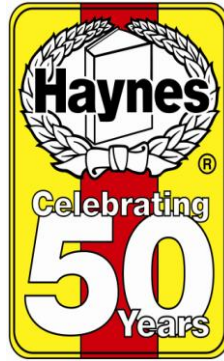


This notice of meeting is important. Please read it straight away. If you are in any doubt as to the contents of this document and/or the action you should take, you are recommended to seek personal financial advice from your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in the Haynes Publishing Group P.L.C., please send this document and all accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the transfer was effected so that they can be passed on to the person who now owns the shares.



Haynes Publishing Group P.L.C.

(Registered in England and Wales No.659701)

Notice of Annual General Meeting at 1:00pm on

Wednesday 13 October 2010

Haynes Publishing Group P.L.C.

(Registered in England and Wales No.659701)

Notice of Annual General Meeting at 1:00pm on Wednesday 13 October 2010

Notice is hereby given that the fiftieth Annual General Meeting (the "**AGM**") of Haynes Publishing Group P.L.C. (the "**Company**") will be held at the Conference Centre, Haynes International Motor Museum, Sparkford, near Yeovil, Somerset on Wednesday 13 October 2010 at 1:00pm.

The report of the Directors and the Financial Statements for the year ended 31 May 2010 will be laid before the meeting and the following items dealt with:

Ordinary business

1. **To receive the Director's Report and the Financial Statements for the year ended 31 May 2010, together with the report of the auditors**
2. **To declare a dividend**

To consider and if thought fit declare a final dividend of the Company by passing the following resolution:

That a final dividend for the year ending 31 May 2010 of 9.3p on each "A" ordinary share and each ordinary share be declared payable on 27 October 2010 to the shareholders registered in the register of members on 1 October 2010.

3. **To re-elect Mr D Benhardus as a director**
4. **To re-elect Mr MEF Haynes as a director**
5. **To re-elect Mr E Bell as a director**
6. **To re-elect Mr J Yates-Round as a director**
7. **To re-elect Mr A Kwarts as a director**
8. **To re-appoint BDO LLP as auditors, and to authorise the Directors to determine their remuneration**

To consider, and if thought fit, re-appoint BDO LLP as the Company's auditors by passing the following resolution:

THAT BDO LLP be and are hereby appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next General Meeting at which accounts are laid before the Company, and that the Directors are authorised to determine their remuneration.

9. **To approve the Directors' Remuneration Report**

Special business

10. **To adopt revised articles of association**

To consider, and if thought fit, adopt revised articles of association of the Company by passing the following as a Special Resolution:

That:

- (a) the articles of association of the Company be and are hereby amended by deleting to the fullest extent permitted by law all of the provisions of the Company's memorandum of association which, by virtue of Section 28 of the Companies Act 2006 (the "**Act**"), are to be treated as provisions of the Company's articles of association; and
- (b) the draft articles of association produced to the meeting and initialled for the purposes of identification by the chairman of the meeting be and they are adopted by the Company in substitution for, and to the exclusion of, its existing articles of association.

11. **To renew the Directors' powers to allot shares**

To consider, and if thought fit, renew the Directors' powers to allot shares by passing the following as an Ordinary Resolution:

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "**relevant securities**") up to an aggregate nominal amount of £1,090,102 provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2011, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

12. **Directors' power to allot shares for cash**

To consider, and if thought fit, renew the Directors' powers to allot shares for cash by passing the following as a Special Resolution:

That the directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under Section 551 of the Act conferred by resolution 11 above and/or by way of a sale of treasury shares (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment, provided that:

- (a) the power conferred by this resolution shall be limited to:
 - (i) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal value equal to £163,515; and
- (b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2011 except that the Company may before the expiry of this power 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 such an offer or agreement as if this power had not expired.

