

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or otherwise transfer, or have sold or otherwise transferred, all of your Ordinary Shares, please forward this document together with the accompanying Form of Proxy at once to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or otherwise transfer or have sold or otherwise transferred part only of your holding of Ordinary Shares, please retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.



## **NORMAN HAY plc**

*(incorporated and registered in England and Wales under the Companies Acts  
1948 to 1980 with registered number 405025)*

### **Proposed cancellation of admission to trading on AIM of the Ordinary Shares**

**and**

### **Notice of General Meeting**

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This document should be read as a whole in conjunction with the accompanying Form of Proxy. Your attention is drawn to the letter to Shareholders from the Chairman of Norman Hay which is set out on page 4 of this document. The letter contains a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting of Shareholders of Norman Hay to be held at the Company's offices, Godiva Place, Coventry, CV1 5PN at 11.00 a.m. on 31 August 2010 is set out at the end of this document. A Form of Proxy to be used in connection with the Resolution to be proposed at the General Meeting is enclosed. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand, so as to be received by Equiniti, Aspect House, Lancing, West Sussex, BN99 6ZR as soon as possible but in any event so as to arrive by no later than 11.00 a.m. on 29 August 2010. Completion and return of a Form of Proxy will not prevent you from attending and voting at the General Meeting should you wish to do so.

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## EXPECTED TIMETABLE OF EVENTS

Publication and despatch of this document (and the Form of Proxy) to Shareholders	6 August 2010
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 29 August 2010
General Meeting	11.00 a.m. on 31 August 2010
Last day of dealings in Ordinary Shares on AIM	7 September 2010
Delisting takes effect	7.00 a.m. on 8 September 2010

### Notes:

- (1) If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through the regulatory information service of the London Stock Exchange.
- (2) All references in this document are to London times.
- (3) The Delisting requires the approval of not less than 75 per cent of the votes cast by Shareholders at the General Meeting.

## DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy unless the context requires otherwise:

“Admission”	the admission of the Ordinary Shares to trading on AIM
“AIM”	the market known as AIM operated by the London Stock Exchange
“AIM Rules”	the rules applicable to companies whose securities are traded on AIM and their advisors published by the London Stock Exchange, as amended from time to time
“Board” or “Directors”	the existing directors of the Company, whose names are set out on page 4 of this document
“Business Day”	a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business
“certificated form”	where a security is not held in uncertificated form (i.e. not recorded on the Register as being held in uncertificated form in CREST)
“Company” or “Norman Hay”	Norman Hay plc, registered in England and Wales with number 405025
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
“Delisting”	the proposed cancellation of the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting or any adjournment of such meeting
“General Meeting”	the general meeting of Shareholders to be held at the offices of Norman Hay, Godiva Place, Coventry, CV1 5PN at 11.00 a.m. on 31 August 2010 (or any adjournment thereof), notice of which is set out at the end of this document and any adjournment thereof
“Group”	the Company and its subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc
“Optionholder”	holders of share options under the Share Option Scheme
“Ordinary Shares” or “Shares”	ordinary shares of 10p each in the capital of the Company
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
“Resolution”	the resolution to be proposed at the General Meeting in the form set out in the notice of General Meeting
“Share Option Scheme”	Norman Hay plc Enterprise Management Incentive Scheme
“Shareholders”	the holders of Ordinary Shares and “Shareholder” means any one of them
“Share Price”	the closing middle market price on AIM per Ordinary Share (as derived from the Official List of the UK Listing Authority)

## LETTER FROM THE CHAIRMAN

### **NORMAN HAY plc**

*(incorporated and registered in England and Wales under the Companies Acts  
1948 and 1980 with registered number 405025)*

**Directors:**

Peter Hay (Chairman)  
Victor Bellanti (Chief Executive)  
Nick Ogden (Group Financial Director)  
David Miller (Non-Executive Director)

**Registered office:**

Godiva Place  
Coventry  
CV1 5PN

6 August 2010

To Shareholders and, for information only, to Optionholders

Dear Shareholder,

### **PROPOSED CANCELLATION OF ADMISSION TO TRADING ON AIM OF THE ORDINARY SHARES**

#### **1. Introduction**

The Company announces that it is seeking Shareholder approval for the cancellation of the admission of its Ordinary Shares to trading on AIM.

