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If you sell or have sold or otherwise transferred all of your HSS Shares, please send this Circular (together with the accompanying documents) as soon as possible 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 the transferee. If you sell or have sold or otherwise transferred only part of your holding of HSS Shares, you should retain this Circular and any accompanying documents and consult with the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take. However, neither this Circular nor any accompanying documents should be released, published, distributed, forwarded or transmitted, in whole or in part, in, into or from any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this Circular and any accompanying documents to any jurisdiction outside the UK, should seek appropriate advice before taking such action.

The distribution of this Circular and any accompanying documents into jurisdictions other than the UK may be restricted by law. Any person not in the UK, into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.



(incorporated and registered in England and Wales with registered number 09378067)

Proposal to approve changes to the Company’s Long Term Incentive Plan, to approve grants to participants, including to the Company’s Executive Directors and to make consequential amendments to the Company’s other share plans

and

Notice of General Meeting

This Circular should be read as a whole. Your attention, in particular, is drawn to the letter from the Chairman of HSS that is set out in PART I (*Letter from the Chairman of HSS*) of this document and which contains a recommendation from the Directors (other than the Executive Directors who have not participated in the decision by the Directors to approve the proposals) that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of HSS to be held at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11.15 a.m. on 7 August 2018 is set out in PART IV (*Notice of General Meeting*) of this document.

The actions to be taken in respect of the General Meeting are set out in Section 8 of PART I (*Letter from the Chairman of HSS*) of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, please complete and sign the Form of Proxy (or appoint a proxy electronically, as referred to in this document) in accordance with the instructions printed on it and return it to HSS's Registrars, Equiniti Limited, as soon as possible and, in any event, so as to be received no later than 48 hours (excluding any part of a day that is not a working day) prior to the time appointed for the holding of the General Meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

If you have any questions about this document, the General Meeting or on the completion and return of the Form of Proxy, please call the Equiniti shareholder helpline between 8:30 a.m. and 5:30 p.m. (London (UK) time) Monday to Friday (except public holidays) on 0371 384 2030 or on +44 (0) 121 415 7047 from outside the UK. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Resolution.

This Circular and the accompanying documents have been prepared to comply with English law and applicable regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular or the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the UK.

Capitalised terms have the meanings ascribed to them in **PART III (*Definitions*)** of this document.

AVAILABILITY OF HARD COPIES

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated by reference into this document by calling the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London (UK) time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2030 or on +44 (0) 121 415 7047 from outside the UK. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Resolution. You may also request that all future documents, announcements and information to be sent to you in relation to the General Meeting should be in hard copy form. Copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

THIS CIRCULAR (INCLUDING INFORMATION INCORPORATED BY REFERENCE INTO THIS CIRCULAR) INCLUDES FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE HSS GROUP'S CONTROL AND ALL OF WHICH ARE BASED ON THE DIRECTORS' CURRENT BELIEFS AND EXPECTATIONS ABOUT FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE SOMETIMES IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "BELIEVE", "EXPECTS", "MAY", "WILL", "COULD", "SHOULD", "SHALL", "RISK", "INTENDS", "ESTIMATES", "AIMS", "PLANS", "PREDICTS", "CONTINUES", "ASSUMES", "POSITIONED", "ANTICIPATES", "CONFIDENT", "REALISATION", "CONSIDER" OR "TARGETS" OR THE NEGATIVE THEREOF, OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THESE FORWARD-LOOKING STATEMENTS INCLUDE ALL MATTERS THAT ARE NOT HISTORICAL FACTS. THEY APPEAR IN A NUMBER OF PLACES THROUGHOUT THIS CIRCULAR AND INCLUDE STATEMENTS REGARDING THE INTENTIONS, BELIEFS OR CURRENT EXPECTATIONS OF THE DIRECTORS CONCERNING, AMONG OTHER THINGS, THE FUTURE RESULTS OF OPERATIONS, FINANCIAL CONDITION, PROSPECTS, GROWTH, STRATEGIES, AND DIVIDEND POLICY OF THE HSS GROUP AND THE INDUSTRY IN WHICH IT OPERATES.