13. To authorise the Company to buy its own shares

To consider and, if thought fit, to renew the Directors' power to repurchase ordinary shares by passing the following resolution as a Special Resolution:

THAT, in accordance with section 701 of the Act, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of that Act) of its own ordinary shares on such terms and in such manner as the Directors of the Company shall determine, provided that:

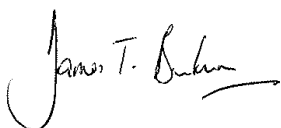
- (a) the maximum number of ordinary shares hereby authorised to be acquired is 1,500,000;
- (b) the maximum price which may be paid for each ordinary share is an amount equal to 105% of the average of the closing mid market prices for the ordinary shares of the Company (derived from the London Stock Exchange Daily Official List) for the five business days prior to the date of purchase and the minimum price per ordinary share is the nominal value thereof exclusive of any expenses payable by the Company; and
- (c) the authority hereby given shall expire at the conclusion of the Annual General Meeting of the Company in 2011 save that the Company may enter into a contract for the purchase of ordinary shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

14. To prescribe the notice period required for general meetings

To consider and, if thought fit, to renew the ability of the directors to call general meetings on 14 clear days' notice by passing the following resolution as a Special Resolution:

That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By Order of the Board



JT Bunkum, Group Company Secretary
14 September 2010

Registered Office:
Haynes Publishing Group P.L.C.
Sparkford
Yeovil
Somerset
BA22 7JJ

Explanatory notes

1. Pursuant to Part 13 of the Act and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6.00p.m. on Monday 11 October 2010 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM. You may check whether you are on the register and check the details held by the registrars by accessing them on the internet at www.capitashareportal.com.
2. If you wish to attend the AGM in person, please report to the registration desk at the meeting venue where your details will be checked against the share register and signature requested in order that your attendance be recorded.
3. A member who is entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote instead of him. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the AGM in order to represent his appointer. A proxy must vote in accordance with any instructions given by his appointer. Appointing a proxy will not prevent a member from attending in person and voting at the AGM (although voting in person at the AGM will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the AGM or another person as a proxy. A member can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.
4. The proxy, together with any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must be lodged by hand or by post at the registered office of Haynes Publishing Group P.L.C., Sparkford, Yeovil, Somerset BA22 7JJ or by electronic means (as set out in note 5 to the form of proxy) by 1:00pm on Monday 11 October 2010.
5. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it by the appointment of either a proxy (described in notes 3 to 4 above) or a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Act.
6. If you are a person who has been nominated by a member to enjoy information rights in accordance with section 146 of the Act, notes 3 and 4 above do not apply to you (as the rights described in these notes can only be exercised by members of the Company) but you may have a right under an agreement between you and the member by whom you were nominated to be appointed or to have someone else appointed, as a proxy for the meeting. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
7. Resolutions 1 to 9 and 11 overleaf are Ordinary Resolutions, each of which will be passed if more than 50% of the votes cast are in favour. Resolutions 10 and 12 to 14 are Special Resolutions, each of which will be passed if 75% or more of the votes cast are in favour. The Directors believe these resolutions are in the best interests of shareholders as a whole and therefore recommend that members should vote in favour of each of them.
8. The following documents are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the AGM and will also be available for inspection at the place of the meeting from 11.45 a.m. on the day of the meeting until its conclusion:
 - (a) copies of the executive directors' service contracts with the Company and letters of appointment of the non-executive directors; and
 - (b) a copy of the proposed new articles of association of the Company, and a copy of the existing articles of association marked to show the changes being proposed in resolution 10(b).Copies of the documents referred to in note 8(b) above will also be available for inspection at the offices of Osborne Clarke, One London Wall, London EC2Y 5EB from the date of this notice until the conclusion of the meeting.
9. As at 13 September 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 9,000,000 "A" ordinary shares and 7,351,540 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 13 September 2010 are 16,351,540.
10. The following information is available at <http://www.haynes.co.uk/investor/>: (1) The matters set out in this Notice of AGM; (2) the total numbers of shares in the Company, and shares in each class, in respect of which members are entitled to exercise voting rights at the AGM; (3) the totals of the voting rights that members are entitled to exercise at the AGM, in respect of the shares of each class; and (4) members' statements, members' resolutions and members' matters of business (if any) received by the Company after the first date on which notice of the AGM was given.
11. Members attending the AGM have the right to ask, and, subject to the provisions of the Act, the Company must cause to be answered, any questions relating to the business being dealt with at the AGM.
12. It is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) 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 AGM; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company cannot require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the 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 AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Explanation of the resolutions set out above (using the same numbering)

