

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (FSMA) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

The Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), Ordinary Shares or an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), the Placing Shares. This document does not contain an offer of transferrable securities within the meaning of section 102B of FSMA and does not constitute a prospectus within the meaning of section 85 of FSMA. This document has not been examined or approved by the Financial Conduct Authority or the London Stock Exchange or any other regulatory authority.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will become effective and that dealings will commence on 16 December 2015. The Placing Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

HAYWARD TYLER GROUP PLC

(Incorporated in the Isle of Man under the Companies Act 2006 with Registered No. 010648V)

**Proposed Placing of 9,333,334 Ordinary Shares at a price
of 90 pence per share**

**Proposed amendment to Articles of Association to reduce the
Extraordinary General Meeting Notice Period**

and

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 12 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

The Notice of Extraordinary General Meeting to be held at 1 Kimpton Road, Luton, LU1 3LD at 11.00 a.m. on 15 December 2015, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the Extraordinary General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars at Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL by no later than 11.00 a.m. on 11 December 2015 (or, in the case of an adjournment of the Extraordinary General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of Extraordinary General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID 7RA36) by no later than 11.00 a.m. on 11 December 2015 (or, in the case of an adjournment, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting).

The completion and return of a Form of Proxy or use of the CREST Proxy Voting service will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

finnCap, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing. Persons receiving this document should note that finnCap will not be responsible to anyone other than the Company for providing the protections afforded to customers of finnCap or for advising any other person on the arrangements described in this document. finnCap has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by finnCap for the accuracy of any information or opinions contained in this document or for the omission of any information. finnCap, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland, or Japan. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Shareholders who are residents or citizens of any country other than the United Kingdom and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

The Placing Shares may not be and will not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland and will not be listed on the SIX Swiss Exchange. Neither this Circular nor any other offering or marketing material relating to the Placing Shares constitutes a prospectus as such term is understood pursuant to articles 652a or 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of SIX Swiss Exchange Ltd., and neither this Circular nor any other offering or marketing material relating to the Placing Shares may be publicly distributed or otherwise made publicly available in Switzerland. This Circular may not be copied, reproduced, distributed or passed on to others without the Company's prior written consent. Neither this Circular nor any other offering or marketing material relating to the Placing, the Company or the Placing Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Circular will not be filed with, and any subscription of Placing Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the any subscription of Placing Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes. The investor protection afforded to acquirers of interests in collective investment schemes under the such Act does not extend to acquirers of Placing Shares.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Hayward Tyler Group PLC at 1 Kimpton Road, Luton, LU1 3LD and on the Company's website, www.haywardtyler.com, for a period of one month from the date of this document.

FORWARD LOOKING STATEMENTS

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

DIRECTORS AND ADVISERS

Directors	John May, <i>Non-Executive Chairman</i> Ewan Lloyd-Baker, <i>Chief Executive Officer</i> Nicholas Flanagan, <i>Chief Financial Officer</i> Maurice Critchley, <i>Non-Executive Director</i>
Registered Agent	Peregrine Corporate Services Limited
Registered Office	Peregrine Corporate Services Limited Burleigh Manor Peel Road Douglas Isle of Man IM1 5EP
Business Address	1 Kimpton Road Luton LU1 3LD
Nominated Adviser and Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Solicitors to the Company	Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH
Solicitors to the Nominated Adviser and Broker	Jones Day 21 Tudor Street London EC4Y 0DJ
Auditors	Grant Thornton UK LLP 202 Silbury Boulevard Central Milton Keynes MK9 1LW
Registrars	Share Registrars Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL

PLACING STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document	45,801,522
Placing Price	90 pence
Number of Placing Shares	9,333,334
Number of Ordinary Shares in issue following Admission*	55,384,856
Percentage of the Enlarged Share Capital represented by the Placing Shares	16.85%
Gross proceeds of the Placing	£8.40 million
Estimated net proceeds of the Placing	£8.00 million

* This includes the Award Shares and assumes no further new Ordinary Shares are issued following the date of this document and before Admission.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Dispatch of this document to Shareholders (by first class post)	19 November 2015
Latest time and date for receipt of Form of Proxy	11.00 a.m. on 11 December 2015
Time and date of the Extraordinary General Meeting	11.00 a.m. on 15 December 2015
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 16 December 2015
CREST accounts to be credited with Placing Shares	16 December 2015
Despatch of definitive share certificates in respect of the Placing Shares in be held in certificated form	Within 10 days of Admission

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the Extraordinary General Meeting.

