

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Severfield plc, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your shareholding, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Board of Severfield plc considers all of the proposed resolutions contained in this Notice of Annual General Meeting to be in the best interests of the Company and its shareholders and accordingly recommends that shareholders vote in favour of all of the resolutions proposed.

SEVERFIELD plc

**(Incorporated and Registered in England and Wales with
registered number 1721262)**

Notice of Annual General Meeting 2018

**Directions to find the place of the Annual General Meeting
are set out at the end of this document.**

Notice is hereby given that the Annual General Meeting of Severfield plc (the "**Company**") will be held at Aldwark Manor Hotel, Aldwark, Alne, York YO61 1UF on 4 September 2018 at 12.00 noon to consider and, if thought fit, pass the following resolutions, all of which are fully described in the explanatory notes below:

Ordinary Business

Resolutions 1 to 14 will be proposed as ordinary resolutions.

1. To receive and adopt the annual accounts and the reports of the Directors for the financial year ended 31 March 2018 together with the report of the auditors thereon.
2. To approve the Directors' remuneration report (other than the part containing the Directors' remuneration policy) for the financial year ended 31 March 2018 as set out in the Annual Report and Accounts 2018.
3. To declare a final dividend of 1.7p per ordinary share in respect of the year ended 31 March 2018 payable on 14 September 2018 to shareholders on the register at the close of business on 17 August 2018.
4. To declare a special dividend of 1.7p per ordinary share in respect of the year ended 31 March 2018 payable on 14 September 2018 to shareholders on the register at the close of business on 17 August 2018.
5. To reappoint John Dodds as a Director.
6. To reappoint Ian Cochrane as a Director.
7. To reappoint Alan Dunsmore as a Director.
8. To reappoint Derek Randall as a Director.
9. To reappoint Adam Semple as a Director.
10. To reappoint Alun Griffiths as a Director.
11. To reappoint Tony Osbaldiston as a Director.
12. To reappoint Kevin Whiteman as a Director.
13. To reappoint KPMG LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in 2019.
14. To authorise the Directors to determine the auditors' remuneration.

Special Business

Resolution 15 will be proposed as an ordinary resolution and Resolutions 16, 17, 18 and 19 will be proposed as special resolutions. To pass special resolutions, 75 per cent of the votes cast must be in favour.

15. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**"), to exercise all of the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares in the Company:
 - (a) up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £2,531,000 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £5,062,000 (such amount to be reduced by the allotments or grants made under (a) above) in connection with or pursuant to an offer or invitation by way of a rights issue in favour of:
 - (i) holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment; and

- (ii) holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities,

but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever, provided that such authorities shall expire at the conclusion of the Annual General Meeting of the Company in 2019 or on 30 September 2019 whichever is the earlier, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred by this Resolution had not expired.

16. That, subject to the passing of Resolution 15 as set out in the notice of this Annual General Meeting, the Directors be empowered pursuant to sections 570(1) and 573 of the Companies 2006 (the "**Act**") to:

- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority conferred by Resolution 15 of the notice of this Annual General Meeting; and
- (b) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to such allotment or sale, provided that this power shall be limited to the allotment of equity securities and sale of treasury shares for cash:

- (i) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authority granted under Resolution 15(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements, record dates or legal or practical difficulties which may arise under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory or any other matter whatsoever; and
- (ii) in the case of the authorisation granted under Resolution 15(a) above (or in the case of any sale of treasury shares) and otherwise than pursuant to sub-paragraph (i) of this Resolution, up to an aggregate nominal amount of £379,000,

and shall expire on the conclusion of the Annual General Meeting of the Company in 2019, or on 30 September 2019, whichever is the earlier, save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this Resolution had not expired.

17. That, subject to the passing of Resolutions 15 and 16 set out in the notice of this Annual General Meeting, and in addition to the power given by that Resolution 16, the Directors be empowered pursuant to sections 570(1) and 573 of the Companies Act 2006 (the "**Act**") to:

- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by paragraph (a) of Resolution 15 of this Annual General Meeting; and
- (b) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be:

- (i) limited to the allotment of equity securities and the sale of treasury shares for cash otherwise than pursuant to the said Resolution 16, up to an aggregate nominal amount of £379,000; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction), a transaction which the directors have determined to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group prior to the date of this notice, or for any other purposes as the Company in general meeting may at any time by special resolution determine;

and shall expire at the conclusion of the next Annual General Meeting of the Company in 2019 or on 30 September 2019, whichever is the earlier, save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

