

Notice of Annual General Meeting of Headlam Group plc

to be held on Thursday, 24 May 2018 at 10.00 am

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please take advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares, please send this document, together with the accompanying documents, at once 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.

To be valid for use at the Annual General Meeting, the accompanying Form of Proxy must be completed, signed and returned in accordance with the instructions printed on it, to Headlam Group plc's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received as soon as possible but in any event not later than 10.00 am on Tuesday, 22 May 2018.

Annual General Meeting 2018

CHAIRMAN'S LETTER AND NOTICE OF ANNUAL GENERAL MEETING

16 March 2018

DEAR SHAREHOLDER

I am pleased to invite you to the 70th Annual General Meeting ('AGM') of Headlam Group plc (the 'Company') which is to be held at the Company's head office at Gorsey Lane, Coleshill, Birmingham, B46 1JU at 10.00 am on Thursday, 24 May 2018. The AGM is an important event, providing the Board of Directors with an opportunity to present the Company's performance to Shareholders and to respond to your questions.

The formal notice of AGM stating the business to be considered at the meeting, explanatory notes to the proposed resolutions and information for Shareholders is set out below. The Company's Annual Report and Accounts for the year ended 31 December 2017 is available from our website at www.headlam.com.

VOTING AT THE MEETING

At the meeting, voting on each resolution will normally be conducted by way of a show of hands, where each person attending has one vote, unless a poll is demanded in accordance with the Company's Articles of Association. A poll allows all Shareholders, present in person, by proxy or unable to attend, to vote on all resolutions in proportion to their shareholding. The Company will release the results of voting, including proxy votes on each resolution, on its website on the next business day and announce them through a Regulatory Information Service.

VOTING BY PROXY

If you are unable to attend the AGM, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the AGM. You may register your appointment of a proxy by returning the enclosed Proxy Form and sending it in hard copy to the address on the form, or by registering your vote electronically via www.signalshares.com. Registering your vote electronically is entirely secure and ensures the privacy of your personal information. CREST members should use the CREST electronic proxy appointment service. Further details on how to appoint a proxy and submit your voting instructions are set out below.

RECOMMENDATIONS

The Board considers that the resolutions to be put to the AGM are in the best interests of the Company and its Shareholders as a whole.

Chris Payne and Amanda Aldridge are proposed for election having been appointed to the Board since the previous AGM in 2017. The Board considers that the appointment of Chris Payne to the Board adds significant expertise to the Board and enables Steve Wilson to focus on his role as Chief Executive. Amanda is a former partner of KPMG LLP and, if elected, she will become chair of the Audit Committee on 1 June 2018.

Steve Wilson and Philip Lawrence are proposed for re-election. Following evaluation, the Board is of the opinion that both Steve Wilson and Philip Lawrence continue to make an effective and valuable contribution to the Company and demonstrate commitment to their respective roles. The Board is satisfied that Philip Lawrence remains independent in character and judgement and that there are no relationships or circumstances likely to affect his character or judgement. It is intended that Philip Lawrence will be appointed as Chairman of the Board on 1 June 2018 following my stepping down as Chairman on 31 May 2018.

The Board unanimously recommends the respective election and re-election of the Directors standing for election and re-election.

The Directors unanimously recommend that Shareholders vote in favour of all the proposed resolutions, as they intend to do in respect of any of their own beneficial holdings.

On behalf of the Board, I look forward to seeing many of you at the AGM and thank you for your continued support.

Yours faithfully

Dick Peters

Chairman

Headlam Group plc, PO Box 1, Coleshill, Birmingham B46 1LW
T +44 (0) 1675 433 000, **F** +44 (0) 1675 433 030 (Confidential)
headlamgroup@headlam.com www.headlam.com

Registered in England No. 460129

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 70th Annual General Meeting of Headlam Group plc will be held at the Company's head office located at Gorsey Lane, Coleshill, Birmingham, B46 1JU on Thursday, 24 May 2018 at 10.00 am for the following purposes.