All references are to London time unless stated otherwise.

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

“Acquisition”	the acquisition of the trade and assets of the Peter Brotherhood business from Dresser-Rand Company Ltd, a Siemens-owned business, for a total consideration of US\$15 million, as conditionally announced on 12 October 2015, which completed on 30 October 2015;
“Admission”	the admission to trading on AIM of the Placing Shares becoming effective in accordance with Rule 6 of the AIM Rules;
“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange, as in force at the date of this document;
“Award Shares”	the 250,000 New Ordinary Shares granted as restricted shares to Ewan Lloyd-Baker on, and as announced on, 19 November 2015, subject to clawback under certain performance conditions. Admission is expected to be on or around 25 November 2015. Further details can be found in paragraph 7 of this document;
“Articles”	the articles of association of the Company;
“Board” or “Directors”	the directors of the Company;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Company”	Hayward Tyler Group PLC, a company incorporated in the Isle of Man with registered number 010648V;
“CREST”	the computerised settlement system to facilitate transfer of title to or interests in securities in uncertificated form operated by Euroclear UK & Ireland Limited;
“Enlarged Share Capital”	the entire issued ordinary share capital of the Company immediately following the allotment and issue of the Placing Shares (including the Award Shares);
“Existing Ordinary Shares”	the 45,801,522 Ordinary Shares currently in issue at the date of this document;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company, notice of which is set out at the end of this document;
“finnCap”	finnCap Ltd whose registered office is at 60 New Broad Street, London EC2M 1JJ;
“Form of Proxy”	the form of proxy for use at the Extraordinary General Meeting which accompanies this document;
“Group”	the Company and its subsidiary undertakings;
“Independent Directors”	the Directors of the Company who are not subscribing in the Placing, being John May, Ewan Lloyd-Baker and Nicholas Flanagan;

“Interim Results”	the interim results for the six month period ended 30 September 2015, as announced on 10 November 2015;
“LIBOR”	the London inter-bank offered rate;
“London Stock Exchange”	London Stock Exchange PLC;
“LTIP”	the Company’s 2015 Long Term Incentive Plan as announced on 23 June 2015;
“Notice of Extraordinary General Meeting”	the notice of the Extraordinary General Meeting, which is set out at the end of this document;
“Ordinary Shares”	the ordinary shares of £0.01 each in the share capital of the Company;
“Peter Brotherhood”	being the trade and assets of the Peter Brotherhood business as acquired from Dresser-Rand Company Ltd, announced on 12 October 2015 and from 2 November 2015, Peter Brotherhood Limited;
“Placing”	the conditional placing of the Placing Shares by finnCap, pursuant to the Placing Agreement;
“Placees”	the subscribers for the Placing pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and finnCap on 19 November 2015;
“Placing Price”	90 pence per Placing Share;
“Placing Shares”	up to 9,333,334 new Ordinary Shares to be issued by the Company at the Placing Price pursuant to the Placing;
“Registrars”	Share Registrars Ltd;
“Related Party Transaction”	a related party transaction, as defined by the AIM Rules;
“Resolutions”	the resolutions to be proposed at the Extraordinary General Meeting, as set out in the Notice of Extraordinary General Meeting;
“Shareholder(s)”	the holder(s) of Ordinary Shares;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	a share or security recorded in the Company’s register of members as being held in uncertificated form, title to which may be transferred by means of CREST; and
“US” or “United States”	the United States of America.

