

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to any aspect of the proposals referred to in this document or as to what action you should take, you should immediately seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Hill & Smith Holdings PLC shares please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.



## **NOTICE OF ANNUAL GENERAL MEETING 2017**

**Thursday 11 May 2017 at 11.00 a.m.**

to be held at

**The Village Hotel, The Green Business Park, Shirley, Solihull, B90 4GW**

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## Letter from the Chairman

Registered Office:  
Westhaven House  
Arleston Way  
Shirley  
Solihull  
B90 4LH  
(Registered in England and Wales Company Number 671474)

Dear Shareholder

### Annual General Meeting 2017

The 56<sup>th</sup> Annual General Meeting ('AGM') of Hill & Smith Holdings PLC ('the Company') will be held at 11.00 a.m. on Thursday 11 May 2017 at The Village Hotel, The Green Business Park, Shirley, Solihull, B90 4GW. I am pleased to invite you to this meeting, which is an important opportunity for you to meet your Board, to raise any questions and express your views in voting and I would encourage you to attend.

The formal Notice of Meeting is on pages 4 to 7 of this document and sets out and explains the resolutions to be proposed and considered at the AGM ('Resolutions'). Whether or not you intend to be present at the AGM I would ask that you complete and return the Form of Proxy. It is important that you are aware that the completion and return of the Form of Proxy will not prevent you from attending the AGM and voting in person if you wish to do so.

You will find a Form of Proxy for use at the AGM either enclosed (if you have received a hard copy of this Notice) or at [www.eproxyappointment.com](http://www.eproxyappointment.com) ('the website'). The Form of Proxy can be returned, either in hard copy form to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY in the reply-paid envelope provided, or by following the on screen instructions on the website. To use the website you will need the Control Number, your Shareholder Registration Number (SRN) and PIN number, which you will find on whichever you have received of the hard copy Form of Proxy or email notification of this Notice. Whether by post or by completion online the Form of Proxy needs to be received by the Company's Registrars as soon as possible and in any event by 11.00 a.m. on 9 May 2017.

As last year we are once again proposing a Resolution permitting the Company to make political donations. The Company has absolutely no intention to make any political donations. However, as a result of the wide definitions in the Companies Act 2006, normal expenditure (such as expenditure on organisations concerned with matters of public policy, law reform and representation of the business community) and business activities (such as communicating with the Government and political parties at local, national and European level) might be construed as political expenditure or as a donation to a political party or other political organisation. This Resolution, therefore, is purely precautionary and intended to avoid inadvertent breaches of relevant legislation.

Following the conclusion of the AGM the results of the voting on the Resolutions put to the meeting will be posted on the Company's website ([www.hsholdings.com](http://www.hsholdings.com)). This website also contains copies of all corporate reports, this letter and Notice as well as other information relating to the Company.

Your Directors are of the opinion that all of the Resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each of the Resolutions, which they intend to do in respect of their own beneficial shareholdings of 376,189 ordinary shares, representing in aggregate approximately 0.47% of the Company's issued share capital as at 24 March 2017.

Finally, I confirm that, as previously announced, I am retiring as your Chairman at the AGM after having the privilege of serving in that position for the last seven years. I wish the Company continued success in the future.

I look forward to seeing you at the meeting.

Yours faithfully,

**Bill Whiteley**  
Chairman

24 March 2017

# NOTICE OF ANNUAL GENERAL MEETING

## HILL & SMITH HOLDINGS PLC

(Registered in England No. 671474)

The 56<sup>th</sup> Annual General Meeting of Hill & Smith Holdings PLC will be held at The Village Hotel, The Green Business Park, Shirley, Solihull, B90 4GW on Thursday 11 May 2017 at 11.00 a.m. for the purpose of considering the following Resolutions of which Resolutions 1 to 12 and 16 will be proposed as Ordinary Resolutions and Resolutions 13 to 15 will be proposed as Special Resolutions.

### Ordinary Business

#### Resolution 1

To receive, consider and adopt the Company's Annual Accounts for the financial year ended 31 December 2016 and the reports of the Directors and the Auditor thereon.

