

3 September 2014

NOTICE OF ANNUAL GENERAL MEETING

TANFIELD GROUP PLC (“the Company”)

(Incorporated in England and Wales with registered number 04061965)

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the Company will be held at the registered office of the Company at Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX on 30 September 2014 at 10:00 a.m. for the following purposes:

To consider and, if thought fit, to pass the following resolutions numbered 1 to 3 (inclusive) as Ordinary Resolutions of the Company:

Ordinary Business

1. To receive the financial statements for the year ended 31 December 2013 and the reports of the directors and auditors thereon.
2. To re-elect Martin Groak as a director, who retires by rotation in accordance with the Articles of Association.
3. To re-appoint Baker Tilly UK Audit LLP as auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which the accounts are laid before the Company, at remuneration to be determined by the directors.

Special Business

To consider and, if thought fit, to pass the following resolution numbered 4 as an Ordinary Resolution of the Company and the following resolutions numbered 5 and 6 as Special Resolutions of the Company:

4. That the directors of the Company be and are hereby generally and unconditionally authorised (in substitution for any previous authority) for the purposes of Section 551 of the Companies Act 2006 (as amended) (the “Act”) to exercise all the powers of the Company to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company (such shares and such rights to subscribe for or to convert any security into shares in the Company being “relevant securities”) on such terms and in such manner as they shall think fit, up to a maximum aggregate nominal amount of £2,362,042, being approximately one third of the nominal value of the Company’s issued ordinary share capital, at any time (unless and to the extent previously renewed, revoked or varied by the Company in general meeting) during the period from the date hereof until 31 December 2015 or, if earlier, the conclusion of the Company’s annual general meeting held in 2015, provided that the directors of the Company may make an offer or enter into an agreement which would or might require relevant securities to be allotted, offered or otherwise dealt with or disposed of after the expiry of such authority and the directors of the Company may allot any relevant securities after the expiry of such authority in pursuance of any such offer or agreement as if this authority had not expired.
5. That, subject to and conditional upon the passing of resolution 4 above, the directors of the Company be given power pursuant to Sections 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 4 above as if Section 561 of the Act did not apply to any such allotment, such power to expire (unless the authority conferred by resolution 4 above is previously renewed, revoked or varied) on 31 December 2015 or, if earlier, the conclusion of the Company’s annual general meeting held in 2015 provided that before such expiry the

directors of the Company may make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the directors of the Company may allot equity securities after such expiry under this power in pursuance of any such offer or agreement as if this power had not expired. This power is limited to:

- 5.1. the allotment of equity securities for cash in connection with a rights issue or other pre-emptive offer to holders of ordinary shares of 5p each in the capital of the Company where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares of 5p each in the capital of the Company held by them but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any recognised stock exchange in, any territory; and
- 5.2. the allotment (other than pursuant to paragraph 5.1 of this Special Resolution) of equity securities up to a maximum aggregate nominal amount of £708,612 (being equal to approximately ten percent of the issued share capital of the Company).

This power applies in relation to any 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 4 above" were omitted.

6. That the Company be and is generally and unconditionally authorised for the purposes of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) on the London Stock Exchange of its ordinary shares of 5p each (for the purposes of this Resolution "Ordinary Shares") provided that:
 - 6.1. the maximum aggregate number of Ordinary Shares authorised to be purchased is 21,258,384 (representing approximately 15 percent of the Company's issued ordinary share capital);
 - 6.2. the minimum price which may be paid for such Ordinary Shares is 5p per Ordinary Share;
 - 6.3. the maximum price which may be paid for an Ordinary Share shall not be more than 5% above the average of the middle market quotations for a Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased; and
 - 6.4. unless previously revoked, varied or renewed, this authority shall expire on 31 December 2015 or, if earlier at the conclusion of the Company's annual general meeting held in 2015 save that the Company may prior to such expiry enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority, and may purchase Ordinary Shares pursuant to such contract as if such authority had not expired.