1. A copy of the Annual Report and Accounts 2010 has been sent to each shareholder. The document can also be found online at www.haynes.co.uk/investor/.
2. The Directors propose a final dividend of 9.3p per share. The final dividend can only be paid if more than 50% of the votes cast at the meeting are in favour of Resolution 2.
- 3 & 4. In accordance with the Articles of Association the number closest to one third of the Directors are required to submit themselves for re-election each year being those Directors who have been longest in office since their last re-election or appointment.

D Benhardus (aged 64). Dan was appointed as Group Finance Director on 1 June 2002. He is resident in California and is a Certified Public Accountant. He started his career with Arthur Young & Co. (now part of Ernst & Young) before going into private industry where he gained experience in the construction, cable television and market research industries as an accounting and finance executive. In 1998 he joined Haynes North America, Inc. as the Vice President of Finance. He retains his responsibilities as the Chief Financial Officer and Senior Vice President of Haynes North America Inc.

MEF Haynes (age 42). Marc Haynes completed a BSC (Hons) Business Degree at Manchester before joining the Haynes International Motor Museum as its Business Development Manager. Marc has made a considerable contribution to the museum, having successfully completed a number of innovative commercial ventures. He is now its Managing Director. Marc is also a Director of Haynes Developments Limited which is a property development, management and investment company operating in the UK. In 2008, Marc established Bute Motorsport Ltd, which is the promoter of the highly successful GT Cup motor racing series. Marc Haynes does not have a service contract with the Company.
5. In accordance with the Combined Code those non-executive Directors who have served more than nine years should offer themselves for re-election on an annual basis.

E Bell (age 61). Eddie Bell has held a number of senior positions spanning 30 years in book publishing. Latterly he was the executive Chairman and Publisher for Harper Collins UK and during his tenure was responsible for publishing the memoirs of both Mikhail Gorbachev and Lady Thatcher, and the autobiography of John Major. He is now a partner in Bell Lomax Moreton. Additionally, he holds several other non-executive positions both within and outside the publishing industry which includes Be Cogent Communications Ltd. and Management Diagnostics Ltd. Eddie Bell does not have a service contract with the Company.

The Chairman has confirmed that, following formal evaluation, the performance of the non-executive directors standing for re-election (and mentioned in Resolutions 4 & 5) continues to be effective and to demonstrate commitment to the role including commitment of time for Board and Committee meetings and any other duties.
- 6 & 7. Under the Articles of Association of the Company, any director appointed by the Board must retire at the first AGM after his appointment and may then offer himself for re-election.

J Yates-Round (age 49). Jeremy Yates-Round has worked in publishing for close to 30 years, gaining a sales background with Hodder & Stoughton in both domestic and international markets. During the 1990's Jeremy moved into sales management with Collins becoming Deputy Managing Director of the Religious division. In 2001 Jeremy joined the Haynes Group as Sales and Marketing Director for the Haynes Book Division and in 2002 was appointed Managing Director of Sutton Publishing prior to its successful sale in 2007. Following the sale of Sutton Publishing, Jeremy took over as Sales and Marketing Director of the Haynes UK operations and on 1 June 2010 was appointed Managing Director of the Haynes UK and European operations.