*The Directors will present to the Annual General Meeting the Accounts and the reports of the Directors and Auditor for the year ended 31 December 2016.*

#### Resolution 2

To approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report for the year ended 31 December 2016 which takes effect immediately after the Annual General Meeting.

*The Companies Act 2006 requires the Company to seek shareholder approval to the Directors' Remuneration Policy at least every three years. Having been last approved at the 2014 AGM this Policy is being put to the meeting. This is a binding policy and, after it takes effect, the Directors will not be entitled to remuneration unless such remuneration is consistent with the approved policy from time to time or shareholders otherwise approve the remuneration. This Resolution seeks such approval. If approved the policy will take effect from the end of the AGM and will be subject to shareholder approval at least every three years.*

#### Resolution 3

To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the financial year ended 31 December 2016.

*Shareholders are entitled to vote upon the Remuneration Report which can be found (together with the Auditor's report thereon) within the Company's Annual Report and Accounts for the year ended 31 December 2016. The Directors' Remuneration Policy is excluded from the Resolution as it is subject to approval in the previous Resolution.*

#### Resolution 4

To approve the payment of the proposed final dividend in respect of the year ended 31 December 2016 of 17.9p per share on 3 July 2017.

*The proposed final dividend will be payable on 3 July 2017 to shareholders on the register at the close of business on 26 May 2017. When taking the interim dividend of 8.5p per share into account the total dividend for the year will be 26.4p per share.*

#### Resolution 5

To re-elect Mr J F Lennox as a Director.

*In compliance with the UK Corporate Governance Code in this and the following Resolutions your Director offers themselves for re-election. Accordingly, by this Resolution Mr J F Lennox offers himself for re-election as a Director. Mr Lennox is a Non-executive Director of the Company and a member of the Audit, Remuneration and Nomination Committees and is to take up the position of Chairman following the meeting. When Chairman Mr Lennox will resign from both the Audit and Remuneration Committees.*

*Mr Lennox is the non-executive Chairman of Enquest plc and a non-executive director and Audit Committee Chairman of both Barratt Developments plc and Dixons Carphone plc. He is also Chairman of the Trustees of the Tall Ships Youth Trust. Jock was formerly a partner of Ernst & Young where he began his career in 1977, becoming a partner in 1988.*

#### Resolution 6

To re-elect Mr D W Muir as a Director.

*By this Resolution Mr D W Muir offers himself for re-election as a Director. Mr Muir is Chief Executive of the Company and a member of the Nomination Committee.*

*Mr Muir joined the Company in 1988 and was appointed to the Board in 2006. He served as Group Managing Director of the core Infrastructure Products segment from 2001 and has been a Senior Manager within the Hill & Smith group for over 29 years, having first been a Managing Director of Hill & Smith Limited, one of the Group's principal subsidiaries.*

#### Resolution 7

To re-elect Mr M Pegler as a Director.

*By this Resolution Mr M Pegler offers himself for re-election as a Director. Mr Pegler is Finance Director of the Company.*

*Mr Pegler joined the Company as Finance Director designate on 7 January 2008 and was appointed to the Board on 11 March 2008. He has extensive experience on an international level having been Group Finance Director of Whittan Group Limited, a private equity backed business, between 2002 and 2007. After qualifying with Price Waterhouse, he spent several years in various corporate and operational roles in international manufacturing businesses. From 1 July 2016, he assumed full operational and managerial responsibility for businesses within the UK Utilities division.*

#### Resolution 8

To re-elect Ms A M Kelleher as a Director.

*By this Resolution Ms A M Kelleher offers herself for re-election as a Director. Ms Kelleher is a Non-executive Director of the Company, Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees.*

*Ms Kelleher has broad senior management experience in the international industrials sector and is currently Group Human Resources Director of Johnson Matthey PLC, as well as a Trustee of the Johnson Matthey Pension Scheme. Prior to joining Johnson Matthey PLC, she held a number of senior human resource roles in Pilkington and NSG Group. From 2006 to 2009, Ms Kelleher was an independent director of Tribunal Services, part of the UK's Ministry of Justice.*

#### **Resolution 9**

To elect Mr M J Reckitt as a Director, having been appointed since the last Annual General Meeting of the Company.

