



11th October 2019

Dear Fellow Shareholder

**Disposal Update
Proposed Members' Voluntary Liquidation
Notice of General Meeting**

On the 29th August I wrote to you advising that your Board of Directors had accepted an offer from Quaker Houghton of Pennsylvania, USA to acquire the Group's operating subsidiaries.

The offer was subject to German Antitrust approval and I am pleased to report that approval has now been confirmed, which allowed the sale of the trading activities of Norman Hay plc to be completed on 1st October 2019.

We now wish to conclude the company's affairs and distribute the proceeds of the sale to our shareholders.

Having taken advice on how best to effect this distribution, we have concluded that we should seek shareholder approval to place the Company into Members' Voluntary Liquidation thus allowing a Liquidator to distribute the company's surplus funds to shareholders. This will effectively be the proceeds of sale which are distributable to shareholders after taking into account the funds required by the Company to finalise its affairs and to satisfy its outstanding obligations.

It is anticipated that a cash distribution to shareholders of a large proportion of the proceeds of the disposals will take place within a few months of the appointment of the Liquidators and we anticipate a second interim distribution being made once the company's tax affairs have been finalised. However, the exact timings of all distributions will be dependent on the position in respect of assets and liabilities and it will be undertaken by the Liquidators.

The timing of a final distribution will be subject to the realisation of all assets and the settlement of any potential claims and the receipt of any necessary clearances.





NORMAN HAY
PLC

In order to appoint Liquidators, the Directors have determined that shareholders should consider a number of resolutions at a General Meeting and notice of this is enclosed together with details of the proposed resolutions.

Enquiries prior to the General Meeting for further information regarding either the sale or the liquidation process should be made to:

Sale:

Vic Bellanti, Chief Executive of Norman Hay plc
tel: +44 (0)24 7622 9373 or email: vic.bellanti@normanhay.com

Liquidation:

BDO LLP
tel: +44 (0)15 1237 4497
email: normanhay@bdo.co.uk

Recommendation

As stated in my previous letter, the Directors considered that the sale of the trading Divisions to Quaker Houghton was in the best interests of the Company and Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions numbered 1 and 2 as they intend to do in respect of the 2,828,824 Ordinary Shares currently beneficially owned or controlled by them. In aggregate, this represents approximately 19.1 per cent of the existing Issued Share Capital of the Company.

And finally, thank you for being one of our loyal shareholders and sticking with us over the years. It has been quite a journey !

With very best wishes

Peter L Hay
Chairman



General Meeting

NOTICE IS GIVEN pursuant to Section 84 of the Insolvency Act 1986, that a General Meeting of the Company will be held at Lyons Park, Sayer Drive, Coventry, CV5 9PF on Wednesday 30th October 2019 at 11.30 a.m. for the purpose of considering and passing special & ordinary resolutions set out below.

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him / her. A proxy need not be a member of the company.

Resolution 1 will be proposed as a special resolution:

That the Company be wound up voluntarily pursuant to section 84(1)(b) of the Insolvency Act 1986 and the Company's articles of association.

In the event that the above resolution is passed, further resolutions will be proposed as follows: -

Resolution 2 will be proposed as an ordinary resolution:

That Edward Kerr (officeholder number 9021) of BDO LLP, Two Snowhill, Snow Hill Queensway, Birmingham, B4 6GA and Malcolm Cohen (officeholder number 6825) of BDO LLP, 55 Baker Street, London, W1U 7EU be appointed to act as Joint Liquidators for the purpose of winding up the Company's affairs.

Resolution 3 will be proposed as a special resolution:

That the Joint Liquidators be authorised to distribute all or any part of the assets of the Company in specie to the shareholders in such proportion as they mutually agree.

Resolution 4 will be proposed as an ordinary resolution:

That the Joint Liquidators' fees be paid on a time costs basis plus disbursements and VAT.

Resolution 5 will be proposed as an ordinary resolution:

That the Joint Liquidators may expense any mileage costs incurred by them or their staff to the Liquidation as a category 2 disbursement charged in line with the HMRC Approved Mileage rate of 45 pence per mile.

By Order of the Board

Nicholas Ogden
Company Secretary
11 October 2019



Notes

1. In order to attend and vote at the meeting, shareholders must be entered on the register of members by 6.00 p.m. on Monday 28th October 2019.
2. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.
3. With regard to resolutions 4 and 5, please find enclosed a note setting out BDO LLP's fee and expense policy which provides further detail.

Action to be taken

Shareholders will find enclosed a Form of Proxy for use in connection with the General Meeting.

Whether or not you intend to be present at the meeting you are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to be received by the Company's Registrars, no later than 11.30 a.m. on Monday 28th October 2019.

The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting should they wish to do so.