

SANDERSON GROUP PLC

(company number 4968444)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2019 annual general meeting of Sanderson Group plc (the “Company”) will be held at Sanderson House, Manor Road, Coventry CV1 2GF on 22 January 2019 at 11.00 am, to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the directors’ report and the Company’s annual accounts for the year ended 30 September 2018, together with the auditors’ report on those accounts.
2. To declare a final dividend for the year ended 30 September 2018 of 1.75 pence per ordinary share in the capital of the Company, to be paid on 1 March 2019 to shareholders whose names appear on the register of members at the close of business on 15 February 2019.
3. To re-appoint Ian Newcombe, who retires by rotation, as a director of the Company.
4. To re-appoint David Gutteridge, who retires by rotation, as a director of the Company.
5. To reappoint Grant Thornton UK LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which accounts are laid, and to authorise the directors to fix the remuneration of the auditors.
6. That, pursuant to section 551 of the Companies Act 2006 and in substitution for all existing authorities under that section to the extent unused, the directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Companies Act 2006) up to an aggregate nominal amount of £1,999,083 (approximately one third of the Company’s issued share capital at the date of this notice), provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date falling 15 months after the date on which this resolution is passed (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this authority which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

7. That, subject to the passing of resolution 6, pursuant to sections 570 and 573 of the Companies Act 2006, the directors be and are hereby generally empowered to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash pursuant to the authority conferred by resolution 6 and to sell treasury shares as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, provided that this power shall be limited to:

- (a) the allotment or sale of equity securities for cash in connection with an offer (whether by way of a rights issue, open offer or otherwise) to holders of equity securities in the capital of the Company, and other persons entitled to participate, in proportion (as nearly as practicable) to their then holdings of equity securities (or, as appropriate, the numbers of such securities which such other persons are for those purposes deemed to hold), subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory; and
- (b) the allotment or sale of equity securities for cash (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £299,862 (approximately 5% of the Company's issued share capital at the date of this notice),

and (unless previously revoked, varied or renewed) shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date falling 15 months after the date on which this resolution is passed (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash or sold after such expiry and the directors may allot for cash or sell equity securities pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

8. That the Company be and is hereby generally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 10 pence provided that:

- (a) the Company does not purchase more than 8,995,873 ordinary shares of 10 pence (approximately 15% of the Company's issued share capital at the date of this notice);
- (b) the Company does not pay for any such ordinary share less than its nominal value at the time of purchase; and
- (c) the Company does not pay for any such ordinary share more than 5% above the average of the closing mid-market price for ordinary shares of 10 pence for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, based on the share prices published in the Daily Official List of the London Stock Exchange or the AIM supplement thereto.

The authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date falling 15 months after the date on which this resolution is passed (whichever is the earlier), save that the Company may before such expiry make a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of any such contract, as if such authority had not expired.

By order of the board

R D Mogg
Secretary

17 December 2018

Registered office:

Sanderson House
Manor Road
Coventry
CV1 2GF

Notes

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6.00 pm on 18 January 2019 or, if this meeting is adjourned, at 6.00 pm on the day two working days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold your vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD; and
- received by the Company's registrars no later than 11.00am on 18 January 2019.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. *To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.*

Where you have appointed a proxy using the proxy form and would like to change the instructions using another proxy form, please contact the Company's Registrars at the above address.

If you submit more than one valid proxy appointment, the appointment executed last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. *In order to revoke a proxy instruction you will need to inform the Company by sending a notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars at the above address. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.*

The revocation notice must be received by the Registrar no later than 11.00am on 21 January 2019 or no later than 24 hours (ignoring any part of a day that is not a working day) prior to the adjourned meeting or the taking of the poll at which the instrument of proxy is used.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Communication

10. *Except as provided above, members who have general queries about the meeting should contact the Company Secretary, Richard Mogg on 0333 123 1400 (no other methods of communication will be accepted).*

Resolution 8 – Purchase by the Company of its own Shares

The purpose of resolution 8 is to obtain the authority for the Company to make market purchases of its ordinary shares. Under the Companies Act 2006 such an authority must first be sanctioned by an ordinary resolution of the Company in general meeting, but current institutional shareholder voting guidelines require that any such authority should be sanctioned by special resolution.

Accordingly, resolution 7 will be proposed as a special resolution to authorise the Company to purchase a maximum of 8,995,873 ordinary shares (equal to approximately 15% of the Company's present issued ordinary share capital) on AIM at a price per share of not less than 10p, and not more than 5% above the average of the middle market quotations for ordinary shares of the Company for the five business days immediately preceding the day of purchase.

Shares will only be repurchased if the Directors consider such purchases to be in the best interests of shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities and the overall financial position of the Company.

Pursuant to the Companies Act 2006, the Company can hold the shares which have been repurchased as treasury shares and either resell them for cash, cancel them (either immediately or at a point in the future) or use them for the purposes of its employee share schemes. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

If any shares repurchased by the Company are held in treasury and used for the purposes of its employee share schemes, so long as required under the guidelines of the Association of British Insurers Investment Committee, the Company will count those shares towards the limits on the number of new shares which may be issued under such schemes.

Purchases will not be made to the extent that they may affect the eligibility of the Company for continued admission to AIM and it is not the board's current intention that the Company should stand in the market for any particular period or until any specified number of shares has been acquired.

The purchase of shares by the Company pursuant to these proposals will be a market purchase and thus made through AIM. This means that any shareholder selling shares, even if those shares are subsequently acquired by the Company, will not be subject to different tax considerations from those normally applying to a sale of shares in the market provided that the purchase by the Company is made exclusively through a market maker acting as principal. In that event, for shareholders who held their shares as an investment, the sale proceeds will normally be treated as capital and the normal capital gains tax rules will apply to those sale shares. There will normally be no liability to tax on income unless the shareholder's disposal is by way of trade.