These forward-looking statements and other statements contained in this Circular regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the HSS Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this Circular speak only as of the date of this Circular. HSS and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Listing Rules, the Prospectus Rules or the Disclosure Guidance and Transparency Rules of the FCA.

INFORMATION NOT CONTAINED IN THIS CIRCULAR

No person has been authorised to give any information or make any representations other than those contained in this Circular and the documents (or parts thereof) incorporated by reference herein and, if given or made, such information or representations must not be relied upon as having been authorised by HSS, the Directors, or any other person involved in the proposals to which this Circular relates. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of HSS since the date of this Circular or that the information in this document is correct as at any time subsequent to its date. In particular, the contents of HSS's website does not form part of this Circular and Shareholders should not rely on them.

NO PROFIT FORECAST

Save as expressly set out in this Circular, no statement is intended as a profit forecast or a profit estimate and no statement should be interpreted to mean that earnings per HSS Share for the current or future financial years would necessarily match or exceed the historical published earnings per HSS Share.

THE CONTENTS OF THIS DOCUMENT OR ANY SUBSEQUENT COMMUNICATION FROM HSS OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. HSS IS NOT AUTHORISED TO PROVIDE SUCH ADVICE. EACH HSS SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, STOCKBROKER, BANK MANAGER, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER AUTHORISED UNDER FSMA IF YOU ARE RESIDENT IN THE UK OR, IF YOU RESIDE ELSEWHERE, ANOTHER APPROPRIATELY AUTHORISED FINANCIAL ADVISER, FOR LEGAL, FINANCIAL OR TAX ADVICE.

This Circular is dated 20 July 2018.

HSS SHAREHOLDER HELPLINE:

0371 384 2030

FROM OUTSIDE THE UK: +44 (0) 121 415 7047

LINES ARE OPEN 8.30 A.M. TO 5.30 P.M., MONDAY TO FRIDAY.

EQUINITI MAY RECORD CALLS TO BOTH NUMBERS FOR SECURITY PURPOSES AND TO MONITOR THE QUALITY OF ITS SERVICES. THE HSS SHAREHOLDER HELPLINE CANNOT PROVIDE ADVICE ON THE MERITS OF THE RESOLUTION OR GIVE ANY FINANCIAL LEGAL OR TAX ADVICE.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and posting of this document	20 July 2018
Record date for entitlement to vote at the General Meeting	6.30 p.m. on 3 August 2018
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.15 a.m. on 3 August 2018
Latest time and date for receipt of CREST Proxy instructions for use at the General Meeting	11.15 a.m. on 3 August 2018
General Meeting	11.15 a.m. on 7 August 2018

Notes:

All time references in this document are in London time.

These dates are provided by way of indicative guidance and are subject to change. If any of the above times and/or dates change, HSS will give adequate notice by issuing an announcement through an RIS.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Alan Peterson (<i>Chairman</i>) Steve Ashmore (<i>Chief Executive Officer</i>) Paul Quested (<i>Chief Financial Officer</i>) Thomas Sweet-Escott (<i>Non-executive Director</i>) Amanda Burton (<i>Non-executive Director</i>) Douglas Robertson (<i>Non-executive Director</i>)
Group Company Secretary	Daniel Joll
Registered Office	Oakland House Talbot Road Old Trafford Manchester England M16 0PQ
Legal Advisers	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

PART I – LETTER FROM THE CHAIRMAN OF HSS HIRE GROUP PLC

(Incorporated and registered in England and Wales with registered number 09378067)

20 July 2018

Dear Shareholder

Proposal to approve amendments to the Company’s Long Term Incentive Plan, to approve the grant of awards under that amended plan, including to the Company’s Executive Directors, and to make consequential amendments to the Company’s other share plans

and

Notice of General Meeting

1. Introduction

Following Steve Ashmore’s appointment as Chief Executive Officer with effect from 1 June 2017, HSS undertook an extensive review, looking across every aspect of the business with the aim of returning the Group to above historic levels of performance. The Company announced the results of the Strategic Review on 7 December 2017 and concluded that the three key strategic priorities for the Group would be to: (i) delever the Group; (ii) repair the tool hire business; and (iii) strengthen the Group’s commercial proposition.