The purpose of this letter is to explain the background to the Delisting and the reasons why the Directors unanimously consider it to be in the best interests of the Company and its Shareholders as a whole and to seek your approval to the Delisting at the General Meeting convened for this purpose. The notice of the General Meeting is set out at the end of this document.

#### **2. Background to and reasons for the Delisting**

The Company was admitted to trading on AIM in November 2000 having previously traded on the Official List of the London Stock Exchange for over 25 years.

The Directors believe that the Company will not benefit from its continued admission to trading on AIM. The Directors consider AIM to be a drain on management time and the ongoing costs and regulatory requirements associated with maintaining the Company's listing outweigh any other potential benefits. The current costs of the Company's shares being admitted to trading on AIM total approximately £90,000 per annum which the Directors are confident could be better used in running the business. The Directors believe that the Company will be able to utilise the annual costs and the significant amount of senior management time entailed in maintaining Admission towards growing the business for the benefit of Shareholders.

Further, the Directors believe that the Company will not be able to access funds from the issue of equity capital or use shares to effect acquisitions.

If the Delisting is approved by Shareholders, the Directors intend to operate the underlying business with a view to returning long term value to Shareholders which the Directors believe will be more easily achieved if the Delisting is approved.

The Directors believe that a lower level of public scrutiny would enable the Group to continue to develop the business and perform better without the increasingly onerous disclosure requirements and the volatility of share price movements. The AIM Rules require the Company to disclose information which, in the opinion of the Directors, is commercially sensitive and can be accessed by competitors and customers, which the Directors believe is damaging to the development of the business.

The AIM Rules also require a company to obtain shareholder approval for disposals that exceed 75 per cent and acquisitions that exceed 100 per cent of any of the AIM Rules class tests. For a company with a small market capitalisation, like Norman Hay, this means there is the additional burden and costs of publishing a circular and obtaining shareholder approval before a transaction which exceeds these thresholds can be completed. If the Delisting is approved and the Company is no longer subject to the AIM Rules, the Company would be able to consider acquiring a new business or selling an operating subsidiary, unit or asset in order to return value to Shareholders without these additional costs.

In addition, the management time involved with adhering to the AIM Rules, for example, the preparation of announcements is disproportionate to the benefit to the Company.

The Directors believe that the volatility of the Company's share price frequently fails to adequately reflect the value of the underlying Group businesses and have little confidence that this underlying value will be fully appreciated whilst the Company retains its AIM Admission.

Although the Company has consistently declared dividends, this has not and does not attract new investors, particularly institutional investors to the Company. Over the last 3 years the Company has seen very limited liquidity in its shares and, although the perception of a large family shareholding may make an investment by a new investor

unattractive, the Company's share buy back facility approved by Shareholders has received only a small amount of interest from existing Shareholders wanting to dispose of their Shares.

The Directors believe that Shareholders find it very difficult to trade their Shares even though they are listed on AIM and therefore, the Directors believe that the "matched bargain trading facility" (described in paragraph 8 below) that they intend to put into place will be a suitable trading mechanism for the Ordinary Shares in the future and may make dealing easier and more cost effective for Shareholders.

For the reasons set out above the Board has concluded that it would be in the best interests of the Company and Shareholders as a whole if the AIM Admission were to be cancelled.

### **3. Current trading, strategy and prospects**

*As stated in the Chairman's and Chief Executive's statements in the Company's annual report and accounts for the year ended 31 December 2009 dated 19 May 2010:*

"The Company announced revenue of £26.2 million (2008: £27 million) with pre-tax profits of £865,000 (2008: £2.4 million) and an increased dividend of 4.3p (2008: 4.0p).

The cost reduction programme undertaken in the first half of 2009 mitigated the effects of a downturn in global trading. Additionally, revenue in the second half rose by 11 per cent compared to the first half.

It is expected that the Group's trading performance will continue to improve and will be further enhanced as the world economy returns to growth.

