

## Notice of Annual General Meeting of Headlam Group plc

to be held on Friday, 24 May 2019 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.

A hard copy proxy form has not been sent with this document this year, instead please vote either online at [www.signalshares.com](http://www.signalshares.com) or through CREST as stated in the notes of this notice of meeting. In order for your vote to be valid, please ensure that your vote is received by Link Asset Services no later than 10.00 am on Wednesday, 22 May 2019.

# Annual General Meeting 2019

## CHAIRMAN'S LETTER AND NOTICE OF ANNUAL GENERAL MEETING

19 March 2019

### DEAR SHAREHOLDER

I am pleased to invite you to the 71st 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 Friday, 24 May 2019. The AGM is an important event, providing the Board of Directors with an opportunity to discuss the Company's performance with Shareholders and to respond to your questions.

The formal Notice of AGM ('Notice') stating the business to be considered at the meeting, explanatory notes to the proposed resolutions and information for Shareholders is set out in this document. The Company's Annual Report and Accounts for the year ended 31 December 2018 is now available on our website at [www.headlam.com](http://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 Shareholder 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 or by proxy, 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 following the AGM 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 registering your vote electronically via [www.signalshares.com](http://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 in this document.

### DIRECTOR RE-ELECTIONS

Our Articles of Association require that any Director appointed by the Board must retire at the first Annual General Meeting following their appointment and certain of the other Directors must retire at each Annual General Meeting dependent on the length of their service and the period that has elapsed since their last re-election. Keith Edelman and Alison Littlely are both proposed for election having been appointed to the Board since the previous AGM in 2018. The Board considers that the appointment of Keith Edelman adds significant expertise to the Board specifically in business growth and on-line development and Alison brings significant supply chain and procurement experience.

From this year, to increase accountability to Shareholders and in-line with best practice, the Board has decided that all Directors will stand for re-election annually. Andrew Eastgate who is retiring from the Board on 31 May 2019 is not standing for re-election at the AGM. Following evaluation, the Board is of the opinion that all Directors continue to make an effective and valuable contribution to the Company and demonstrate commitment to their respective roles. The Board is satisfied that each of the Non-Executive Directors remains independent in character and judgement and that there are no relationships or circumstances likely to affect their character or judgement.

I ask you to support resolutions 4 to 9 which deal with the election and re-election of each of the Directors who have confirmed their intention to offer themselves for election and re-election as appropriate. Biographical details for each Director can be found on pages 50 and 51 of the 2018 Annual Report and Accounts.

### RECOMMENDATION

Your Board believes that each of the resolutions contained in the Notice is in the best interests of the Company and its Shareholders as a whole, and recommends you to vote in favour of them, as your Directors intend to do so in respect of their own beneficial shareholdings.

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

Yours faithfully

**Philip Lawrence**  
*Non-Executive Chairman*

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[headlamgroup@headlam.com](mailto:headlamgroup@headlam.com) [www.headlam.com](http://www.headlam.com)

Registered Office: As above. Registered in England No. 00460129

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 71st Annual General Meeting of Headlam Group plc will be held at the Company's head office located at Gorse Lane, Coleshill, Birmingham, B46 1JU on Friday, 24 May 2019 at 10.00 am for the following purposes.

### TO PROPOSE THE FOLLOWING AS ORDINARY RESOLUTIONS:

1. To receive the Annual Report and Accounts for the year ended 31 December 2018.
2. To approve the Directors' Remuneration Report set out on pages 64 to 72 of the Company's Annual Report and Accounts for the year ended 31 December 2018.
3. To declare a final ordinary dividend for the year ended 31 December 2018 of 17.45 pence per ordinary share.
4. To elect Keith Edelman as a director of the Company.
5. To elect Alison Littlely as a director of the Company.
6. To re-elect Philip Lawrence as a director of the Company.
7. To re-elect Steve Wilson as a director of the Company.
8. To re-elect Chris Payne as a director of the Company.
9. To re-elect Amanda Aldridge as a director of the Company.
10. To reappoint PricewaterhouseCoopers LLP as the Auditor of the Company, to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before Shareholders.
11. To authorise the Directors to determine the Auditor's remuneration.

### 12. Authority to allot shares

That the Directors be and are 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 £634,500 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the 2020 AGM (or, if earlier, at the close of business on 24 June 2020), 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.

All existing authorities given to the Directors pursuant to section 551 of the Act are revoked by this resolution.

### TO PROPOSE THE FOLLOWING AS SPECIAL RESOLUTIONS:

#### 13. Disapplication of pre-emption rights

That, subject to the passing of resolution 12 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 12 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 2020 AGM (or, if earlier, at the close of business on 24 June 2020), 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 (b)(i) of this resolution up to an aggregate nominal amount of £211,500.

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 12 in this Notice' were omitted.

## Annual General Meeting 2019 continued

### 14. 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 8,460,000;
- (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 2020 AGM or, if earlier, on 24 June 2020 (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).