TO PROPOSE THE FOLLOWING AS ORDINARY RESOLUTIONS

1. To receive, consider and adopt the Annual Report and Accounts, the reports of the Directors and the Independent Auditor's Report for the year ended 31 December 2017.
2. To declare a final ordinary dividend for the year ended 31 December 2017 of 17.25 pence per ordinary share.
3. To elect as a Director Chris Payne who has been appointed with effect from 13 September 2017 and who retires in accordance with the Company's Articles of Association.
4. To elect as a Director Amanda Aldridge who has been appointed with effect from 1 February 2018 and who retires in accordance with the Company's Articles of Association.
5. To re-elect as a Director Steve Wilson who is retiring by rotation in accordance with the Company's Articles of Association.
6. To re-elect as a Director Philip Lawrence who is retiring by rotation in accordance with the Company's Articles of Association.
7. To reappoint PricewaterhouseCoopers LLP as the independent Auditor of the Company from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Shareholders.
8. To authorise the Directors to determine the independent Auditor's remuneration.
9. To approve the Directors Remuneration Report for the year ended 31 December 2017.

10. AUTHORITY TO ALLOT SHARES

(a) That the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £636,000 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the 2019 AGM (or, if earlier, at the close of business on 28 June 2019), and save that the Company may before such expiry 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 any such 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 Act be revoked by this resolution; and

(c) that paragraph (b) shall be without prejudice to the continuing authority of the Directors to allot shares or grant rights to subscribe for or convert any 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.

TO PROPOSE THE FOLLOWING AS SPECIAL RESOLUTIONS:

11. DISAPPLICATION OF PRE-EMPTION RIGHTS

That, subject to the passing of resolution 10 in this Notice and in place of all existing powers to allot securities given to the Directors, the Directors be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred by resolution 10 in this Notice, as if section 561 of the Act did not apply to the allotment.

This power:

- (a) expires (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the 2019 AGM if passed (or, if earlier, at the close of business on 28 June 2019), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired; and
- (b) shall be limited to:
 - (i) the allotment of equity securities in connection with an issue to holders of ordinary shares of 5 pence in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings and to people who hold other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (ii) the allotment of equity securities for cash otherwise than pursuant to paragraph 11(b)(i) up to an aggregate nominal amount of £212,000.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if, in the first paragraph of this resolution, the words 'pursuant to the authority conferred by resolution 10 in this Notice' were omitted.

Annual General Meeting 2018 continued

12. AUTHORITY TO PURCHASE OWN SHARES

That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares in the capital of the Company, subject to the following conditions:

- (a) the maximum number of ordinary shares which may be purchased is 8,485,000.
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 5 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
 - (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the 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; and
- (d) the authority conferred by this resolution shall expire at the conclusion of the 2019 AGM or, if earlier, at the close of business on 28 June 2019 (except in relation to the purchase of shares, the contract for which was made before the expiry of this authority and which might be concluded wholly or partly after such expiry).

13. NOTICE PERIOD FOR GENERAL MEETINGS

That the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice provided that the authority shall expire at the conclusion of the AGM of the Company to be held in 2019 or 28 June 2019, whichever is the earlier.

By order of the Board

Sarah Ward
Company Secretary
16 March 2018
Headlam Group plc

Registered No. 460129.

Registered office:
PO Box 1
Gorse Lane, Coleshill
Birmingham, B46 1LW

Explanatory Notes to the Proposed Resolutions

This year's AGM will be held at the Company's head office at Gorsey Lane, Coleshill, Birmingham B46 1JU on Thursday, 24 May 2018 at 10.00 am.

A description of the resolutions that will be proposed at the meeting is set out below.

