

Haynes Publishing Group P.L.C. - Memorandum setting out particulars of the proposed Treasury Share Proposal (in accordance with section 226D Companies Act 2006)

A reference in this memorandum to the Scheme Document is a reference to the scheme document to the shareholders of Haynes Publishing Group P.L.C. dated 2 March 2020. Any terms not defined in this memorandum have the same meaning as in the Scheme Document.

Particulars of proposed payments

The Company has proposed to allocate the benefit of the 1,229,054 Ordinary Shares currently held in treasury to the Haynes Directors (except for J Haynes) and other members of senior management (**Treasury Share Proposal**). Subject to the Scheme being sanctioned, under the Treasury Share Proposal, the 1,229,054 Ordinary Shares currently held in treasury will be acquired by Bidco at the price of 700 pence per share under the terms of the Scheme with the cash proceeds from the disposal of those Ordinary Shares of approximately £8.6 million then being awarded to the Haynes Directors and relevant members of senior management, on a non-pensionable basis.

In particular, the following Haynes Directors will be entitled to the following gross cash payments under the Treasury Share Proposal:

Haynes Director	Gross Cash Entitlement (£)
Eddie Bell	1,050,000
James Bunkum	1,123,878
Jeremy Yates-Round	1,050,000
Alex Kwarts	1,050,000
Peter van der Galiën	1,050,000
Richard Barker	1,092,000
Harvey Wolff	525,000
Steve Daykin	35,000
Nina Wright	35,000

The Company's current Remuneration Policy, approved by Haynes Shareholders at the Company's Annual General Meeting on 8 November 2017, as set out in the Remuneration Policy table on pages 39-40 of the 2019 Annual Report, imposes individual caps on executive director bonuses as a percentage of gross base salary.

In the case of each executive director of Haynes (except for J Haynes), the payments proposed under the Treasury Share Proposal exceed the cap.

As to the non-executive directors of Haynes, the Remuneration Policy does not permit the payment of bonuses to such individuals.

In the case of each non-executive director of Haynes, the payments proposed under the Treasury Share Proposal are not therefore currently permitted by the Remuneration Policy.

No other changes are proposed to the Company's Remuneration Policy.

Accordingly, the implementation of the Treasury Share Proposal is subject to Haynes Shareholders approving by way of the Special Resolution at the General Meeting the disapplication of pre-emption rights relating to the transfer of the Treasury Shares out of treasury and, insofar as it relates to the Haynes Directors, approving by way of ordinary resolution at the General Meeting an amendment to the Remuneration Policy to permit payments to be made to the Haynes Directors in this way (as, without such amendment being made, such payments would be inconsistent with the Remuneration Policy).

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In accordance with section 226D of the Companies Act 2006, this memorandum will be available for inspection by the Haynes Shareholders during normal business hours for not less than 15 days ending with the date of the General Meeting (Saturdays, Sundays and public holidays excepted) at the registered office of the Company, Haynes Publishing, Sparkford, Somerset BA22 7JJ and will also be made available for inspection at the General Meeting and on the Company's website from the date of this memorandum until the Company's next accounts meeting.

2 March 2020