*Having been appointed since the last AGM Mr M J Reckitt is subject to the election at the AGM. Mr Reckitt is a Non-executive Director of the Company, Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.*

*Mr Reckitt was appointed as Non-executive Director on 1 June 2016. Mark is a chartered accountant and was Group Strategy Director of Smiths Group plc from February 2011 to April 2014, and Divisional President, Smiths Interconnect from October 2012 to April 2014. Prior to joining Smiths, Mark was interim Managing Director of Green & Black's Chocolate and before that he held a number of finance and strategy roles at Cadbury plc before being appointed its Chief Strategy Officer from 2004 to 2010. He is also a Non-executive Director and Chairman of the Audit Committee, as well as a member of the Nomination and Remuneration Committees, for Mitie Group PLC and Cranswick plc.*

#### **Resolution 10**

To re-appoint KPMG LLP as Auditor from the conclusion of this meeting until the conclusion of the next general meeting before which accounts are laid.

*The Auditor of a Company must be re-appointed at each general meeting at which accounts are laid. This Resolution proposes, on the recommendation of the Audit Committee, that KPMG LLP be reappointed as Auditor.*

#### **Resolution 11**

To authorise the Directors to determine the Auditor's remuneration.

*In determining the remuneration of the Auditor your Directors propose to take into account appropriate Institutional Investment Committee guidelines.*

### **Special Business**

#### **Resolution 12**

That, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot and grant Relevant Securities (as defined below) up to an aggregate nominal amount of £6,545,354 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 11 August 2018 or, if earlier, the date of the next Annual General Meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted or granted and the Directors may allot or grant Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot and grant Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Relevant Securities means:

- (1) shares in the Company other than shares allotted pursuant to:
  - (a) an employee share scheme (as defined by section 1166 of the Companies Act 2006);
  - (b) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
  - (c) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and
- (2) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Companies Act 2006).

*The Companies Act 2006 ('the Act') provides that Directors require the authority of the shareholders in general meeting both to issue shares and to do so other than pro rata to individual shareholders' holdings. Resolutions 12 and 13 provide the appropriate authorities and comply with the Investment Association Share Capital Management Guidelines issued in July 2016. This Resolution 12 deals with the Directors' authority to allot and grant shares and other Relevant Securities in accordance with section 551 of the Act and replaces the equivalent Resolution from last year's Annual General Meeting. It will, if passed, authorise the Directors to allot Relevant Securities up to a maximum nominal amount of £6,545,354 which represents approximately 33.3% of the Company's issued ordinary shares as at 24 March 2017 (the last practicable date for which figures are available prior to the publication of this document).*

*As at close of business on 24 March 2017, the Company did not hold any treasury shares (please refer to the notes to Resolution 14 for further information on treasury shares).*

*The authority granted by this Resolution will expire on 11 August 2018 or, if earlier, the date of the next Annual General Meeting of the Company.*

*The Directors have no present intention to exercise any authority to allot or grant Relevant Securities, but wish to retain the flexibility to do so should appropriate business opportunities arise.*

*Resolutions 12 and 13 comply with Investment Management Association and other relevant guidelines.*

#### **Resolution 13**

That, subject to the passing of Resolution 12 as set out in this Notice of Meeting, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by Resolution 12 or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment or sale, provided that this power shall be limited to:

- (1) the allotment of equity securities in connection with an offer of equity securities:
  - (a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

(b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(2) the allotment (otherwise than pursuant to paragraph (1) above) of equity securities up to an aggregate nominal amount of £981,803.

The power granted by this Resolution will expire on 11 May 2018 or, if earlier, the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares sold) after such expiry and the Directors may allot equity securities (or sell Treasury shares) in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

*This Special Resolution seeks the renewal of the Directors' power to allot equity securities or sell any treasury shares held for cash without it being necessary to first offer them to existing shareholders in certain circumstances. The current authority of the Directors in this regard expires at the conclusion of the Annual General Meeting. The Resolution limits the power given to the Directors to:*

- (a) the allotment of ordinary shares in connection with a rights issue or other proportionate general offer to shareholders; and
- (b) the allotment (otherwise than pursuant to (a) above) of ordinary shares up to an aggregate nominal value of £981,803 which is 5% of the Company's issued share capital as 24 March 2017 (the last practicable date for which figures are available prior to the publication of this document).

