 30 September 2020.

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. She is currently a Director of Everything But The Cow Limited.

4. 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 will succeed Lisa Clement as Senior Independent Director when she retires on 30 September 2020. He has served for 4 years.

Andrew 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.

Andrew is a Non-Executive Director of multiple private limited companies in the Banks Group, Cussins Limited and Cussins (North East) Limited. He is also a Commissioner at The Port of Blyth.

5. Ruth Cooke (Non-Executive Director)

Ruth joined the Board on 19 March 2019 and is a member of the Audit Committee.

Ruth was Finance Director (from 2008 to 2012) and then Chief Executive (from 2012 to 2018) of Midland Heart, the housing association group operating across Central England. Prior to that, she held senior finance and resourcing roles at Knightstone, a housing association based in the South West, and Anchor Trust, a provider of housing and care to those aged 55 years old and above. Ruth has held a number of voluntary and non-executive positions in the social housing and retirement community sector. She is an Associate of the Institute of Chartered Accountants and a Chartered Corporate Treasurer. Ruth has served for 1 year 2 months.

Ruth is Chief Executive of Green Square Group, the housing association, Chair of Connexus Housing and a member of the West Midlands Housing Association Partnership.

6. Angela Bromfield (Non-Executive Director)

Angela joined the Board on 1 April 2019 and is a member of the Nomination, Remuneration and Audit Committees. She will succeed Lisa Clement as Chair of the Remuneration Committee when Lisa retires on 30 September 2020, at which point Angela will step down from the Audit Committee. She has served for 1 year 1 month.

Angela has extensive commercial strategy, marketing and communications executive experience. She was Strategic Marketing & Communications Director at Morgan Sindall plc until 2013 and prior to that held senior roles at the Tarmac Group, Premier Farnell plc and ICI plc.

Angela is a Non-Executive Director at Marshalls plc and Churchill China plc.

7. Steven Underwood (Non-Executive Director)

Steven joined the Board on 2 August 2010. Steven was formerly a representative Director of Peel Group. Following the reduction of Peel Group's shareholding to below 25%, Steven now sits on the Board in a personal, rather than representative, capacity. However, given his previous representative capacity, and his length of service, Steven cannot be regarded as independent for the purposes of the UK Corporate Governance Code. He has served for 9 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, the Company's largest shareholder, having previously been a Non-Executive Director of HEPGL from 19 March 2013. Martyn has served for 5 years 2 months (7 years 2 months including his appointment to HEPGL).

Martyn 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.

Martyn is a director of multiple private limited companies predominantly within the Welbeck Land Group.

Definitions

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

Companies Act	the Companies Act 2006, as amended
Board or Directors	the Board of Directors of the Company
Annual General Meeting or AGM	the annual general meeting of Harworth Group plc convened for 8:00 a.m. on 29 June 2020 (or any adjournment of it), notice of which is set out at the end of this document
Annual Report	the Annual Report and Financial Statements of the Company for the year ended 31 December 2019 made available to Shareholders on 5 June 2020
Articles or Articles of Association	the current articles of association of the Company (as adopted at the 2018 annual general meeting)
CREST	the UK based electronic system for paperless settlement of trades in listed securities, of which Euroclear UK is the operator
Form of Proxy	the form of proxy relating to the Annual General Meeting being sent to Shareholders with this document
Harworth or Company	Harworth Group plc, a company incorporated in England and Wales with registered number 02649340
Harworth Group or Group	the Company, its subsidiaries and subsidiary undertakings at the date of this document
HEPGL	Harworth Estates Property Group Limited, a company incorporated in England and Wales with registered number 08232459
Notice	this document
Official List	the official list of the Financial Conduct Authority
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company
Peel Group	Peel Holdings Limited (company no. 2567V) of Billown Mansion House, Ballasalia, Malew, Isle of Man, IM9 3DL and its subsidiaries from time to time
Registrars	Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 8JB
Resolutions	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
Shareholders' Rights Regulations	the Companies (Shareholders' Rights) Regulations 2009
Shareholders	holders of Ordinary Shares, each individually being a "Shareholder"

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Harworth Group plc (the “Company”) will be held at Unit 5A, Advanced Manufacturing Park, Brunel Way, Waverley, Rotherham, S60 5WG on 29 June 2020 at 8:00 a.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 2019.
2. To elect Kitty Patmore as Chief Financial Officer appointed since the last annual general meeting of the Company.
3. To re-elect Alastair Lyons as a Director of the Company.
4. To re-elect Owen Michaelson as a Director of the Company.
5. To re-elect Lisa Clement as a Director of the Company.
6. To re-elect Andrew Cunningham as a Director of the Company.
7. To re-elect Ruth Cooke as a Director of the Company.
8. To re-elect Angela Bromfield 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 2019. This is an advisory vote in accordance with the Companies Act 2006.
12. To resolve that Ernst & Young LLP be appointed 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 15 and 16 will be proposed as ordinary resolutions and resolutions numbered 17 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 £10,739,181; and
 - (B) comprising equity securities (as defined in the Companies Act 2006) up to an aggregate nominal amount of £21,478,362 (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.

Disapplication of Pre-emption Rights

16. 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 £1,610,877.

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

17. 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 32,217,542;
- 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.

Notice of general meetings

18. 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

Registered in England with No. 02649340

Registered Office
Advantage House
Poplar Way
Catcliffe
Rotherham
S60 5TR

Notes

COVID-19

1. Due to the restrictions on movement introduced by the UK Government in response to the COVID-19 pandemic, any shareholder or proxy (other than the Chair) will be excluded from the meeting on the grounds of public safety. All other notes below are subject to and should be read in conjunction with this note 1.

Entitlement to attend and vote

2. 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 25 June 2020 (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, excluding weekends and bank holidays) 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

3. 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.

The Registrars can be contacted on the helpline on 0871 384 2301. Lines are open 9:00 a.m. to 5:00 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 8:00 a.m. on 25 June 2020.

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 8:00 a.m. on 25 June 2020. 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. 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.

In the circumstances you are encouraged to appoint the Chair of the AGM as your proxy. Due to the COVID-19 pandemic, any proxy other than the Chair of the AGM will be refused entry to the meeting.

Corporate representative

4. Any corporation which is a shareholder can ordinarily 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. Due to the COVID-19 pandemic attendance by corporate representatives at the Annual General Meeting is no longer possible. Corporate shareholders are instead encouraged to appoint the Chair of the AGM as proxy to vote on their behalf.

Nominated persons

5. 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.
6. 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

7. As at 4 June 2020 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 322,175,432 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 4 June 2020 are 322,175,432.

Members' requests under Section 527 of the Companies Act 2006

8. 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

9. Shareholders can also submit questions in advance of the AGM by emailing them to investors@harworthgroup.com. Responses will be provided in writing as soon as practicable and, where a series of questions follow a common theme, responses will be published on the website at www.harworthgroup.com/investors.

Inspection of documents

10. The following documents will be available for inspection at the Company's registered office and at DLA Piper UK LLP, 160 Aldersgate Street, London EC1A 4HT from the date of this notice and at the place of the Annual General Meeting 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.

Website

11. A copy of this notice and other information required by section 311A of the Companies Act 2006, can be found at www.harworthgroup.com.

Voting results

12. 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.harworthgroup.com on 29 June 2020.

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.