*In addition at the Company's recent annual general meeting on 23 June 2010, the Company made the following statement to update Shareholders on current trading:*

"Trading in 2010 has broadly improved, building upon the momentum that was gathering across the group during the second half of 2009.

Our automotive sealants business has in particular built upon the improvement seen in the second half of 2009, as global automotive manufacturing returns to pre-2009 levels. Demand from North America and the Asia-Pacific region has been particularly strong. However, we still remain cautious as to whether this upturn is sustainable in the longer term.

Our UK-based surface coatings operations have experienced mixed trading conditions in recent months. Those operations focused on oil and gas have continued to see declining revenues, although turnover at our zinc and alloy electroplating site based in Coventry has improved on 2009. The overseas surface coating operations have performed well, particularly Perth and ASTEC Dalian in China. The management restructure that we undertook last year in Perth has led to renewed focus and, consequently, substantially improved results.

The strong order book for our engineering business has meant a much improved result compared with the comparable period in 2009, as we continue to work on large overseas contracts. We have also gained new orders in 2010, and have received further enquiries this year for other major plant installations.

In April, we announced a partnership between TAM International, our construction chemicals division, and Normet, a global equipment manufacturer and distributor. Although these are still early days in our partnership, a strong working relationship has been developed in a very short space of time, creating opportunities both for TAM and Normet's complementary businesses. We are confident that this relationship will continue to go from strength to strength.

Diversification into international growth markets has served the Group well in recent months, although continued challenging economic conditions in Europe and more particularly the UK mean that we remain cautious in our outlook."

### **4. Effect of the Delisting on Shareholders**

The principal effects of the Delisting would be that:

- (a) there would no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM;
- (b) the Company would not be bound to announce material events, administrative changes or material transactions nor to announce interim or final results;
- (c) the Company would no longer be required to comply with any of the additional specific corporate governance requirements for companies admitted to trading on AIM;
- (d) the Company will no longer be subject to the AIM Rules and Shareholders will no longer be required to vote on certain matters as provided in the AIM Rules; and
- (e) upon the Delisting becoming effective, the Company's CREST facility will be cancelled.

In addition, the Delisting might have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent adviser.

The Board intends, however, to continue to:

- (a) post information relating to the Company on its website at [www.normanhay.com](http://www.normanhay.com);
- (b) hold general meetings in accordance with the applicable statutory requirements and the Company's articles of association; and
- (c) provide access to and/or provide copies of the Company's audited accounts in accordance with the applicable statutory requirements.

#### **5. Strategy following the Delisting**

Supplying high technology chemical systems, combined with bespoke engineering solutions, for the aerospace, automotive, oil and gas and construction industries around the world is proving to be an increasingly successful formula for the Group.

The Board expects challenging conditions to continue in 2010, however the Directors believe that Norman Hay's position is strong and the actions taken to improve efficiency and to diversify the product-led businesses into growth markets leaves the Company well placed to benefit from economic recovery.

The Company will continue to work at maximising value for its Shareholders which the Directors believe will be easier to achieve if the Delisting is approved as management time can be focussed on driving the business forward. Furthermore the Company will not have the requirements of the AIM Rules that cause an unnecessary burden and costs on the Company and the disclosure of information that the Directors believe is detrimental to the business.

The Company intends that future dividend payments will continue to be paid as they have historically, generally in line with the Company's financial results.

It is the Company's current intention to retain at least one non-executive director on the Board, in order to continue good corporate governance.

#### **6. Process for Delisting**

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the intention to delist subject to Shareholder approval. Under the AIM Rules, it is a requirement that the Delisting is approved by the requisite majority of Shareholders voting at the General Meeting (being not less than 75 per cent of the votes cast). Accordingly, the Resolution set out in the Notice of General Meeting at the end of this document seeks Shareholders' approval to the Delisting. Subject to the Resolution approving the Delisting being passed at the General Meeting, it is anticipated that trading in the Ordinary Shares on AIM will cease at the close of business on 7 September 2010 with Delisting taking effect at 7.00 a.m. on 8 September 2010.