18. That the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of the Company's ordinary shares on such terms and in such a manner as the Directors may from time to time determine and where such shares are held as treasury shares, the Company may use them for the purposes of its employee share schemes, provided that:

- (a) the maximum aggregate number of ordinary shares which may be so purchased is 30,381,000, which represents approximately 10 per cent of the issued ordinary share capital as at 27 July 2018;
- (b) the minimum price that may be paid for each ordinary share is 2.5p, which amount shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to the higher of: (i) 105 per cent of the average of the middle market quotations of the Company's ordinary shares, as derived from the Daily Official List of The London Stock Exchange plc for the five business days immediately preceding the date on which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out;
- (d) unless previously renewed, revoked or varied, this authority shall continue in force until the conclusion of the next Annual General Meeting of the Company to be held in 2019, or on 30 September 2019, whichever is the earlier;
- (e) the Company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

19. That a general meeting of the Company (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By order of the Board:

Registered Office:

Severs House
Dalton Airfield Industrial Estate
Dalton
Thirsk
North Yorkshire
YO7 3JN
3 August 2018

Mark Sanderson
Company Secretary

Important Information

- (i) **Attending in person:** If you wish to attend the Annual General Meeting in person and you hold shares as beneficial owner within a nominee account, you will need to bring an original letter of representation from the nominee in order to gain entrance as a shareholder (unless the nominee has validly appointed you as its proxy).
- (ii) **Proxies:** Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend to speak and to vote at the Annual General Meeting instead of the member. A member may appoint more than one proxy in relation to the Annual General Meeting, provided that 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. Completion and return of a Form of Proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member from attending and voting at the Annual General Meeting in person should he or she subsequently decide to do so. A Form of Proxy for the Annual General Meeting is enclosed. Please contact the Company's Registrars (see (iii) below) if you wish to appoint more than one proxy.
- (iii) **Forms of Proxy:** In order to be valid, any Form of Proxy and power of attorney or other authority under which it is signed (or a notarially certified or office copy of such power or authority), should be completed and returned by post or by hand or at the electronic address provided in the Form of Proxy, in each case so as to reach the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (during business hours only) not less than 48 hours before the time of the Annual General Meeting or of any adjournment thereof (excluding any part of a day which is not a working day). If you are a CREST member, see note (v) below. If you have any questions relating to the completion and return of Forms of Proxy, please telephone Computershare between 9.00 a.m. and 5.00 p.m. (London time), Monday to Friday (except UK public holidays) on **0370 707 1329** from within the UK or **+44 370 707 1329** if calling from outside the UK. The helpline cannot provide financial, legal or tax advice.
- (iv) **Right to Attend and Vote:** Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the Company's register of members at 6.00 p.m. on 31 August 2018 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Shareholders may only cast votes in respect of shares held at such time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
- (v) **CREST members:** Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. 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 and Ireland Limited's ("**Euroclear**") 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 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 3RA50) no later than two business days before the time of the Annual General Meeting. 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 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 provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 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 provider(s) 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.

- (vi) **Documents on Display:** The following will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the close of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting: (a) copies of the executive Directors' service contracts and the terms and conditions of appointment of each of the non-executive Directors; and (b) a copy of the Articles of Association of the Company.

A copy of this Notice of the Annual General Meeting, and other information required by section 311A of the Companies Act 2006, can be found at www.severfield.com.

- (vii) **Corporate Members:** Any corporation which is a member 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 shares.
- (viii) **Right to Ask Questions:** Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already 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.
- (ix) **Nominated Persons:** 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/her and the member by whom he/she 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/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

- (x) **Website Publication of Audit Concerns:** 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 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 Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 April 2017 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, (in each case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, 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 Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.
- (xi) **Total number of Shares and Voting Rights:** As at 27 July 2018 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 303,811,798 ordinary shares (carrying one vote each). No ordinary shares were held in treasury. Therefore, the total voting rights in the Company as at that date were 303,811,798.
- (xii) **Communication:** You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice, the Form of Proxy or any related documents to communicate with the Company for any purposes other than those expressly stated.
- (xiii) **Notice of resolutions:** Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date 6 clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Explanatory notes to the Resolutions

Ordinary Business

Resolutions 1 to 14 will be proposed as ordinary resolutions:

Annual Accounts, Reports of Directors and Auditors' Report – Resolution 1

The Directors are required to present to shareholders at the Annual General Meeting the Annual Accounts, the Reports of the Directors and Auditors' Report for the twelve months ended 31 March 2018.