By order of the Board
Daryn Robinson
Company Secretary

3 September 2014

Registered Office:
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Notes

1. **Entitlement to Attend and Vote**

The Company specifies that only those holders of ordinary shares of 5p each in the capital of the Company registered in the Company's Register of Members at:

- 1.1. 6:00 p.m. on Sunday 28 September 2014; or
- 1.2. if this meeting is adjourned, at 6:00 p.m. two working days prior to the adjourned meeting;

shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of 5p each in the capital of the Company registered in their name at that time. Subsequent changes to entries in the Register of Members as at 6:00 p.m. on Sunday 28 September 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. **Appointment of Proxies**

- 2.1. If you are a member of the Company at the time set out in paragraphs 1.1 or 1.2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend and on a poll 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 your proxy form.
- 2.2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- 2.3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you must complete a separate Form of Proxy for each proxy. Members can copy their original Form of Proxy, or additional Forms of Proxy can be obtained from Capita Asset Services , PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
- 2.4. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- 2.5. To appoint a valid proxy using the proxy form, the form must be:
 - 2.5.1. completed and signed;
 - 2.5.2. sent or delivered to Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
 - 2.5.3. received by Capita Asset Services no later than 10:00 a.m. on Sunday 28 September 2014 or 48 hours before any adjourned meeting.
- 2.6. 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).
- 2.7. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
- 2.8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 2.9. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.

3. **Attending in Person**

The sending of a completed form of proxy to the Company's Registrar will not preclude members from attending and voting at the meeting, or any adjournment thereof, in person, should they so wish.

Explanatory Notes to the Resolutions to be put to Shareholders at the Annual General Meeting

Resolution 1 – Audited Accounts

The Directors of the Company are required under the Companies Act 2006 to lay the audited accounts and reports before the Company in General Meeting.

Resolution 2 – Re-election of Martin Groak as a director

In accordance with the Company's Articles of Association, Martin Groak is required to retire as a Director at the meeting as it has been 3 years since he was last re-elected by shareholders. Martin Groak is eligible for re-election at the meeting and has chosen to submit himself for re-election. His biographical details are available on the Company's website (www.tanfieldgroup.com).

Resolution 3 – Reappointment and Remuneration of Auditors

In accordance with the Companies Act 2006, it is proposed to reappoint Baker Tilly UK Audit LLP as auditor of the Company at the Annual General Meeting and it is normal practice for a company's directors to be authorised to agree their fees.

Resolution 4 – Authority to Allot Shares

Resolution 4 will allow the Directors of the Company to allot unissued ordinary shares of the Company up to a maximum aggregate nominal amount equal to £2,362,042, which represents approximately one-third of the nominal value of the Company's issued share capital at the date of the Notice of the Annual General Meeting. Unless renewed, revoked or varied by the Company in general meeting, the authority will last from the date of the passing of the resolution until 31 December 2015 or, if earlier, the conclusion of the Company's Annual General Meeting held in 2015.

Resolution 5 – General Disapplication of Pre-emption Rights

Resolution 5 will give the Directors of the Company power to make allotments of ordinary shares of the Company for cash without reference to statutory pre-emption rights (including any sale of ordinary shares if, immediately before the same, the ordinary shares were held by the Company as treasury shares) up to a maximum aggregate nominal amount equal to £708,612 which represents approximately 10% of the nominal value of the Company's issued share capital at the date of the Notice of the Annual General Meeting. The authority would also enable the Directors of the Company to implement a rights issue or other pre-emptive offer and will last from the date of the passing of the resolution until 31 December 2015 or, if earlier, the conclusion of the Company's Annual General Meeting held in 2015 unless the authority of the Directors of the Company to allot unissued ordinary shares is previously revoked, renewed or varied.