Letter from the Chairman of Hayward Tyler Group PLC

HAYWARD TYLER GROUP PLC

(Incorporated in the Isle of Man under the Companies Act 2006 with Registered No. 010648V)

Directors:

John May (*Non-Executive Chairman*)
Ewan Lloyd-Baker (*Chief Executive Officer*)
Nicholas Flanagan (*Chief Financial Officer*)
Maurice Critchley (*Non-Executive Director*)

Registered office:

Burleigh Manor
Peel Road
Douglas
Isle of Man IM1 5EP

19 November 2015

To Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder,

Proposed Placing of 9,333,334 Ordinary Shares at a price of 90 pence per share

Proposed amendment to Articles of Association to reduce the Extraordinary General Meeting Notice Period

and

Notice of Extraordinary General Meeting

1. Introduction

The Company today announced that it has conditionally raised approximately £8.4 million (before expenses) through the proposed Placing of 9,333,334 new Ordinary Shares at the Placing Price.

It is proposed that the net proceeds of the Placing (approximately £8.0 million) will be primarily used as follows:

- to repay the £5 million 12 month bridging facility used to part fund the Acquisition;
- for further investment in the Luton factory to allow the Company to utilise the full grant funding available to it;
- to accelerate investment in the Peter Brotherhood premises; and
- for general working capital purposes.

The Placing is conditional (among other things) upon Shareholders passing Resolution 1 at the Extraordinary General Meeting.

The purpose of this document is to provide you with information regarding the Placing, to explain why your Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why it unanimously recommends that you should vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, notice of which is set out at the end of this document.

2. Background and reasons for the Placing

The Company announced on 12 October 2015 the acquisition of the trade and assets of the Peter Brotherhood business from Dresser-Rand Company Ltd, a Siemens-owned business, for a total consideration of US\$15.0 million, subject to an adjustment for a working capital benchmark. Peter Brotherhood is a UK-based engineering business specialising in steam turbines, reciprocating gas

compressors and combined heat and power units for sugar processing, power generation, oil and gas, marine, process and petrochemical markets. The Directors believe that the aftermarket will be key both in terms of long term service agreements for combined heat and power supply and also due to an ageing installed base. The Acquisition has increased Hayward Tyler's scale, number of customers and orders and diversifies the Group's operations and the Directors believe that there is an opportunity to improve gross and operating margins at Peter Brotherhood. The consideration was paid in cash and was wholly funded through new debt facilities of £11.0 million, including a £5.0 million bridging facility from NatWest Bank.

The Directors believe that given the recent strength in the Company's share price, this is an optimal time for the refinancing of the £5.0 million bridging facility due to the future savings in interest payments (which is 4.75 per cent. above LIBOR, with the Directors estimating an annual cost saving circa £0.25 million in relation to this facility alone), whilst minimising dilution for the existing Shareholders. Additionally, the Placing will assist in realigning the net debt:EBITDA ratio to the Company's target multiple of below two times EBITDA.

The Directors are intending to make further investment into the Company's Luton Centre of Excellence for Phase 2 of the improvement programme to install a new roof, solar panels and a new façade to the existing building. The Directors believe that if they can commence this work whilst contractors are still on-site, this will also achieve cost savings. In addition, and as previously announced, the Company has received a grant from the Regional Growth Fund, of which £0.445 million remains, subject to making further cash investment into the Luton premises by March 2016. Therefore, proceeds from the Placing will allow the Company to utilise the remaining grant funding.

Furthermore, the Company anticipates further investment being required for the Peter Brotherhood freehold property and the Placing proceeds will help accelerate this investment. The Directors have also discussed effecting a sale and leaseback transaction in the medium term and the Directors believe that making an investment into the freehold property will assist in optimising its value, should a sale and leaseback be pursued. Furthermore, the Directors believe that the Placing will improve the Company's covenant, thus potentially reducing the yield and increasing the cash proceeds from a sale and leaseback of the Peter Brotherhood property.