A Kwarts (age 55). Alex started his automotive career in 1985 with Olyslager, the Netherlands based publisher of Vehicle Owners Manuals and Technical Information for automotive professionals, where he became IT director and a member of the board. In 1995, together with two partners, Alex left Olyslager to form Vivid Automotive where from the outset the vision was to deliver automotive technical information in an entirely digital format. Indeed, Vivid Automotive was the first European company to offer automotive technical data via the Internet. Alex was the Company's IT director from formation in 1995 and was appointed Managing Director in August 2009. Alex is resident in The Netherlands.
8. At each General Meeting at which accounts are laid before the shareholders, the meeting is required to appoint auditors to serve until the next such meeting. Furthermore, it is the policy of the Board that the services offered by the auditors should be competitively reviewed by the Audit Committee every three years. Following such a review, and with the approval of the Committee, the Board recommends that the services of BDO LLP be retained and that the Directors be authorised to determine their remuneration.
9. The Company is required to put an ordinary resolution to shareholders at the AGM seeking approval to the Remuneration Report. This is an advisory resolution. The Remuneration Report is set out in full in the Report and Accounts.
10. A Special Resolution will be proposed in relation to the adoption of revised articles of association following the full implementation of the Companies Act 2006 in October 2009. The principal changes are set out in the annex to this notice of AGM.
11. Resolution 11 will be proposed as an Ordinary Resolution giving the Directors a general authority to allot further shares of the Company, having an aggregate nominal value of £1,090,102. This represents approximately one-third of the total ordinary share capital of the Company in issue at the date of this letter in accordance with institutional shareholder guidelines. The Directors have no present intention of exercising this authority. This authority will expire at the conclusion of the AGM to be held in 2011.
12. Resolution 12, which will be proposed as a Special Resolution, is to renew the Directors' authority to issue equity securities for cash otherwise than in proportion to existing holdings. This authority is limited to shares having a maximum aggregate nominal value of £163,515 which represents just under 5% of the total ordinary share capital of the Company in issue at the date of this letter. The figure of 5% is the amount recommended by the Pre-Emption Group as being likely to be considered by the shareholders as "routine". This authority will expire at the conclusion of the AGM to be held in 2011.
13. Resolution 13, which will be proposed as a Special Resolution, is to renew the Directors' authority to make market purchases of its ordinary shares. A buy-back of shares can be used to return value to shareholders and is frequently used by companies that have larger cash reserves than they currently need, as an easy means of reducing cash whilst enhancing earnings per share. Such shares would be cancelled and/or held in treasury. The authority being sought relates to 9% of the issued share capital. At present there are no outstanding warrants or options to subscribe for equity shares. In seeking this authority the Board is not indicating any commitment or present intention to purchase ordinary shares. The Directors would use the share purchase authority with discretion bearing in mind any impact on earnings per share, and purchases would only be made from funds not required for other purposes and in the light of market conditions prevailing at the time.
14. Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period. Before the coming into force of the Shareholders' Rights Regulations in August 2009, the Company was able to call certain general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 14, which is proposed as a Special Resolution, seeks such approval. AGMs will continue to be held on at least 21 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

EXPLANATORY NOTES IN RELATION TO THE PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, were treated as forming part of the Company's articles of association with effect from 1 October 2009. Resolution 10(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the revised articles of association (the "**New Articles**") also contain an express statement regarding the limited liability of shareholders.

2. Articles which duplicate statutory provisions

Provisions in the existing articles of association (the "**Current Articles**") which relate to provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include articles as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

3. Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice (provided that certain criteria set out in the Companies Act 2006 are met) whereas previously 21 days' notice was required.

4. Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been amended in the New Articles.

5. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

6. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

7. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly certain of the relevant enabling provisions have been removed in the New Articles.

8. Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

9. Adjournments for lack of quorum

Under the Companies Act 2006, general meetings of the Company adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

10. Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. The New Articles have also been updated to reflect that multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder, multiple corporate representatives may be appointed and the chairman of a general meeting no longer has a casting vote.

11. Notice of board meetings

Under the Current Articles, when a director is abroad he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

12. Electronic and web communications

The Companies Act 2006 enables companies to communicate with members by electronic and/or website communications. The New Articles allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

13. Directors' indemnities and loans to fund expenditure

The Current Articles enable the Company to indemnify the directors against liability in certain limited circumstances. The Companies (Audit, Investigations and Community Enterprise) Act 2004 ("**CAICE**") amended the Companies Act 1985 to broaden the scope of permitted indemnities which a company may grant to a director. In broad terms, the changes introduced by CAICE enabled a company to indemnify its directors against any liability incurred by a director to any person (other than the Company or any associated company) in connection with any negligence, default, breach of duty or breach of trust in relation to the Company (which was previously prohibited under section 310 Companies Act 1985), and to provide its directors with funds to cover the costs incurred by a director in defending legal proceedings against him or her. Previously, a company was only able to fund a director's defence costs once final judgment in their favour had been reached.