Following the review, the Directors are seeking approval for long term incentive awards (the *2018 Awards*) which will support the direction of the business in implementing the three strategic priorities. These awards fall outside the Remuneration Policy. I am therefore writing to you now to set out the background to, and the reasons for, the General Meeting of the Company to be held on 7 August 2018 and to set out the Directors’ recommendation that Shareholders vote in favour of the Resolution to grant the 2018 Awards and, in order to facilitate this grant, to approve the amendments to the HSS LTIP, and consequential amendments to the HSS DBP and to the HSS Sharesave.

It is not anticipated that awards similar to the 2018 Awards will be granted in the future and therefore the amendments proposed to the HSS LTIP have been drafted as a separate schedule to the HSS LTIP rather than putting a new remuneration policy to shareholders (in line with the applicable legislation, the Company will put a new remuneration policy to shareholders as a binding vote at its 2019 Annual General Meeting).

Capitalised terms used but not defined in this letter shall have the meanings given to them in Part III of this document.

For the avoidance of doubt the Executive Directors have not participated in the decision by the Directors to approve the proposals.

2. Background

Our Q1 trading statement confirms our recovery is now well established and gaining momentum. The business is trading well delivering adjusted EBITDA that is materially higher than the prior year and driving margin progress through cost savings and growth in core rental revenue.

The Executive Directors and the other senior executives are progressing our strategic priorities. At the beginning of April the Company moved to its new distribution model, a significant operational change which is now well embedded. This significant change will not only deliver long term cost savings but also enable us to better serve our customers.

Looking ahead, we are encouraged by the positive trend in trading and remain focused on our strategic priorities so that the business can deliver on its full potential.

We have a clear map forward over the next few years to rebuild the business and return to our historic levels of performance and we are fortunate to have a high calibre and committed senior management team to enable us to do that.

As part of our strategy, we announced on 19 July 2018 that HSS Hire Service Group Limited had entered into a conditional agreement with Nationwide Platforms Limited, a wholly-owned subsidiary of Loxam SAS, with respect to the sale of UK Platforms Limited, HSS’s powered access business. The Directors believe that the consideration relating to the disposal represents an attractive valuation which should enable shareholder value to be realised. Further information in relation to the disposal is included in the separate circular to shareholders dated the same date as this Circular.

3. A remuneration structure to support our new strategy

Steve Ashmore, Paul Quested and the other senior executives are focused on driving our recovery and early indicators demonstrate that management are delivering a strong programme which will benefit shareholders. When Steve joined the business last year, the Directors agreed an incentive arrangement for him as part of his recruitment arrangements. This included the grant of a 2017 Award, with the 2017 Awards extended to include Paul, as well as other senior executives, reflecting the culture within HSS that reward structures should apply not only to the Executive Directors but also to the senior team who are driving change.

The 2017 Awards were based on the delivery of EPS performance targets. Following the strategic review, the refinancing, and the disposal for which shareholder approval is being sought as set out in the separate circular to shareholders dated the same date as this Circular it is clear to the Directors that these targets are not appropriate for the shape of the business moving forward.

It is the Directors’ view that these individuals should be incentivised in recognition of the hard work and commitment required to turnaround the Company’s business and to drive strong financial and business performance over the near and medium term to promote the long term success of the Company and the creation of long term Shareholder value. The 2017 Awards are effectively obsolete and an alternative award is being proposed which is linked to a direct improvement to shareholder value, rather than to EPS. This new incentive arrangement would apply to the Executive Directors and to other selected senior executives, for 2018 only.

A key element of the 2018 Awards is that should a participant also hold a 2017 Award:

- the 2018 Award will lapse if the 2017 Award vests in respect of any HSS Shares; and
- the 2018 Award may only be exercised if the 2017 Award has lapsed in full or been irrevocably released before any exercise of it.