Additionally, by reducing the Company's debt by an overall £8.0 million, not including the additional £0.445 million from the Regional Growth Fund grant, the Company will have further debt capacity to support the on-going growth of the Group and its working capital requirements, if required and on potentially more favourable rates.

3. Use of Proceeds

The Directors intend to use the proceeds of the Placing for the following purposes:

- £5.0 million for the repayment of the bridging facility resulting from the Acquisition, thus saving the Company interest payments at 4.75 per cent. over LIBOR over the remainder of the 12 month term of this facility;
- £1.5 million for completion of the façade of the Company's Luton Centre of Excellence, a new roof and solar panels to improve the environmental footprint and to take advantage of the £0.445 million Regional Growth Fund grant funding available to the Company, which needs to be claimed before end of March 2016;
- £1.0 million for general investment purposes relating to the Peter Brotherhood freehold property; and
- £0.9 million for on-going working capital requirements, including the costs associated with the Placing.

4. Placing

The Company has conditionally raised, in aggregate, £8.4 million (before expenses) through the issue of the Placing Shares at the Placing Price. The Placing Shares will represent approximately 16.85 per cent. of the Company's Enlarged Share Capital immediately following Admission. The Placing Price represents a price equivalent to the closing middle market price on 18 November 2015 (being 90 pence), being the last practicable date prior to the announcement of the Placing. The Placing Shares will rank in full for all dividends with a record date on or after the date of Admission and otherwise equally with the existing Ordinary Shares from the date of Admission.

The Placing (which is not underwritten) is conditional, amongst other things, upon:

- Resolution 1 being duly passed;
- none of the warranties or undertakings given to finnCap prior to Admission being or becoming untrue, inaccurate or misleading in any material respect; and
- Admission,

in each case by no later than 8.00 a.m. on 16 December 2015 (or such time and date as the Company and finnCap may agree, being not later than 5.00 p.m. on 31 December 2015).

Maurice Critchley, a Director of Hayward Tyler has subscribed to the Placing. The extent of his subscription in the Placing is set out in paragraph 5 below.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, finnCap, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Placing Agreement contains customary warranties given by the Company in favour of finnCap in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify finnCap in relation to certain liabilities which it may incur in respect of the Placing.

finnCap has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of *force majeure*, a breach of the warranties or a material adverse change.

The Placing is not underwritten.

Settlement

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares, on 16 December 2015.

It is expected that CREST accounts of the Placees who hold their Ordinary Shares in CREST will be credited with their Placing Shares on 16 December 2015. In the case of Placees holding Ordinary Shares in certificated form, it is expected that certificates will be despatched within 10 days of Admission.

5. Director's Participation in the Placing

Maurice Critchley, a Non-Executive Director of the Company, has agreed to subscribe for, in aggregate, 1,431,761 Placing Shares at the Placing Price. His disclosable interest is set out below:

<i>Director</i>	<i>Placing Shares to be subscribed for</i>	<i>Total Shareholding on Admission</i>	<i>Percentage of Enlarged Share Capital on Admission</i>
Maurice Critchley	1,431,761	4,168,131	7.53

6. Current Trading and Outlook

The Company announced its interim results for the half year ended 30 September 2015 on 10 November 2015. Revenue for 1H2016 was £21.8 million (1H2015: £24.0 million) and trading profit before tax was level at £1.8 million (1H2015: £1.8 million) despite investment of £0.5 million (1H2015: £0.2 million) in the Luton Centre of Excellence. The Company's fully diluted trading earnings per share increased by 19 per cent. to 3.87 pence (1H2015: 3.26 pence).

The Company has recently completed its first acquisition as a PLC, the acquisition of the Peter Brotherhood business. The Directors believe that, with Peter Brotherhood the Company has the opportunity to take an

underinvested, unloved, orphan asset and transform it both through focus on continuous improvement and the ability to leverage off the existing sales networks of the two businesses. The Directors also believe that the Peter Brotherhood operation has the potential to mark a significant step change in the scale and size of the overall Group.