Resolutions 1 to 10 inclusive are proposed as ordinary resolutions which means that for each of these resolutions to be passed, more than half the votes cast must be cast in favour of the resolution. Resolutions 11 to 13 inclusive are proposed as special resolutions, which means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be cast in favour of the resolution.

RESOLUTION 1 – ANNUAL REPORT AND ACCOUNTS

The Company is required by law to present to Shareholders at the AGM its audited accounts and the Directors' and Independent Auditor's Reports for the financial year ended 31 December 2017. Shareholders are invited to vote to receive, consider and adopt the Annual Report and Accounts for the year ended 31 December 2017.

RESOLUTION 2 – DECLARATION OF ORDINARY DIVIDEND

The Directors recommend the payment of a final ordinary dividend of 17.25 pence on each of the entitled ordinary shares, which, together with the interim ordinary dividend of 7.55 pence, gives a total ordinary dividend of 24.80 pence for the year ended 31 December 2017. Subject to approval of the declaration of the final ordinary dividend at the AGM, the final ordinary dividend will be paid on 6 July 2018 to the holders of ordinary shares whose names are recorded on the register of members at the close of business on 1 June 2018.

RESOLUTION 3 – ELECTION OF CHRIS PAYNE AS A DIRECTOR

Chris Payne has been appointed to the Board with effect from 13 September 2017. In accordance with the Company's Articles of Association, he offers himself for election at the forthcoming AGM. Chris is the Company's Chief Financial Officer, prior to which he was a Group Commercial Finance Director at Biffa plc. The Board believes that Chris Payne should be elected and makes such a recommendation to Shareholders.

RESOLUTION 4 – ELECTION OF AMANDA ALDRIDGE AS A DIRECTOR

Amanda Aldridge has been appointed to the Board with effect from 1 February 2018. In accordance with the Company's Articles of Association, she offers herself for election at the forthcoming AGM. Amanda has been appointed as a Non-Executive Director and it is intended that she will become chair of the Audit Committee when Philip Lawrence becomes Chairman of the Board on 1 June 2018. Amanda Aldridge is a former partner of KPMG LLP. The Board believes that Amanda Aldridge should be elected and makes such a recommendation to Shareholders.

RESOLUTION 5 – RE-ELECTION OF STEVE WILSON AS A DIRECTOR

Steve Wilson is retiring by rotation in accordance with the Company's Articles of Association and is offering himself for re-election by Shareholders. Under the Articles of Association, Directors are required to retire every three years. Steve was appointed to the Board in 1991.

The Board believes that Steve Wilson continues to be an effective leader to the business and to demonstrate commitment to the role and that he should be re-elected and makes such a recommendation to Shareholders.

RESOLUTION 6 – RE-ELECTION OF PHILIP LAWRENCE AS A DIRECTOR

Philip Lawrence is retiring by rotation in accordance with the Company's Articles of Association and is offering himself for re-election by Shareholders. Under the Articles of Association, Directors are required to retire every three years. Philip was appointed a Non-Executive Director in June 2015 at which time he joined the Nomination, Audit and Remuneration Committees and was also appointed Chairman of the Audit Committee.

In accordance with the recommendations of the UK Corporate Governance Code in respect of Non-Executive Directors, the Board believes that Philip Lawrence continues to make an effective contribution to the business and to demonstrate commitment to the role and that he should be re-elected and makes such a recommendation to Shareholders.

RESOLUTION 7 – TO RE-APPOINT PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S AUDITOR

The Company is required to appoint or re-appoint an Auditor at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the re-appointment of an Auditor. PricewaterhouseCoopers LLP has advised its willingness to stand for re-appointment as Auditor of the Company.

RESOLUTION 8 – AGREEMENT OF AUDITOR REMUNERATION

In addition to the Company's requirement to appoint an Auditor, Shareholder authority is sought for the Directors to determine the remuneration to be paid to the Auditor for the period of appointment.