4. Summary of current remuneration arrangements for the Executive Directors

	<i>Notice period</i>	<i>Date of appointment</i>	<i>Salary (with effect from 1 July 2018)</i>	<i>Bonus (maximum opportunity)</i>	<i>Pension</i>
Steve Ashmore CEO	12 months	01.06.2017	£367,000	100% of salary	10% of salary
Paul Quested CFO	12 months	22.08.2016	£265,000	100% of salary	10% of salary

- Annual bonus performance is measured against Adjusted EBITDA, Net Leverage Ratio and a reduction in RIDDORs. Any bonus earned above 50% of salary is deferred into HSS Shares for a period of two years.
- Other benefits provided are principally a car allowance and private medical insurance.
- No bonus was awarded in 2017.

- Under the Remuneration Policy an annual award of up to 125% of salary may be made under the HSS LTIP with vesting based on the delivery of conditions measured over a three year performance period and vested shares subject to a further two year holding period.
- No performance share award has been made under the HSS LTIP in 2017 or 2018. As noted above, the 2017 Awards were granted in 2017 linked to EPS performance targets. It is not envisaged that the 2017 Award will vest and, in the event that it does, the 2018 Award would fall away as described below.
- Executive Directors are required to build a shareholding equal to 200% of salary for the CEO and 125% of salary for the CFO.

5. Information on the 2018 Awards

Summary of the structure

The 2018 Awards will be structured as follows:

- Share options with a per HSS Share exercise price of £0.30 or, in the case of any 2018 Award which is a tax qualifying CSOP Option and if higher, an amount equal to the average of the middle market quotations of an HSS Share for each of the five Dealing Days preceding the date of grant of the 2018 Award.
- Steve Ashmore will be granted a 2018 Award over 5.5 million HSS Shares and Paul Qusteded will be granted a 2018 Award over 3.25 million HSS Shares.
- Further awards will be made to other senior executives.
- The maximum number of HSS Shares over which 2018 Awards may be granted is 17 million (subject to any adjustment to reflect any variation in the Company's share capital).
- The vesting of the 2018 Awards will be subject to the satisfaction of a performance condition based on HSS' share price. This performance condition will ordinarily be assessed over the three month period ending on 31 December 2021¹, as set out below.

<i>% of 2018 Award which vests</i>	<i>Average closing middle market quotation of an HSS Share in the period of three months ending at the end of the performance period[*]</i>
25%	£1.00
50%	£1.15
100%	£1.30

* The share price targets may be adjusted to reflect any variation in the Company's share capital.

The Remuneration Committee may reduce the vesting if it considers that it is not supported by an improvement in underlying business performance, taking into account such factors as the Remuneration Committee determines, which may include the extent to which the 2020 business performance objectives have been satisfied.

- Although the 2018 Awards will ordinarily vest based on share price performance to 31 December 2021, they will not ordinarily be released so that they are capable of exercise until the end of a holding period which will end on the announcement of the Company's results for the year ending 31 December 2022.
- In the period of four weeks following the announcement of the Company's results in respect of the year ended 31 December 2020 or of the Company's interim results in respect of the period ending

¹ NB in this document for ease of reference we refer to 31 December 2020, 2021 and 2022 and to 30 June 2021. If the Company's financial period ending on or around the relevant date ends on a different date, references should be read as being to the end of the applicable financial period.

30 June 2021, the performance period in respect of any 2018 Award held by a continuing employee may be ended by the delivery of a notification by the participant to the Company. This notification brings the performance period to a close with the share price being averaged across the three months ending on the day before the end of the relevant period for the purposes of the performance condition, with vesting based on that share price performance although the Remuneration Committee may reduce the vesting if it considers that it is not supported by an improvement in underlying business performance, taking into account such factors as the Remuneration Committee determines, which may include the extent to which the 2020 business performance objectives have been satisfied. There is no re-testing, any balance which has not vested at that point then lapses. By way of example, if a participant triggered the vesting when the share price was £1.15, half of his/her 2018 Award would vest and the remainder would lapse; the 2018 Award would not ordinarily be released so that it is capable of exercise until the end of a holding period which will end on the announcement of the Company's results for the year ending 31 December 2022. If the participant does not deliver a notification then the performance period will end on 31 December 2021.