In addition, the Company recently signed an agency agreement with Ebara Corporation, a leading Japanese manufacturer of pumps for the energy, oil and gas, and general industry sectors to specifically supply Hayward Tyler's boiler circulating pumps in Japan and globally through Ebara with a number of major Engineering, Procurement and Construction groups.

As signalled at the time of the release of the Interim Results, the Company anticipates that the normal second half weighting to deliver the overall growth in both revenue and profit for the year to meet management's expectations. This is likely to be driven in particular by a stronger performance from the US operations and a higher proportion of nuclear related spares. Additionally, the investment made into the Centre of Excellence combined with the Civil Nuclear Sharing in Growth programme will assist in positioning Hayward Tyler as a provider of equipment to the new build nuclear industry in the UK. Overall, the order outlook remains positive across the range of market segments, particularly in the conventional power market.

7. Grant of Options

Further to the Acquisition and in order to further align management with the successful growth of the Peter Brotherhood business, the Company today announced that it has granted certain Directors and senior managers either nominal options over Ordinary Shares or restricted Ordinary Shares for which the participant pays only the nominal value of the shares, under the LTIP (the "**Awards**"). The nominal options will vest 18 months from the date of grant, subject to continued service and the achievement of certain performance conditions attached to the successful development and growth of the Peter Brotherhood business (the "**Performance Conditions**"), the restricted Ordinary Shares are issued and allotted at the date of grant, subject to clawback under the same Performance Conditions.

The following Awards have therefore today been granted to certain Directors under the LTIP, as set out below:

<i>Director</i>	<i>Current beneficial interest</i>	<i>Number of Awards granted</i>	<i>Resultant beneficial interest following the Awards grant</i>	<i>Resultant beneficial interest following the Awards grant %</i>	<i>Resultant beneficial interest in the Enlarged Share Capital %</i>
Ewan Lloyd-Baker	3,951,564*	250,000**	4,201,564***	9.12***	7.59***
Nicholas Flanagan	384,333	110,000	384,333	0.83	0.69

In addition, 140,000 Awards (in aggregate) have today been granted to three senior managers in the Group.

*Includes 294,118 Ordinary Shares that are restricted shares that are subject to clawback, pursuant to the Performance Conditions attached to the 2015 LTIP.

**restricted shares, for which admission to AIM has been sought and is expected to be on or around 25 November 2015.

***Includes 544,118 Ordinary Shares (being the sum of the 294,118 Ordinary Shares plus the 250,000 Ordinary Shares) that are restricted shares that are subject to clawback, pursuant to the Performance Conditions attached to the 2015 LTIP.

Vesting Performance Condition

The LTIPs will vest only if Peter Brotherhood delivers an operating profit (before intercompany charges) of £1.6 million or higher, and/or revenues of £27.5 million or higher, in the audited results for the 12 months to 31 March 2017.

Exercise Period

Options which have vested may be exercised up to 10 years from the date of grant.

8. Dividend Policy

The Company has a progressive dividend policy. As announced in the Interim Results, the Directors declared an interim dividend of 0.552 pence per Ordinary Share, which will be paid on 25 February 2016 to all Shareholders on the register on 15 January 2016, the ex-dividend date being 14 January 2016.

Conditional upon Admission, the Placing Shares will rank *pari passu* with the Existing Ordinary Shares and therefore the Placing Shares will be entitled to receive an interim dividend of 0.552 pence per Ordinary Share.

9. Related Party Transaction

Harwood Capital Participation

Pursuant to the Placing, Harwood Capital LLP (“**Harwood**”) is subscribing for 1,884,945 Placing Shares. This subscription for Placing Shares will result in Harwood being interested, in aggregate, in 11,134,945 Ordinary Shares, representing approximately 20.10 per cent. of the Company’s Enlarged Share Capital.