RESOLUTION 9 – DIRECTORS' REMUNERATION REPORT

Shareholders are being asked to approve the 2017 Directors' Remuneration Report which gives details of the Directors' remuneration for the period ended 31 December 2017 and is set out on pages 60 to 73 of the Company's Annual Report and Accounts. Whilst the payment of remuneration to the Directors is not dependent on the passing of the resolution, the Board will take the vote into account when considering the future development and operation of the Company's remuneration policy and practice. As required by the Directors' Remuneration Report Regulations 2002, PricewaterhouseCoopers LLP has audited those parts of the Directors Remuneration Report capable of being audited.

Explanatory Notes to the Proposed Resolutions continued

RESOLUTION 10 – AUTHORITY TO ALLOT SHARES

Shareholders are being asked to pass the necessary resolution to grant to the Directors a general authority, for the purpose of section 551 of the Act, to allot relevant securities. With due regard to the Investment Association's guidelines and to comments received from Shareholders, the proposed general authority, similar to last year, is to allot up to an aggregate nominal amount of £636,000 representing 12,720,000 ordinary shares (15% of the Company's ordinary share capital (excluding treasury shares) in issue at 16 March 2018). As at 16 March 2018, the Company held 512,330 treasury shares, which represented approximately 0.60% of the Company's issued share capital (excluding treasury shares), which the Company can cancel or hold for sale or use to meet the obligations under the Company's employee share schemes.

This authority will lapse at the conclusion of the AGM to be held in 2019, or, if earlier, on 28 June 2019. The Directors consider that this authority is desirable to allow the Company to retain flexibility, although they have no current intention of exercising this authority.

RESOLUTION 11 – DISAPPLICATION OF PRE-EMPTION RIGHTS (SPECIAL RESOLUTION)

Shareholders are being asked to pass a resolution to empower the Directors to allot equity securities, or sell treasury shares, for cash as if section 561 of the Act (which gives Shareholders certain pre-emption rights on the issue of shares or rights to subscribe for or convert securities into shares) did not apply to any such allotment. The resolution allows the issue or sale of shares of up to an aggregate nominal amount of £636,000 representing 12,720,000 ordinary shares in respect of rights issues and other issues pro rata to existing entitlements, and also allows issues or sales for cash (other than in relation to a rights issue or other pre-emptive issue) limited to shares up to an aggregate nominal amount of £212,000 (5% of the Company's ordinary share capital (excluding treasury shares) in issue at 16 March 2018). The authority will lapse at the conclusion of the AGM to be held in 2019 or, if earlier, on 28 June 2019.

The Directors confirm that they have no present intention of exercising this authority.

In accordance with the Pre-Emption Group's Statement of Principles available at www.pre-emptiongroup.org.uk, the Directors also confirm their intention that no more than 7.5% of the issued share capital of the Company (excluding treasury shares) will be issued for cash on a non-pre-emptive basis during any rolling three-year period.

RESOLUTION 12 – PURCHASE OF OWN SHARES (SPECIAL RESOLUTION)

The Directors believe that it is in the interests of the Company and its Shareholders to continue to have the flexibility to purchase its own shares and this resolution seeks authority from Shareholders to do so. The Directors intend only to exercise this authority where, after considering market conditions prevailing at the time, they believe that the effect of such exercise would be to increase the earnings per share and be in the best interests of Shareholders generally. The effect of such purchases would either be to cancel the number of shares in issue or the Directors may elect to hold them in treasury pursuant to the Act. The Act enables companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares.

Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the Company's employee share schemes. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

This resolution renews the authority given at the AGM held in 2017. The authority is in respect of 10% of the Company's issued ordinary share capital excluding treasury shares as at 16 March 2018 and will lapse at the conclusion of the AGM to be held in 2019 or, if earlier, on 28 June 2019. The resolution specifies the maximum and minimum prices at which the shares may be bought. If the Company buys any of its shares under the authority proposed by resolution 12, the Board will decide at the time whether to cancel them immediately or hold them in treasury.