Directors' Remuneration Report – Resolution 2

The Remuneration Committee of the Board is seeking shareholders' approval of the Directors' Remuneration Report which is set out on pages 96 to 116 of the Annual Report and Accounts 2018.

The Directors are required to prepare the Directors' Remuneration Report, comprising an annual report detailing the remuneration of the Directors and a statement by the Chairman of the Remuneration Committee. The Company is required to seek shareholders' approval in respect of the contents of the Directors' Remuneration Report on an annual basis (excluding the part containing the Directors' Remuneration Policy). As this vote is an advisory vote, no entitlement of a Director to remuneration is conditional on it.

Dividend – Resolution 3

A final dividend can be paid only after it has been approved by the shareholders. A final dividend of 1.7p per ordinary share for the year ended 31 March 2018 is recommended by the Directors for payment to shareholders who were on the register as at the close of business on 17 August 2018. If approved, the final dividend will be paid on 14 September 2018.

Special Dividend – Resolution 4

This year your Board is recommending the payment of a one off special dividend which is in addition to the final dividend referred to at Resolution 3 above. A special dividend can only be paid after it has been approved by shareholders. A special dividend of 1.7p per ordinary share for the year ended 31 March 2018 is recommended by the Directors for payment to shareholders who were on the register as at the close of business on 17 August 2018. If approved, the special dividend will be paid on 14 September 2018.

Reappointment of Director – Resolution 5

Resolutions 5 to 12 concern the reappointment of the Directors. Adam Semple was appointed as a director during the previous financial year and is submitting himself for reappointment by shareholders. All the remaining Directors with the exception of Chris Holt, are also submitting themselves for annual reappointment by shareholders. The Chairman is satisfied that following formal performance evaluations, each Director continues to be effective and to demonstrate commitment to the role. Chris Holt has decided to stand down from the Board with effect from the conclusion of the Annual General Meeting after having served the Board for seven years and the Board would like to thank Mr Holt for his contribution during his seven years with the Company.

John Dodds is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of John Dodds can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director – Resolution 6

Ian Cochrane is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Ian Cochrane can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director — Resolution 7

Alan Dunsmore is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Alan Dunsmore can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director — Resolution 8

Derek Randall is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Derek Randall can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director — Resolution 9

Adam Semple is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Adam Semple can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director — Resolution 10

Alun Griffiths is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Alun Griffiths can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director — Resolution 11

Tony Osbaldiston is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Tony Osbaldiston can be found on the Company's website (www.severfield.com) and on pages 72 to 73 of the Annual Report.

Reappointment of Director — Resolution 12

Kevin Whiteman is retiring at the Annual General Meeting and will be standing for reappointment. Biographical details of Kevin Whiteman can be found on the Company's website (www.severfield.com) and on page 72 to 73 of the Annual Report.

The Auditor — Resolutions 13 and 14

Resolution 13 proposes the reappointment of KPMG LLP as the Company's auditor (following a recommendation to that effect made by the audit committee), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which the accounts are laid before the Company.

Resolution 14 proposes that the auditor's remuneration be determined by the Directors.

Special Business

Resolution 15 will be proposed as an ordinary resolution and Resolutions 16, 17, 18 and 19 will be proposed as special resolutions. To pass special resolutions 75 per cent or more of the votes cast must be in favour.

Authority to Allot Shares – Resolution 15

The Directors of the Company 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 granted at the last Annual General Meeting is due to expire at the conclusion of this year's Annual General Meeting. Accordingly, Resolution 15 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares (a) up to an aggregate nominal amount of £2,531,000, and (b) in connection with a rights issue up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £5,062,000.

These amounts represent approximately 33 per cent and approximately 66 per cent respectively of the total issued ordinary share capital of the Company as at 27 July 2018, the latest practicable date prior to publication of this Notice of Annual General Meeting. If given, these authorities will expire at the Annual General Meeting of the Company in 2019 or on 30 September 2019, whichever is the earlier.

Your Directors have no present intention of issuing shares pursuant to this authority.

Following best practice as recommended by The Investment Association, if the authority under Resolution 15(b) to allot share capital up to an aggregate nominal value of £5,062,000 is given, where allotments exceed £2,531,000 and one third of the issued share capital of the Company (that is it exceeds the authority under Resolution 15(a), if given), all the Directors of the Company will stand for reappointment at the Annual General Meeting of the Company in 2019.