*As the pre-emption rights referred to in this Resolution apply to the sale of any shares held in treasury in the same way as to an issue of new shares for cash this Resolution also ensures that the authority given applies to any sale of treasury shares that the Company may hold in the future as well as to the issue of new shares for cash.*

*The power conferred by this Resolution will expire at the conclusion of the Annual General Meeting to be held in 2018 or on 11 August 2018, whichever is the earlier.*

*Your Directors have no present intention to exercise this authority and, if they do exercise it, will ensure that, other than in relation to a rights issue, no more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) will be issued in any rolling three year period and will comply with the relevant Institutional Investment Committee guidelines in this regard.*

#### **Resolution 14**

That, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 25p each provided that:

- (1) the maximum aggregate number of ordinary shares that may be purchased is 3,927,212;
- (2) the minimum price (excluding expenses) which may be paid for each ordinary share is 25p;
- (3) the maximum price (excluding expenses) which may be paid for each ordinary share is the higher of:
  - (a) 105% of the average of the middle market value of an ordinary share in the Company as derived from the London Stock Exchange plc Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
  - (b) the value of an ordinary share calculated on the basis of the higher of the price of:
    - (i) the last independent trade of; and
    - (ii) the highest current independent bid for;

any number of the Company's ordinary shares on the trading venue where the purchase is carried out.

The authority conferred by this Resolution will expire on 11 August 2018 or, if earlier, at the conclusion of the Company's next Annual General Meeting save that the Company may, before the expiry of the authority granted by this Resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

*At the Annual General Meeting of the Company held on 17 May 2016 the Company was given authority to make market purchases of up to 3,925,846 of its ordinary shares being 5% of the Company's then issued share capital.*

*That authority expires at the conclusion of the Annual General Meeting and Resolution 14, which will be proposed as a Special Resolution, seeks a new authority to make market purchases of up to 3,927,212 of its ordinary shares, representing 5% of the Company's issued share capital as at 24 March 2017. This authority (as in the case of the previous authority) specifies the minimum and maximum prices at which such ordinary shares may be purchased.*

*Your Directors have no current proposals to exercise these powers. They are committed to the long-term future of the Company and their intention is to exercise these powers of purchase only after careful consideration and in circumstances where, in the light of market conditions prevailing at the time, they are satisfied that it is likely to result in an increase in earnings per share and is in the best interests and to the benefit of the shareholders generally to do so.*

*If the power to buy back shares is exercised the Company may either cancel any shares so purchased or hold such shares in treasury. Shares held in treasury may be cancelled or resold for cash but rights attaching to them (including rights to vote and receive dividends) are suspended whilst they are held in treasury. Your Directors will have regard to the interests of shareholders and to any Institutional Investment Committee guidelines as to whether any such shares bought back pursuant to the power given by this Resolution are cancelled or held as treasury shares and if held as treasury shares as to any subsequent dealings with such shares.*

At 24 March 2017 there were options (but no warrants) outstanding over 1,671,094 shares (2.16% of the Company's issued share capital at that date). If the authority given by this Resolution was fully used these options would represent 2.24% of the Company's issued share capital.

The power conferred by this Resolution will expire at the conclusion of the Annual General Meeting to be held in 2018 or on 11 August 2018, whichever is the earlier.

#### **Resolution 15**

That, from the date of the passing of this Resolution (but so that the authority given by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company or 11 August 2018, whichever is the earlier), a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

*Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 ('the Regulations'), increased the required notice period for general meetings from 11 to 21 days. Prior to this the Company was able to call general meetings (other than Annual General Meetings) on 14 clear days' notice. The Regulations provide that a Company can, however, reduce the notice period for calling meetings (other than Annual General Meetings) to the shorter period of 14 clear days on two conditions: first that the Company offers a facility for shareholders to vote by electronic means and secondly that there is an annual resolution of shareholders approving such reduction in the required minimum notice period. Accordingly Resolution 14 seeks the necessary approval to the calling of general meetings other than Annual General Meetings on 14 clear days' notice as your Directors would like to preserve this ability in order to assist the Company conduct its business and put any necessary matters to shareholders promptly. The approval will be effective until the earlier of the Company's next following Annual General Meeting and 11 August 2018. The Company must also meet the requirements for electronic voting to fulfil the first condition before it can call a general meeting on 14 clear days' notice. Your Directors intend to use this authority only where the shorter notice will be to the advantage of shareholders as a whole or where it is merited by the business of the meeting and the circumstances surrounding the business.*