Resolution 6 – Authority to make Market Purchases

The Directors of the Company consider it advisable that the Company has the authority to make market purchases of its own shares and Resolution 6 will give the Company authority to make market purchases up to a maximum of 21,258,384 ordinary shares of the Company, being approximately 15% of the Company's issued share capital at the date of the Notice of the Annual General Meeting. Unless renewed, revoked or varied by the Company in general meeting, the authority will last from the date of the passing of the resolution until 31 December 2015 or, if earlier, the conclusion of the Annual General Meeting of the Company held in 2015. The power conferred by this authority would only be used after careful consideration by the Directors of the Company, having taken into account market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The authority would only be exercised by the Directors of the Company if they considered it to be in the best interests of the shareholders generally and if the purchase(s) could be expected to result in an increase in earnings per share. Any ordinary

shares purchased pursuant to this resolution will be cancelled or, to the extent determined by the Directors of the Company and permitted by law, be held as treasury shares which may subsequently be sold for cash.

TANFIELD GROUP PLC ("Company")

FORM OF PROXY

For use at the Annual General Meeting to be convened for 10:00 a.m. on 30 September 2014

I/We [in block capitals please]
 being (a) member(s) of the Company, hereby appoint the Chairman of the Meeting, OR

Name of proxy	Number of shares proxy appointed over

as my/our proxy to exercise all or any of my/our rights to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held at Ward Hadaway, Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX at 10:00 a.m. on 30 September 2014 and at any adjournment thereof. Please tick here if this proxy appointment is one of multiple appointments being made

I/we request my/our proxy to vote in the manner indicated below:

	FOR	AGAINST	VOTE WITHHELD
Ordinary Business			
1. To receive the financial statements for the year ended 31 December 2013 (Ordinary Resolution).			
2. To re-elect Martin Groak as a director, who retires by rotation in accordance with the Articles of Association (Ordinary Resolution).			
3. To re-appoint Baker Tilly UK Audit LLP as auditor of the Company at remuneration to be determined by the directors (Ordinary Resolution).			
Special Business			
4. To authorise the directors to allot shares (Ordinary Resolution).			
5. To disapply statutory pre-emption rights (Special Resolution).			
6. To authorise the Company to make market purchases of its own shares (Special Resolution).			

Date Signature

NOTES

1. You are entitled to appoint one or more proxies of your own choice to exercise all or any of your rights to attend and vote at the meeting. A proxy need not be a member of the Company. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. You can only appoint proxies using the procedures set out in these notes.
2. If you wish to appoint a proxy other than the Chairman of the meeting, please insert their full name in the space provided and delete the words "the Chairman of the Meeting", OR ". Please initial any such alteration. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy; if you sign and return the form and leave this box blank, your proxy will be deemed to be authorised in respect of your full voting entitlement.
3. To appoint more than one proxy, you may photocopy this form. Please state clearly on each proxy form the number of shares in relation to which the proxy is appointed. Please therefore indicate in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided 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. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being deemed invalid.
4. Completion and return of this form of proxy will not preclude you from attending and voting at the meeting in person if you wish. If you do attend the meeting in person, your proxy appointments will be automatically terminated.
5. If you want your proxy to vote in a certain way on the resolutions specified please indicate with an "X" in the appropriate boxes above. If you fail to select any of the given options your proxy can vote as he or she chooses or can decide not to vote at all. Your proxy can also do this on any other business which may come before the meeting, including any amendments to the resolutions and any procedural business.
6. The "vote withheld" option on this form of proxy is provided to enable you to instruct your proxy not to vote on the resolutions. However, a vote withheld is not a vote in law and will not be counted in the calculation of the votes "for" or "against" the resolutions.
7. In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by its duly authorised officer or attorney.
8. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
9. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6:00 p.m. on Sunday 28 September 2014. Changes in entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
10. To be valid this form of proxy must be completed, signed and sent, together with any power of attorney or other authority under which it is signed, to **Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU** so as to arrive no later than 10:00 a.m. on Sunday 28 September 2014 or 48 hours before any adjourned meeting.