### 15. 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 not less than 14 clear days' notice, provided that the authority shall expire at the conclusion of the 2020 AGM or 24 June 2020, whichever is the earlier.

By order of the Board

**Karen Atterbury**

*Company Secretary*  
19 March 2019  
Headlam Group plc

Registered No. 00460129, England

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 1 Gorse Lane, Coleshill, Birmingham B46 1JU on Friday, 24 May 2019 at 10.00 am.

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

Resolutions 1 to 12 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 13 to 15 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 Annual Report and Accounts for the financial year ended 31 December 2018.

## RESOLUTION 2 – DIRECTORS' REMUNERATION REPORT

A Company is required to present to Shareholders:

- A Directors' Remuneration Policy, which sets out the Company's policy on directors' remuneration, for a binding vote at least once every three-year period; and
- An Annual Report on Remuneration, which details the directors' remuneration outcomes for the financial year under review and how the remuneration policy will be implemented in the following year, for an advisory vote on an annual basis.

The Directors' Remuneration Policy (the 'Policy') was presented to, and approved by, Shareholders at the 2017 AGM held on 25 May 2017 for a period of three years, provided that no changes were required during that period. No changes are proposed to the Policy for the year ended 31 December 2019 and, therefore, the Directors will not be re-presenting it at the 2019 AGM. The full Policy wording can be found on pages 52 to 62 of the 2016 Annual Report and Accounts which is available on the Company's website, [www.headlam.com](http://www.headlam.com).

Resolution 2 is an advisory vote which seeks approval for the Directors' Remuneration Report which comprises the Annual Report on Remuneration and the Annual Statement to Shareholders by the Chairman of the Remuneration Committee. The Directors' Remuneration Report can be found on pages 64 to 72 of the 2018 Annual Report and Accounts. The Annual Report on Remuneration sets out the remuneration outcomes for the financial year ended 31 December 2018 and how the Policy, as approved at the 2017 AGM, will be implemented throughout the financial year ended 31 December 2019.

## RESOLUTION 3 – DECLARATION OF ORDINARY DIVIDEND

The Directors recommend the payment of a final ordinary dividend of 17.45 pence per ordinary share, which, together with the interim ordinary dividend of 7.55 pence paid on 2 January 2019, gives a total ordinary dividend of 25.00 pence for the financial year ended 31 December 2018. Subject to approval of the declaration of the final ordinary dividend at the AGM, the final ordinary dividend will be paid on 1 July 2019 to the holders of ordinary shares whose names are recorded on the register of members at the close of business on 7 June 2019.

## RESOLUTIONS 4-5

Since the 2018 AGM, both Keith Edelman and Alison Littley have been appointed to the Board as Directors. Keith Edelman was appointed as a Non-Executive Director on 1 October 2018 and Senior Independent Director with effect from 1 January 2019 and brings extensive commercial experience coupled with a background in consumer facing businesses to the Board. Alison Littley was appointed as a Non-Executive Director on 1 January 2019 and it is intended that she will become chair of the Remuneration and Nomination Committees on 1 June 2019. Alison brings substantial experience in multinational manufacturing and supply chain operations to the Board. As required by the Articles of Association of the Company, both Directors shall retire at the AGM and both intend to stand for election by Shareholders for the first time.

In reviewing the recommendations of the Nomination Committee concerning their appointment, the Board concluded that Keith Edelman and Alison Littley will make effective and valuable contributions to the Board (as they have done to date) and demonstrate commitment to their roles. Information relating to the Company's recruitment process appointing both Keith Edelman and Alison Littley is contained on page 58 of the 2018 Annual Report and Accounts. Accordingly, the Board has no hesitation in recommending their election to Shareholders.

The biographies of all the Directors are set out on pages 50 and 51 of the 2018 Annual Report and Accounts.

## RESOLUTIONS 6-9

Notwithstanding the specific rotation provisions of the Company's Articles of Association, the Board has determined that each of the Company's other Directors (except Andrew Eastgate who will retire from the Board on 31 May 2019) shall retire and stand for re-election on an annual basis in accordance with the best practice recommendations of the UK Corporate Governance Code. Accordingly, all members of the Board (other than Keith Edelman and Alison Littley, for whom this is their first Annual General Meeting) will retire from office at the AGM and each shall stand for re-election.

The biographies of all the Directors are set out on pages 50 and 51 of the 2018 Annual Report and Accounts.

Following the annual evaluation exercise conducted during the year, the Board, supported by the Nomination Committee, considers that each of the Directors proposed for re-election continues to make an effective and valuable contribution and demonstrates commitment to the role. The Board is content that each Non-Executive Director offering himself / herself for re-election is independent in character and there are no relationships or circumstances likely to affect his / her character or judgement. Accordingly, the Board unanimously recommends the re-election of these Directors.