The purchase of shares will be dependent on market conditions and will also take into account the cash generated in the business and other investment opportunities that may arise over time.

During 2017 the Company made no purchases of its own shares.

The Directors confirm that they have no present intention of exercising this authority.

Details of share options outstanding and treasury share movements including details of own shares acquired by the Company are shown in notes 21 and 22 to the financial statements within the Company's Annual Report and Accounts for the year ended 31 December 2017.

RESOLUTION 13 – NOTICE PERIOD FOR GENERAL MEETINGS (SPECIAL RESOLUTION)

This will be proposed as a special resolution to approve the holding of general meetings, other than AGMs, on 14 clear days' notice. Although the Company's Articles currently permit this, the Act now requires a Shareholder resolution to be passed to authorise general meetings to be held on 14 clear days' notice. Without the passing of resolution 13, the minimum notice period under the Act would be 21 clear days. If resolution 13 is passed by Shareholders, the Act would only allow the Company to call a general meeting on 14 clear days' notice if it were to make a system of electronic voting available to its Shareholders in respect of the meeting in question. The Directors consider it to be in the best interest of Shareholders to pass resolution 13, in order to prevent being constrained by the Act. It will be necessary for a similar resolution to be put to Shareholders at each subsequent AGM. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of Shareholders as a whole.

Explanatory Notes to the Notice of Meeting

Notes 1 to 17 below give further explanation as to the proxy, voting and attendance procedures at the AGM.

1. ENTITLEMENT TO APPOINT PROXIES

A Shareholder entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him.

A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a Shareholder of the Company.

Appointment of a proxy will not preclude a Shareholder from attending and voting in person at the meeting. To appoint more than one proxy, a Shareholder must complete a photocopy of the enclosed proxy card or obtain additional forms from the Company's registrars, Link Asset Services, telephone 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge). Calls outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Please also indicate by ticking the relevant box if the proxy appointment is one of multiple appointments being made.

Multiple proxy appointments should be returned together in the same envelope. Enter in the box provided the number of shares in relation to which your proxy is authorised or leave the box blank to authorise your proxy to act in relation to your full voting entitlement.

2. APPOINTING PROXIES

To be effective, the instrument appointing a proxy and any power of attorney or other authority under which it is executed (or a notarial certified copy of such power or authority) must reach Link Asset Services, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time for holding the meeting. A form of proxy is enclosed with this Notice.

3. ELECTRONIC PROXY APPOINTMENT THROUGH CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual (available via 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 or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('Euroclear UK & Ireland') 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 RA10) by the latest time for the receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by CREST application 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 Euroclear UK and Ireland does not make available special procedures in CREST for any particular message. Normal system timing 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST systems and timing.

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.

4. JOINT HOLDERS

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names of the holders stand in the register of members in respect of the joint holding.

5. ENTITLEMENT TO ATTEND AND VOTE

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the AGM is close of business on 22 May 2018 or, if the meeting is adjourned, close of business on the date two days before the date for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.

6. CORPORATE REPRESENTATIVES

Corporations may appoint one or more corporate representatives who, on its behalf, may exercise all of its powers as a Shareholder, provided that no more than one corporate representative exercises powers over the same share.

7. NOMINATED PERSON

If you are a person who has been nominated under section 146 of the Act to enjoy nomination rights (a 'Nominated Person') you may, under an agreement between you and the Shareholder of the Company who has nominated you, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If you do not have such a proxy appointment right, or you do but do not wish to exercise it, you may have a right to give instructions to the Shareholder who has appointed you as to the exercise of voting rights. If you are a Nominated Person, the statement of the rights of Shareholders in relation to the appointment of proxies above does not apply. Such rights can only be exercised by a registered Shareholder of the Company.