Harwood is a Substantial Shareholder under the AIM Rules and therefore the participation of Harwood in the Placing constitutes a related party transaction under Rule 13 of the AIM Rules.

Accordingly, the Independent Directors consider, having consulted with finnCap in its capacity as Nominated Adviser to the Company, that the terms of Harwood’s participation in the Placing is fair and reasonable insofar as the Company’s shareholders are concerned.

Director Participation

Pursuant to the Placing, Maurice Critchley, Non-Executive Director of the Company is subscribing for 1,431,761 Placing Shares. This subscription for Placing Shares will result in Mr Critchley being interested, in aggregate, in 4,168,131 Ordinary Shares, representing approximately 7.53 per cent. of the Company’s Enlarged Share Capital.

By virtue of Mr Critchley being a Director of the Company, his subscription for Placing Shares constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules.

Accordingly, the Independent Directors consider, having consulted with finnCap in its capacity as Nominated Adviser to the Company, that the terms of Mr Critchley’s subscription in the Placing is fair and reasonable insofar as the Company’s shareholders are concerned.

Additionally, although not a related party transaction pursuant to the AIM Rules, shareholders are advised that Lloyd-Baker & Associates LLP (“LBA”), a partnership that Ewan Lloyd-Baker, Chief Executive Officer of the Company, is a partner of, is due to receive a fee of up to £99,000 in relation to the identification and brokering of the Acquisition. Ewan Lloyd-Baker has waived his claim to any portion of the fee due and will not in any way personally gain from LBA’s involvement.

10. Amendment to the Company’s Articles of Association

The Board is asking Shareholders to approve an amendment to the Articles. This amendment, if approved by the requisite majority, will reduce the notice period required to be given to Shareholders in connection with the convening of extraordinary general meetings of the Company. Currently, the Articles require twenty-one clear days’ notice to be given to Shareholders in relation to an extraordinary general meeting of the Company convened for the passing of a special resolution or a resolution appointing a person as a Director. If Resolution 2 as set out in the Notice of Extraordinary General Meeting is passed, it will have the effect of reducing this notice period to fourteen clear days.

11. Extraordinary General Meeting

A notice is set out at the end of this document convening the Extraordinary General Meeting to be held at the offices of Hayward Tyler Group PLC, 1 Kimpton Road, Luton, LU1 3LD on 15 December 2015 at 11.00 a.m. at which the following Resolutions will be proposed:

Resolution 1, which will be proposed as a special resolution, disapplies statutory pre-emption rights, provided that such authority shall be limited to, *inter alia*, the allotment of such number of new Ordinary Shares as are necessary for the Placing. Such authority shall be without prejudice to the authorities granted pursuant to the resolutions passed at the Company's annual general meeting, held earlier this year. It is considered prudent to maintain the flexibility that the authorities granted at the Company's last annual general meeting provide.

Resolution 2, which will be proposed as a special resolution, will amend regulation 50.1 of the Articles to permit extraordinary general meetings to be convened on not less than fourteen clear days' notice in writing. Currently twenty-one clear days' notice in writing is required to be given in relation to extraordinary general meetings convened for the passing of a special resolution or a resolution appointing a person as a Director. It should be noted that, if Resolution 2 is passed, twenty-one clear days' notice in writing will still be required to be given to Shareholders of all annual general meetings.

12. Action to be taken

Please check that you have received the following with this document:

- a Form of Proxy for use in relation to the Extraordinary General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

Whether or not you intend to be present in person at the Extraordinary General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand, at Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, 9, Farnham, Surrey, GH9 7LL, as soon as possible but in any event so as to arrive by not later than 11.00 a.m. on 11 December 2015 (or, in the case of an adjournment of the Extraordinary General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of Extraordinary General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID 7RA36) by no later than 11.00 a.m. on 11 December 2015 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the Extraordinary General Meeting in the event of your absence. The completion and return of a Form of Proxy or the use of the CREST Proxy Voting service will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you wish to do so.