#### **Resolution 16**

That the Company and all companies that are its subsidiaries at any time during the period for which this Resolution has effect, for the purposes of section 366 of the Companies Act 2006 (the 'Act') be authorised to:

- (a) make political donations to political parties or independent election candidates (as such terms are defined in sections 363 and 364 of the Act), not exceeding £15,000 in aggregate;
- (b) make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the Act), not exceeding £15,000 in aggregate; and
- (c) incur political expenditure (as such term is defined in section 365 of the Act), not exceeding £15,000 in aggregate,

during the period beginning with the date of the passing of this Resolution and ending at the end of the Company's next Annual General Meeting after this Resolution is passed (or, if earlier, at the close of business on 11 August 2018), provided that the maximum amounts referred to in (a), (b) and (c) above may comprise sums in different currencies, which shall be converted at such rate as the Board may in its absolute discretion determine to be appropriate.

*This Ordinary Resolution concerns Part 14 of the Companies Act 2006, which provides that political donations made by a company to political parties, to other political organisations and to independent election candidates or political expenditure incurred by a company must be authorised in advance by shareholders.*

*It is not the policy of the Company to make political donations of the type caught by these provisions and the Directors have no intention of changing that policy. However, as a result of the wide definitions in the Act, normal expenditure (such as expenditure on organisations concerned with matters of public policy, law reform and representation of the business community) and business activities (such as communicating with the Government and political parties at local, national and European level) might be construed as political expenditure or as a donation to a political party or other political organisation and fall within the restrictions of the Act.*

*This Resolution does not purport to authorise any particular donation or expenditure but is expressed in general terms as required by the Act and is intended to authorise normal donations and expenditure. If passed, Resolution 16 would allow the Company and its subsidiaries to make donations to political parties, other political organisations and independent election candidates and to incur political expenditure (as defined in the Act) up to an aggregate limit of £45,000 during the period up to 11 August 2018 (or the Company's next Annual General Meeting, if earlier) whilst avoiding inadvertent infringement of the statute. Any political donation made or political expenditure incurred which is in excess of £200 will be disclosed in the Company's Annual Report for the next year, as required by the Act. The authority will not be used to make political donations within the normal meaning of that expression. The Company has not made any political donations in the year under review nor in the period up to the date of this notice and has no plans to do so.*

By order of the Board  
24 March 2017

**C A Henderson**  
Secretary

**Registered Office:**  
Westhaven House  
Arleston Way, Shirley  
Solihull  
B90 4LH



# Attending the 2017 Annual General Meeting ('AGM')

## Entitlement to attend and vote

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the Register of Members of the Company as at close of business on 9 May 2017 or, if the meeting is adjourned, in the Register of Members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after close of business on 9 May 2017 or, if the meeting is adjourned, changes to entries in the Register of Members later than 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

If attending the AGM in person please produce your Attendance Card at the Shareholder registration point on arrival.

## Proxies

A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf provided that (where more than one proxy is appointed) each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. A proxy need not be a member of the Company. A proxy or proxies can only be appointed using the procedures set out on page xx of this document and in the notes to the Form of Proxy. Please note that the time by which appointments of proxies must be lodged is set out in those procedures. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instruction directly to them.

Completion and return of the Form of Proxy does not preclude a member from attending and voting at the AGM should he/she subsequently decide to do so.

## Nominated persons

Any person to whom the Notice of AGM is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Nominated Persons should contact the registered member by whom they were nominated (or perhaps their custodian or broker) in respect of these arrangements. The only exception to this is where the Company expressly requests a response from a Nominated Person.

The statement of the rights of shareholders in relation to the appointment of proxies in the paragraphs headed 'Proxies' above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

## Corporate representatives

Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same share.