- A cap will apply to the value which can be delivered under a 2018 Award, such that if, at the time of exercise the HSS share price exceeds £4 (subject to any adjustment to reflect any variation in the Company's share capital), the 2018 Award will be scaled back so that the value delivered to the participant is equal to the value that would have been delivered if the price had been £4 (subject to any adjustment to reflect any variation in the Company's share capital).
- If the holder of a 2018 Award also holds a 2017 Award:
 - o the 2018 Award may only be exercised if the 2017 Award has lapsed in full or been irrevocably released before any exercise of it; and
 - o if the 2017 Award is exercised then the 2018 Award will lapse.

The 2018 Awards are designed to require that share price growth be delivered before any value can be secured. Combined with a challenging share price based performance condition and a time-frame which will not allow HSS Shares ordinarily to be acquired until after announcement of results in 2022, this will deliver value to the HSS LTIP participants, including Steve and Paul, commensurate with the creation of value for Shareholders. The Remuneration Committee believes that Steve and Paul's remuneration packages, incorporating the 2018 Awards are the best way to align their interests to the interests of Shareholders and promote the long term success of the Company and creation of long term Shareholder value.

Timing of Grant of the 2018 Awards

Assuming the Resolution is approved, 2018 Awards will be granted to the Executive Directors as soon as practicable after the General Meeting. The Company will also grant 2018 Awards to other senior executives on or around the same date as the 2018 Awards are granted to the Executive Directors or, in the case of any future recruit, following the date on which they commence employment with the Group. New recruits may be permitted to receive 2018 Awards provided that they have accepted an offer of employment within six months of the date of the General Meeting, subject to the overall limit on the number of HSS Shares over which 2018 Awards may be granted described on page 15 below.

Other terms applying to the 2018 Awards

Other terms applying to the 2018 Awards are summarised in Part II (*Summary of the Principal Terms Applying to the 2018 LTIP Awards and Amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave*) of this document.

6. Requirement for approval in General Meeting of the 2018 Awards and amendments to the HSS LTIP, HSS DBP and HSS Sharesave

Amendments to the HSS LTIP are required in order to permit the grant of the 2018 Awards. In accordance with the rules of the HSS LTIP, these amendments require shareholder approval. Consequential amendments are required to the HSS DBP and HSS Sharesave, which also require shareholder approval. These amendments are summarised in sections 1 and 2 of Part II (*Summary of the Principal Terms Applying to the*

2018 LTIP Awards and Amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave) of this document.

The 2018 Awards (other than any 2018 Award which is a CSOP Option) will be discounted options for the purposes of Listing Rule 9.4.4 and, accordingly, the Resolution also seeks approval for the grant of the 2018 Awards to the extent required by Listing Rule 9.4.4.

In addition to the approval of the amendments to the HSS LTIP, HSS DBP and HSS Sharesave, and the approval of the 2018 Awards for the purposes of Listing Rule 9.4.4, the grant of 2018 Awards to Steve Ashmore and Paul Quedsted require approval by shareholders for the purposes of Sections 226B(1)(b) and 226C(1)(b) of the Companies Act due to the grant of the 2018 Awards to Steve Ashmore and Paul Quedsted being inconsistent with the Remuneration Policy because:

- the 2018 Awards to be granted to each of Steve Ashmore and Paul Quedsted will be over HSS Shares with a value in excess of the 250% of salary limit on the value of HSS Shares over which awards under the HSS LTIP may be granted to an Executive Director in respect of any Financial Year;
- the 2018 Awards will have a per HSS Share exercise price of £0.30 (or in the case of any 2018 Award which is a tax qualifying CSOP Option and if higher, an amount equal to the average of the middle market quotations of an HSS Share for each of the five Dealing Days preceding the date of grant of the 2018 Award); and
- specific treatment will apply in the event of a change of control or other relevant corporate event, as summarised in section 1 of Part II (*Summary of the Principal Terms Applying to the 2018 LTIP Awards and Amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave*) of this document.

7. The General Meeting

A notice convening a General Meeting of the Company to be held at 11.15 a.m. at Exponent PE, 30 Broadwick Street, London W1F 8JB on 7 August 2018 is set out in Part IV (*Notice of General Meeting*) on page 20 of this document. The purpose of the General Meeting is to seek Shareholder approval of the Resolution set out in the Notice of General Meeting.