Explanatory Notes to the Notice of Meeting continued

8. ISSUED SHARE CAPITAL/VOTING RIGHTS

As at 16 March 2018, being the latest practicable date prior to the publication of this document, the Company's issued share capital, including treasury shares, consisted of 85,363,743 ordinary shares of 5 pence ('shares'). Of these, 512,330 shares were held in treasury, the voting rights and entitlement to dividends of which were automatically suspended. Accordingly, the total number of voting rights in the Company as at that date was 84,851,413.

9. RIGHT TO ASK QUESTIONS

A Shareholder attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with section 319A of the Act. In certain circumstances prescribed by section 319A of the Act, the Company need not answer a question.

10. SHAREHOLDER REQUESTS UNDER SECTION 527 OF THE ACT

Under section 527 of the Companies Act 2006, Shareholders of the Company representing at least 5% of the total voting rights of the Company, or at least 100 members who have a right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100, may require the Company to publish on its website a statement setting out any matter relating to the audit of the Company's accounts.

Where the Company is required to publish such a statement on its website it must forward the statement to the Company's Auditor no later than the time when it makes the statement available on its website. The business of the meeting includes any such statement that the Company has been required to publish on its website.

11. NON-SHAREHOLDER ATTENDANCE

Persons who are not Shareholders in the Company will not be admitted to the meeting unless prior arrangements are made with the Company.

12. ACCESS ARRANGEMENTS

Should any Shareholder with special needs wish to attend the meeting, please contact the Company so that appropriate arrangements can be made.

13. COMMUNICATING WITH THE COMPANY IN RELATION TO THE AGM

Except as provided above, Shareholders who wish to communicate with the Company in relation to the AGM should do so using the following means:

- a. by writing to the Company Secretary at the Company's registered office address at: PO Box 1, Gorsey Lane, Coleshill, Birmingham, B46 1LW; or
- b. by writing to: Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; or
- c. by e-mail to sarah.ward@headlam.com.

No other methods of communication will be accepted.

14. INSPECTION OF DOCUMENTS

Copies of the Directors' service agreements and, where appropriate, letters of appointment, a summary of the Directors' transactions in the Company's shares during the year and the written terms of reference for each of the Remuneration, Audit and Nomination Committees will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturday, Sundays and public holidays excluded) from the date of this Notice until the close of business on the business day preceding the AGM and will also be available for inspection for at least 15 minutes prior to the meeting and throughout the meeting.

There are no service agreements between any Director and any subsidiary of the Company.

15. VOTING RESULTS

The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on the Company's website www.headlam.com later in the day on the date of the AGM.

16. WEBSITE

A copy of this Notice, the form of proxy, and other information required by section 311A of the Act, can be found at www.headlam.com.

17. DATA PROTECTION STATEMENT

Your personal data includes all data provided by you, or on your behalf, which relates to you as a Shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company).

The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to whom it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the Shareholder rights you exercise.

Shareholder Information

SHAREHOLDER HELPLINE

The Company's Shareholder register is maintained by Link Asset Services ('Link'), who are responsible for making dividend payments and updating the register, including details of changes to Shareholders' addresses and purchases or sales of Company shares. If you have a question about your shareholding in the Company you should contact: Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Email: enquiries@linkgroup.co.uk, telephone 0871 664 0300. (Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Link are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.)

FREQUENT SHAREHOLDER ENQUIRIES IF YOU CHANGE YOUR ADDRESS

Please notify Link in writing. If shares are held in joint names, the notification must be signed by all named Shareholders.

IF YOU CHANGE YOUR NAME

Please notify Link in writing and enclose a copy of any marriage certificate or change of name deed as evidence.

LOST SHARE CERTIFICATES

If your share certificate is lost or stolen, you should call Link immediately. A letter of indemnity will be sent to you to sign. Link will charge for this service.

DUPLICATE SHAREHOLDER ACCOUNTS

If you receive more than one copy of the Company's communications you may have your shares registered inadvertently in at least two accounts.