## Documents available for inspection at and prior to the AGM

Copies of contracts of service and letters of engagement of the Directors with the Company will be available for inspection at the Company's registered office on any weekday (Saturdays, Sundays and Bank Holidays excepted) during normal business hours until the close of the AGM and also at the AGM venue for a period of 15 minutes prior to and during the AGM.

## Raising questions

Any member attending the AGM has the right under section 319A of the Companies Act 2006 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 (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## Audit concerns

Under section 527 of the Companies Act 2006 members of the Company meeting the threshold requirements set out in that section (being either (a) a member or members having a right to vote at the AGM and holding at least 5% of the total voting rights in the Company or (b) at least 100 members having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital) have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM: or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which Annual Accounts and reports were laid in accordance with section 437 of the Companies Act 2006. 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 Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on a website under section 527 of the Companies Act 2006.

## Website information

Information regarding the AGM, including the information required by section 311A of the Companies Act 2006, is available from the Company's website ([www.hsholdings.com](http://www.hsholdings.com)).

## Voting rights

As at 24 March 2017 (the last practicable date for which figures are available prior to the publication of this document) the Company's issued share capital comprised 77,544,248 ordinary shares, carrying one vote each and none of such shares were held as treasury shares. Accordingly the total voting rights in the Company as at 24 March 2017 are 77,544,248.



## **Contacting the Company**

Members who have general queries about the AGM or who wish to raise an audit concern under section 527 of the Companies Act 2006 should contact the Company, either by writing to the Company Secretary at the Company's registered office or by email to [enquiries@hsholdings.com](mailto:enquiries@hsholdings.com) (please state 'AGM' in the subject line). Any other electronic address provided either in this Notice or any related documents (including the Chairman's letter, Form of Proxy or Annual Report and Accounts) may not be used to communicate with the Company for any purpose other than those expressly stated.

## **Voting by proxy**

As mentioned in your Chairman's letter, whether or not you intend to be present at the AGM, please do return the Form of Proxy. The completion and return of the Form of Proxy will not prevent you from attending the AGM and voting in person if you wish to do so.

## **Appointing a proxy**

If you have received a hard copy of this Notice a Form of Proxy will have been enclosed. A Form of Proxy is also available online at [www.eproxyappointment.com](http://www.eproxyappointment.com). The Form of Proxy contains instructions on its submission, whether in hard copy form, online by way of the Registrar's website or via the CREST system. It also contains details of how to appoint more than one proxy. To file a proxy online you will need the Control Number and also your SRN and PIN numbers each of which you will find on any email notification of this Notice or hard copy Form of Proxy that you have received. To be valid proxies must be completed and lodged with the Company's Registrars in accordance with the Explanatory Notes on the Form of Proxy not less than 48 hours before the time appointed for the holding of the AGM. If you have received a hard copy of this Notice a reply paid envelope will also have been provided. If you do not have but require a hard copy Form of Proxy or reply paid envelope or require additional forms (including for the purpose of changing any proxy instructions previously given) please contact Computershare Investor Services PLC (our Registrars) on 0370 707 1058. If you submit more than one valid proxy appointment the appointment received last before the latest time for the receipt of proxies will take precedence. If no voting indication is given your proxy will vote (or abstain from voting) at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put to the meeting.

Please note that the Form of Proxy invites you to vote in one of three ways: 'For', 'Against' or 'Vote Withheld'. A 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the votes 'For' and 'Against' a Resolution.

## **Changing proxy instructions**

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy please contact our Registrars on the number given above.

## **Appointment of a proxy by CREST members**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID Number 3RA50) not later than 48 hours before the time appointed for holding the AGM or any adjournment of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## **Joint holders and companies**

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). Seniority is determined by the order in which the names of such joint holders appear in the Register of Members (the first-named being the most senior). The signature of any one joint holder will be sufficient. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which any Form of Proxy is signed (or a notarially certified copy of such power of attorney) must be included with the Form.

## **Revoking a proxy**

In order to revoke a proxy instruction you will need to inform the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment. To be effective any such revocation must be received by the latest time for submission of Forms of Proxy.

# The AGM Venue

Location plan for the venue for the AGM, The Village Hotel, The Green Business Park, Shirley, Solihull, B90 4GW.



# Shareholder Notes

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