13. Recommendation

The Directors consider the Placing and the proposal to amend the Articles to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 7,114,230 Existing Ordinary Shares, representing approximately 15.53 per cent. of the Existing Ordinary Shares.

Yours faithfully

John May
Non-Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

HAYWARD TYLER GROUP PLC

(Incorporated in the Isle of Man under the Companies Act 2006 with Registered No. 010648V)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Hayward Tyler Group PLC (the **Company**) will be held at 1 Kimpton Road, Luton, LU1 3LD on 15 December 2015 at 11.00 a.m. to consider, and if thought fit, pass the following resolutions which will be proposed as special resolutions.

For the purposes of these Resolutions capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in a circular from the Company to its Shareholders dated 19 November 2015.

SPECIAL RESOLUTION

Resolution 1

That, without prejudice to the authority granted to the Directors pursuant to resolution 6 passed at the annual general meeting held on 30 July 2015 (which shall continue in full force and effect in accordance with that resolution), the Directors be given the power to allot Ordinary Shares for cash as if article 4.2 of the Company's articles of association (*pre-emption rights on allotment*) did not apply to any such allotment provided that such power be limited to the allotment of equity securities in connection with the Placing.

Resolution 2

That, regulation 50.1 of the Articles be deleted in its entirety and the following provision be inserted in the Articles in place thereof:

"An annual general meeting shall be convened by not less than twenty-one clear days' notice in writing. Extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. Notwithstanding that if a meeting is convened by a shorter notice than that specified in this Article, it shall be deemed to have been properly convened if it is so agreed by all the members entitled to attend and vote at the meeting."

By order of the Board:

Registered office:

Peregrine Corporate Services Limited
Registered Agent

Burleigh Manor, Peel Road
Douglas
Isle of Man IM1 5EP

Dated: 19 November 2015

Notes

- (1) Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006, the Company specifies that only those members registered on the Company's register of members at 6.00 p.m. on 11 December 2015 shall be entitled to attend and vote at the Extraordinary General Meeting.
- (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 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 Extraordinary General 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 Extraordinary General Meeting to represent you. Details of how to appoint the Chairman of the Extraordinary General 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 Extraordinary General 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, please contact the Company's transfer agents at the address set out in note 6.
- (5) The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

- (6) To be valid, forms of proxy duly completed, signed or sealed (as appropriate) and dated, together with any power of attorney or other authority (if any) under which it is signed or any notarially certified copy thereof must be received, by personal delivery or posting, by 11.00 a.m. on 11 December 2015 (or not less than 48 hours before the time of any adjourned meeting) at the Company's transfer agent's office at Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL, by fax to: +44 (0)1252 719232 or by scan and email to proxies@shareregistrars.uk.com. Receipt of a form of proxy will not prevent a member from attending and voting in person.
- (7) The form of proxy must be executed by the member or his attorney duly authorised in writing and (in the case of an individual) must be signed by the individual or his attorney duly authorised in writing or (in the case of a corporation) either executed under its common seal or signed on its behalf by a duly authorised officer or attorney of the corporation.
- (8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST manual. 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 by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST manual (available via www.euroclear.com/CREST). 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 registrar (ID: 7RA36) by 11.00 a.m. on 11 December 2015 (or not less than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrar 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 Limited does not make available special procedures in CREST for any particular messages. Normal system timings 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(s), to procure that his/her 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 system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 18(4)(a) of the Uncertificated Securities Regulations 2006.

- (9) In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the relevant joint holding.
- (10) Except as provided above, members who have general queries about the Extraordinary General Meeting should contact the Company's Investor Relations department by emailing irdesk@haywardtyler.com.
- (11) As at 5.00 p.m. on the day immediately prior to the date of posting of this notice of Extraordinary General Meeting, the Company's issued share capital comprised 45,801,522 ordinary shares of 1p each. Each ordinary share carries the right to one vote at an Extraordinary General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this Notice of Extraordinary General Meeting is 45,801,522.