This happens when the registration details of separate transactions differ slightly. If you wish to consolidate such multiple accounts, write to Link to request the accounts are consolidated.

BUYING AND SELLING SHARES IN THE UK

If you wish to trade in the Company's shares, you can do so at Link's website, www.Linkdeal.com or alternatively use a stockbroker or high street bank which trades shares on the London Stock Exchange. There are many telephone and online services available. If you are selling, you will need to present your share certificate at the time of sale.

TRANSFERRING SHARES

Transferring shares to someone else requires the completion of a stock transfer form. A stock transfer form, and details of the procedure you need to follow, is available from Link's website www.Linkassetsservices.com. Certain transfers are exempt including if there is no money being paid in exchange for the shares.

SHARE PRICES INFORMATION

Shareholders can find share prices listed in certain national newspapers. For a real-time buying or selling price, you should contact a stockbroker.

THE COMPANY'S WEBSITE

The Company's website at www.headlam.com provides news, details of activities, and information on the share price. The Investors section of the website contains up to date information for Shareholders including the Company's latest financial results and key dates such as dividend payment dates.

ELECTRONIC COMMUNICATIONS

The Company's policy is to provide all Shareholder documents electronically whenever possible. As a consequence, you will receive copies of annual reports and certain other shareholder communications by post only if you have specifically opted to do.

Using our website allows us to offer you greater choice on how you receive your shareholder communications. Electronic communications are not only secure, but they are also quicker, more cost effective, and are in-line with the Company's sustainability and environmental objectives as less resources are required compared with traditional printing and distribution methods. If you previously elected to receive a printed copy of the annual report, this is enclosed. If you have not elected to receive a printed copy and now wish to receive one, please contact Link Asset Services by telephoning 0871 664 0300 (lines are open 8.30am to 5.30pm Monday to Friday excluding public holidays in England and Wales) and quoting your investor code which can be found on your proxy form.

If you have not already done so and now wish to sign up to receive future shareholder communications electronically, you can do so via the share portal service provided by our registrar. To register simply go to www.signalshares.com and select 'Account Registration' and then follow the on-screen instructions by inputting your surname and your Investor Code. You will also need to input your postcode as well as entering an email address and selecting a password.

INCOME TAX ON DIVIDEND PAYMENTS

A dividend allowance means that there will be no tax to pay on the first £5,000 of dividend income (up to April 2018) and after April 2018 when the dividend allowance is due to be reduced, on the first £2,000. Thereafter, income tax is charged on dividends at the rate of 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

Dividends paid on shares held within ISAs are tax-free.

If you receive dividend income of more than a certain amount you may need to make a self-assessment declaration to HMRC.

Shareholder Information continued

SHAREGIFT

ShareGift, the charity share donation scheme, is a free service for Shareholders wishing to give shares to charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. Further information can be obtained at www.sharegift.org.

THE UNCLAIMED ASSETS REGISTER

The Unclaimed Assets Register (the 'Register') is a unique search service that helps individuals to find their lost assets and re-establish contact with financial institutions. The Register has a database of unclaimed life policies, pensions, unit trust holdings, and share dividends drawn from many companies and can search for lost assets and entitlements.

The Register charges a small fixed fee for each search, 10% of which goes to charity. For further information, visit www.uar.co.uk.

WARNING TO SHAREHOLDERS

Shareholders are advised to be wary of any unsolicited investment advice or approach to buy or sell shares.

If you receive an unsolicited investment approach, you should:

- Confirm the name of the person calling and the organisation they represent.
- Check that they are registered with the Financial Conduct Authority ('FCA') by calling 0800 111 6768 or by visiting www.fca.org.uk and contact the firm using the details on the register.
- Report the matter to the FCA by calling 0800 111 6768 or by visiting www.fca.org.uk.

Please note that if you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. Further information on this or similar activity can be found on the FCA website www.moneymadeclear.org.uk. If you have any queries, please contact the Company Secretary.