Upon the Delisting becoming effective the Company will no longer be required to comply with the AIM Rules including the rules in relation to disclosure of information in relation to the Company. Shareholders should note however that the Company will nevertheless remain subject to the provisions of the City Code on Takeovers and Mergers.

#### **7. Irrevocable undertakings to vote in favour of the Resolution**

The Directors together with certain other Shareholders, intend to vote in favour of the Resolution in respect of their own beneficial holdings. The Directors have an aggregate holding of 2,605,620 Ordinary Shares and together with the 5,546,960 Ordinary Shares of certain other Shareholders, the Company has received irrevocable undertakings to vote in favour of the Resolution totalling 8,152,580 Ordinary Shares, representing approximately 55.03 per cent of the Ordinary Shares in issue.

The Company has also received a letter of intent to vote in favour of the Resolution in respect of 1,555,500 Ordinary Shares representing approximately 10.49 per cent of the Ordinary Shares in issue.

#### **8. Transactions in the Ordinary Shares following Delisting**

The Company intends, as soon as practicable following the Delisting, to facilitate a dealing arrangement to enable Shareholders to trade their Ordinary Shares. The Company intends to make available a new matched bargain service. Under this facility, Shareholders or persons wishing to acquire Ordinary Shares will be able to leave an indication with the Company that they are prepared to buy or sell at an agreed price. In the event that the order can be matched with an opposite sell or buy instruction, both parties would be contacted and then the order effected.

Once the facility has been finalised, details will be made available to Shareholders via the Company's website: [www.normanhay.com](http://www.normanhay.com).

If this facility proves effective the Board may consider appointing an external service provider to supply this service.

#### **9. Existing Share Options**

The rights of Optionholders under the Share Option Scheme will remain unaffected by the Delisting.

#### **10. General**

Brewin Dolphin Limited has advised the Company only on its compliance with the AIM Rules in its capacity as Nominated Adviser.

**11. General Meeting and action to be taken**

Set out at the end of this document is a Notice of General Meeting which is to be held at the Company's offices, Godiva Place, Coventry, CV1 5PN at 11.00 a.m. on 31 August 2010 at which the Resolution will be put to Shareholders.

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting.

Whether or not you intend to attend the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed and return it to the Company's registrar Equiniti, Aspect House, Lancing, West Sussex, BN99 6ZR, as soon as possible and, in any event, so that it is received no later than 11.00 a.m. on 29 August 2010. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, should you wish to do so.

**12. Recommendation**

**For the reasons set out above, the Directors believe that the Delisting is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolution as they intend to do so in respect of their own beneficial holdings amounting to, in aggregate, 2,605,620 Ordinary Shares representing approximately 17.58 per cent of the Ordinary Shares in issue.**

Yours faithfully



Peter L Hay  
Chairman

## **NORMAN HAY plc**

*(Incorporated and registered in England and Wales under the Companies Acts  
1948 to 1980 with registered number 405025)*

### **NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of Norman Hay plc (the "Company") will be held at 11.00 a.m. on 31 August 2010 at the Company's registered office, Godiva Place, Coventry, CV1 5PN to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

### **SPECIAL RESOLUTION**

THAT the admission of the Company's ordinary shares of 10p each to trading on the AIM market of the London Stock Exchange plc be cancelled (the "Delisting") and that the directors of the Company be and are hereby authorised to take all steps which are necessary or desirable in order to effect the Delisting.

By order of the Board

Registered office:  
Godiva Place  
Coventry  
CV1 5PN

Brigid Cattle  
Company Secretary  
6 August 2010

#### **Notes:**

- (i) A member entitled to attend and vote at the General Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to any one share. A proxy need not be a member of the Company.
- (ii) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion.
- (iii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 11.00 a.m. on 29 August 2010 at the Company's registrar Equiniti, Aspect House, Lancing, West Sussex, BN99 6ZR. Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent you from attending and voting in person.
- (iv) Only shareholders registered in the register of members of the Company as at 6.00 p.m. on 29 August 2010 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 6.00 p.m. on the day two days preceding the date fixed for the adjourned General Meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- (v) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first-named being the most senior).