The Resolution will propose that:

- the amendments to the HSS LTIP, HSS Sharesave and HSS DBP are approved;
- the 2018 Awards to be granted to the Executive Directors are approved for the purposes of Sections 226B(1)(b) and 226C(1)(b) of the Companies Act;
- the 2018 Awards are approved, to the extent necessary, for the purposes of Listing Rule 9.4.4; and
- the Directors be authorised to adopt the amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave and to do all things necessary and desirable to implement, complete or to procure the implementation or completion of the grant of the 2018 Awards and to give effect thereto with such amendments (not being amendments of a material nature) as the Directors may deem necessary, expedient or appropriate in connection with the 2018 Awards.

The Resolution will be proposed as an ordinary resolution requiring a majority of votes in favour for the Resolution to be carried. It proposes that the 2018 Award be approved and that the Directors be authorised to implement the 2018 Awards. The 2018 Awards will not be granted unless the Resolution is passed.

8. Action to be Taken

Please vote on the Resolution. If you cannot attend and vote at the General Meeting in person, please vote by proxy which you may do by post, through CREST or electronically.

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and return it to the Registrars, Equiniti Limited, so as to arrive

as soon as possible, but in any event so as to be received by no later than 11.15 a.m. on 3 August 2018, being 48 hours before the time appointed for the holding of the General Meeting (excluding any part of a day that is not a working day).

You may, if you wish, register the appointment of a proxy or proxies electronically by logging on to www.sharevote.co.uk. Further details of the procedure are set out in the Notice of General Meeting set out in Part IV (*Notice of General Meeting*) at the end of this document.

CREST members may also choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting set out in Part IV (*Notice of General Meeting*) at the end of this document.

Completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the General Meeting in person if you so wish.

9. Further information

The expected timetable of principal events for the General Meeting is set out on page 5 of this document. Further information regarding the terms of the 2018 Awards and their grant to the Executive Directors is set out in Part II (*Summary of the Principal Terms Applying to the 2018 LTIP Awards and Amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave*) of this document.

Shareholders are advised to read the whole of this document and not merely rely on the summarised information set out in this letter.

If you have any questions about this document, the General Meeting or the completion and return of the Form of Proxy, please call the Shareholder helpline on 0371 384 2030. Non-UK callers should dial +44 (0) 121 415 7047. Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Resolution.

A list of documents available for inspection and details of other information available on the Company's website is set out in Notes 14 and 15 of the notes to the Notice of General Meeting set out in Part IV (*Notice of General Meeting*) of this document.

10. Recommendation to Shareholders

The Directors (other than the Executive Directors, who have not participated in the decision by the Directors to approve the proposals) believe that the granting of the 2018 Awards to Steve Ashmore and Paul Quedsted and other senior manager participants, the associated amendments to the HSS LTIP and amendments to the HSS DBP and the HSS Sharesave will promote the long term success of the Company and are in the best interests of the Company and Shareholders as a whole.

Accordingly, the Directors (other than the Executive Directors, who have not participated in the decision by the Directors to approve the proposals) recommend that you vote in favour of the Resolution to be proposed at the General Meeting. Given their eligibility to participate, the Executive Directors have informed the Directors that they will not vote on the Resolution. The Non-Executive Directors intend to vote in favour of the Resolution at the General Meeting in respect of their own HSS Shares to which they are beneficially entitled (representing approximately 0.58 per cent. of the total issued share capital of the Company as at 19 July 2018 (being the last practicable date prior to publication of this document)).

Yours faithfully,

Alan Peterson
Chairman
HSS Hire Group plc

PART II – SUMMARY OF THE PRINCIPAL TERMS APPLYING TO THE 2018 AWARDS AND AMENDMENTS TO THE HSS LTIP, THE HSS DBP AND THE HSS SHARESAVE

Capitalised terms have the meaning given to them in Part III (*Definitions*) of the Circular dated 20 July 2018, of which this Part II forms part. For the avoidance of doubt, references to participants shall include the Executive Directors.