Disapplication of Pre-emption Rights – Resolution 16

The Directors of the Company also require a power from shareholders to allot equity securities or sell treasury shares for cash otherwise than to existing shareholders pro rata to their holdings. The power granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 16 will be proposed as a special resolution to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £379,000 (being approximately five per cent of the Company's issued ordinary share capital at 27 July 2018, the latest practicable date prior to publication of this Notice of Annual General Meeting). If given, this power will expire at the conclusion of the Annual General Meeting of the Company in 2019 or on 30 September 2019 whichever is the earlier to occur.

The figure of five per cent reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the "**Statement of Principles**"). Your directors will have due regard to the Statement of Principles in relation to any exercise of this power, in particular they do not intend to allot shares for cash on a non-pre-emptive basis pursuant to this power in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company in any rolling three-year period, without prior consultation with shareholders.

Disapplication of Pre-emption Rights in connection with an acquisition or capital investment – Resolution 17

The Directors are seeking a further power from shareholders to allot equity securities or sell treasury shares for cash otherwise than to existing shareholders pro rata to their holdings, to reflect the Statement of Principles. Accordingly, Resolution 17 will be proposed as a special resolution to grant such a power. The power will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of £379,000 (being five per cent of the Company's issued ordinary share capital at 27 July 2018, the latest practicable date prior to publication of this Notice of Annual General Meeting. This is in addition to the five per cent referred to in Resolution 16). If given, this power will expire on 30 September 2019 or at the conclusion of the Annual General Meeting in 2019, whichever is the earlier. The Directors will have due regard to the Statement of Principles in relation to any exercise of this power and in particular they confirm that they intend to use this power only in connection with a transaction which they have determined to be an acquisition or other capital investment (of a kind contemplated by the Statement of Principles most recently published prior to the date of this notice) which is announced contemporaneously with the announcement of the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

Authorisation for the Company to purchase its own shares – Resolution 18

This resolution will give the Company the authority to buy, by way of market purchases, up to 10 per cent of the issued share capital of the Company representing a maximum of 30,381,000 shares. The maximum and minimum prices are stated in the resolution. This proposal does not indicate that the Company will purchase shares at any particular time or price, or imply any opinion on the part of the directors as to the market or other value of the Company's shares. This authority will expire at the end of the 2019 Annual General Meeting, or on 30 September 2019, whichever is the earlier. It is the present intention of the directors to seek a similar authority annually. The directors have no present intention of exercising this authority and will only do so at price levels which they consider to be in the interests of shareholders after taking account of the Group's overall financial position, and which would lead to a beneficial impact on the earnings per share of the Company. In the event that shares are purchased, they would either be cancelled (and the number of shares in issue would be reduced accordingly) or, in accordance with the Companies Act 2006, be retained as treasury shares.

As at 27 July 2018, the total number of awards over shares that were outstanding under all of the Company's share plans (assuming the awards granted vest in full) was 13,468,995 which, if they fully vest, would (assuming they are satisfied out of the issue of new shares) represent 4.2 per cent of the Company's issued share capital at that date. If the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (and were to cancel the shares purchased), this number of outstanding awards would, if they fully vest and are satisfied out of the issue of new shares, represent 4.7 per cent of the issued share capital of the Company.

Notice Period – Resolution 19

Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (Annual General Meetings will continue to be held on at least 21 clear days' notice.)

Until the coming into force of the Companies (Shareholders' Rights) Regulations 2009 on 3 August 2009, the Company was able to call general meetings other than an annual general meeting on at least 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 19 seeks the necessary shareholder approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting.

The changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

DIRECTIONS TO THE MEETING

Aldwark Manor Golf & Spa Hotel, Aldwark, Alne, York, YO61 1UF

T: 01347 838146 / F: 01347 833950

Website: Stay@qhotels.co.uk

From the A1(M)

Exit the A1(M) at junction 47 and follow the signs along the A59 for York and Green Hammerton. After 3 miles, turn left where you see the sign for Aldwark Manor and Boroughbridge (B6265). After two-and-a-half miles you'll reach the village of Little Ouseburn. Turn right (signposted Aldwark Manor). At the T-junction, turn left, cross the humpback bridge and turn right into Boat Lane. A mile on, you will come to a toll bridge and you will need to pay to cross. After the bridge, take the next left and 800 yards further on you will see the entrance to Aldwark Manor.



Nearest train stations

Cattal – 6.6 miles

York – 15 miles

For information and timetables on local bus services, please visit the local council's website.

Nearest airports

Leeds Bradford International airport – 27 miles

Teesside airport – 40 miles

Robin Hood airport, Doncaster – 55 miles