The Companies Act 2006 has in some areas widened further the scope of the powers of a company to indemnify its directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the Company's activities as trustee of the scheme. In addition, the exemption afforded by CAICE allowing a company to provide money for the purpose of funding a director's defence costs now expressly covers regulatory proceedings and applies to associated companies.

As directors are increasingly being added as defendants in legal actions against companies, and litigation is often very lengthy and expensive, the board believes that the risk of directors being placed under significant personal financial strain is increasing. Further, the board believes that the ability to provide appropriate indemnities and to fund directors' defence costs as they are incurred, as permitted by the Companies Act 2006, afford the directors reasonable protection, and are important to ensure that the Company continues to attract and retain the highest calibre of directors.

Notes for completion of the Form of Proxy

- (1) A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him. A proxy need not also be a member of the Company but must attend the AGM in order to represent his appointer. A member wishing to appoint someone other than the Chairman of the Meeting as his or her proxy should insert that person's name in the space provided in substitution for the reference to "*the Chairman of the Meeting*" (and delete that reference) and initial the alteration.
- (2) Please indicate by inserting an "X" in the appropriate box how you wish your vote to be cast on the Resolutions. If you mark the box "vote withheld" it will mean that your proxy will abstain from voting and, accordingly, your vote will not be counted either for or against the relevant resolution. If you fail to select any of the given options, the proxy can vote as he or she chooses or can decide not to vote at all.
- (3) If the proxy is being appointed for less than your full entitlement, please indicate above your signature the number of shares in relation to which that person is authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement or, if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.
- (4) A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A separate form of proxy must be deposited for each proxy appointed. Further copies of this form may be obtained from the Group Company Secretary on (01963) 442009 or on +44 (1963) 442009 if calling from outside the UK, or you may photocopy this form. If you appoint multiple proxies, please indicate above your signature, the number of shares in relation to which the person named on this form is 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 returned to the Group Company Secretary together in the same envelope to the address specified in note 5 below. Where multiple proxies are appointed, failure to specify the number of shares to which this proxy appointment relates or specifying a number which exceeds the number held by the member when totalled with the number specified on other proxy appointments by the same member, will render all the appointments invalid.
- (5) To be valid, this form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be received by post or (during normal business hours only) by hand at the registered office of the Company at Sparkford, Yeovil, Somerset BA22 7JJ by 1:00pm on 11 October 2010. Alternatively, a scanned copy of the executed form of proxy may be deposited electronically at proxies@haynes.co.uk, to be received by 1:00pm on 11 October 2010.
- (6) The appointment of a proxy will not preclude a member from attending the Meeting and voting in person but, if he or she does so, this proxy appointment will terminate automatically.
- (7) An individual member or his attorney must sign this form. If the member is a company, this form of proxy must be executed under the common seal or signed on its behalf by an officer or attorney of the Company.
- (8) In the case of joint holders, the proxy appointment of the most senior holder will be accepted to the exclusion of any appointments by the other joint holders. For this purpose, seniority is determined by the order in which the names are stated in the register of members of the Company in respect of the joint holding.
- (9) A member wishing to change his or her proxy instructions should submit a new proxy appointment using the methods set out, and by the time limit specified, in note 5. Any changes to proxy instructions received after that time will be disregarded. A member who requires another form should contact the Group Company Secretary on (01963) 442009 or on +44 (1963) 442009 if calling from outside the UK. Subject to note 4, if a member submits more than one valid proxy appointment, the appointment received last before the time limit in note 5 will take precedence.
- (10) A member wishing to revoke his or her proxy appointment should do so by sending a notice to that effect to the Company to the address set out in note 5. The revocation notice must be received by the Company by the time limit set out in note 5. Any revocation notice received after this time will not have effect.