## RESOLUTIONS 10 AND 11 – TO AUTHORISE THE BOARD TO RE-APPOINT PRICEWATERHOUSECOOPERS LLP AS THE AUDITOR TO THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION

At every general meeting at which accounts are presented to Shareholders, the Company is required to appoint an auditor to serve until the next such meeting. PricewaterhouseCoopers LLP have indicated their willingness to continue as the Company's Auditor for another year. Shareholders are therefore asked to approve their re-appointment (resolution 10) and to authorise the Directors to determine their remuneration (resolution 11).

## Explanatory Notes to the Proposed Resolutions continued

### RESOLUTION 12 – 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, the proposed general authority, which is the same as last year's, is to allot up to an aggregate nominal amount of £634,500 representing 12,690,000 ordinary shares (approximately 15% of the Company's ordinary share capital (excluding treasury shares) in issue at 19 March 2019 (being the latest practicable date prior to publication of this Notice)).

As at 19 March 2019, the Company held 753,060 treasury shares, which represented 0.89% 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 2020 AGM, or, if earlier, at the close of business on 24 June 2020. 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 13 – DISAPPLICATION OF PRE-EMPTION RIGHTS (SPECIAL RESOLUTION)

Shareholders are being asked to pass resolution 13 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 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) of shares up to an aggregate nominal amount of £211,500 (representing approximately 5% of the Company's ordinary share capital in issue at 19 March 2019 excluding treasury shares).

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-emptingroup.org.uk](http://www.pre-emptingroup.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.

The authority will lapse at the conclusion of the 2020 AGM or, if earlier, at the close of business on 24 June 2020.

### RESOLUTION 14 – 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 to only exercise this authority either to purchase and hold shares in treasury to fulfil the Company's future obligations under its employee share schemes, or where, after considering market conditions prevailing at the time, they believe that the effect of a purchase and subsequent cancellation would be to increase the earnings per share and be in the best interests of Shareholders generally. 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 2018 AGM. The authority is in respect of no more than 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 19 March 2019 and will lapse at the conclusion of the 2020 AGM or, if earlier, on 24 June 2020. The resolution specifies the maximum and minimum prices at which the shares may be bought. If the Company purchases any of its shares under the authority proposed by resolution 14, the Board will decide at the time whether to cancel them immediately or hold them in treasury in order to respond properly to the Company's capital requirements and prevailing market conditions.

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.

The Directors confirm that they have no present intention of exercising this authority except in relation to purchasing shares into treasury to fulfil the Company's future obligations under its employee share schemes.

Details of share options outstanding and treasury share movements including details of own shares acquired by the Company are shown in note 21 to the financial statements on page 119 of the 2018 Annual Report and Accounts.

### RESOLUTION 15 – 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 not less than 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 not less than 14 clear days' notice. Without the passing of resolution 15, the minimum notice period under the Act would be 21 clear days. If resolution 15 is passed by Shareholders, the Act would only allow the Company to call a general meeting on not less than 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 interests of Shareholders to pass resolution 15, which is a repeat of the same resolution passed at the 2018 AGM, 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. The shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage 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 a proxy or proxies and vote:

- (a) electronically by visiting [www.signalshares.com](http://www.signalshares.com); or
- (b) may request a hard copy proxy form directly from the registrars, Link Asset Services, at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or on Tel: 0371 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. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales); or
- (c) in the case of CREST members, through the CREST electronic proxy appointment service.

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.

## 2. APPOINTING PROXIES IN HARD COPY OR ELECTRONICALLY (OTHER THAN THROUGH CREST)

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, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF not less than 48 hours before the time for holding the meeting. Proxy appointments may be made electronically via the Signal shares service by logging on to [www.signalshares.com](http://www.signalshares.com). If you have not used the Signal shares service before, you will need your Investor Code (which is printed on share certificates) in order to register. Electronic proxy appointments must also be received not less than 48 hours before the time for holding the meeting.

## 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](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 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 2019 or, if the meeting is adjourned, close of business on the date two business 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.

## Explanatory Notes to the Notice of Meeting continued

### 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.

### 8. ISSUED SHARE CAPITAL/VOTING RIGHTS

As at 19 March 2019, 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 each ('Shares'). Of these, 753,060 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 84,610,683.

### 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. MEMBERS' RIGHT TO REQUEST RESOLUTION TO BE PROPOSED AT MEETING

Under section 338 and section 338A of the Act, 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 AGM, 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 authenticated by the persons making it, must be received by the Company not later than 11 April 2019, being the date six 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.

### 12. 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.

### 13. ACCESS ARRANGEMENTS

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

### 14. 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, Gorseley 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 email to the Company Secretary: karen.atterbury@headlam.com

No other methods of communication will be accepted.

### 15. 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.

## **16. 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](http://www.headlam.com) on the next business day following the AGM.

## **17. WEBSITE**

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

## **18. 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](mailto: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.linksharedeal.com](http://www.linksharedeal.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](http://www.linkassetsservices.com). Stamp duty is not normally payable if the transfer is to a relative or 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](http://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 share certificate.

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](http://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.

### 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](http://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](http://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](http://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](http://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.fca.org.uk](http://www.fca.org.uk). If you have any queries, please contact the Company Secretary.