Subject to approval of the Resolution by Shareholders at the General Meeting, the 2018 Awards will be granted on and subject to the rules of the HSS LTIP, as proposed to be amended in the manner described below. Vesting of the 2018 Awards is subject to the achievement of share price-based performance targets, as also described in this Part II. The principal terms which will apply to the 2018 Awards are described in this Part II.

Amendments to the HSS LTIP are required in order to permit the grant of the 2018 Awards. In accordance with the rules of the HSS LTIP, these amendments require shareholder approval. Consequential amendments are required to the HSS DBP and HSS Sharesave, which also require shareholder approval. These amendments are summarised in this Part II.

The 2018 Awards (other than any 2018 Award which is a CSOP Option) will be discounted options for the purposes of Listing Rule 9.4.4 and, accordingly, the Resolution also seeks approval for the grant of the 2018 Awards to the extent required by Listing Rule 9.4.4.

The grant of 2018 Awards to Steve Ashmore and Paul Quested require approval by shareholders for the purposes of Sections 226B(1)(b) and 226C(1)(b) of the Companies Act. This is because the grant of the 2018 Awards to Steve Ashmore and Paul Quested are inconsistent with the Remuneration Policy because:

- the 2018 Awards granted to each of Steve Ashmore and Paul Quested will be over HSS Shares with a value in excess of the 250% of salary limit on the value of HSS Shares over which awards under the HSS LTIP may be granted to an Executive Director in respect of any Financial Year;
- the 2018 Awards will have a per HSS Share exercise price of £0.30 (or in the case of any 2018 Award which is a tax qualifying CSOP Option and if higher, an amount equal to the average of the middle market quotations of an HSS Share for each of the five Dealing Days preceding the date of grant of the 2018 Award); and
- specific treatment will apply in the event of a change of control or other relevant corporate event, as summarised below.

This Part II comprises the payment particulars memorandum in respect of the 2018 Awards that is required to be made available for inspection by Shareholders in accordance with Section 226D of the Companies Act. It will therefore be available for inspection at the registered office of the Company during normal business hours every business day from Monday 23 July 2018 until the General Meeting. It will also be available for inspection at the place of the General Meeting (6th Floor, 30 Broadwick Street, London W1F 8JB) for one hour prior to and until the close of the General Meeting. In addition, it will be available for inspection on the Company's website, <http://www.hsshiregroup.com>, from Monday 23 July 2018 until the end of the Company's annual general meeting in 2019.

1. Amendments to the HSS LTIP

Form of Award

The HSS LTIP will be amended to permit the grant of each 2018 Award in the form of an option to acquire HSS Shares with a per HSS Share exercise price determined as set out below. At the election of the Remuneration Committee, a 2018 Award (other than any proportion of a 2018 Award which is a CSOP Option) may be settled by the delivery for nil-cost of such number of HSS Shares as have a market value at exercise equal to the "gain" in the 2018 Award.

Exercise Price

Each 2018 Award will have a per HSS Share exercise price of £0.30, in the case of any 2018 Award which is not a CSOP Option, and, in the case of any 2018 Award which is a CSOP Option and if higher, the average of the middle market quotations of an HSS Share for each of the five Dealing Days preceding the grant date.

Individual limit

The HSS LTIP includes a limit on the value of HSS Shares over which a participant may be granted awards in respect of any Financial Year. This limit does not apply to the 2018 Awards. The number of HSS Shares over which 2018 Awards will be granted to the Executive Directors is set out at paragraph 3 of this Part II.

Dilution limits

The HSS LTIP includes two limits on the use of new issue HSS Shares, which provide that in any ten year period, not more than 5 per cent of the Company's issued ordinary share capital from time to time may be issued or committed to be issued pursuant to all awards granted under the HSS LTIP and any discretionary employee share plan and that in any ten year period, not more than ten per cent of the Company's issued ordinary share capital from time to time may be issued or committed to be issued pursuant to all awards granted under the HSS LTIP and any employee share plan. Up to 9.186 million HSS Shares subject to 2017 Awards (subject to any adjustment to reflect variations in capital) do not count towards these limits. Up to 17 million HSS Shares subject to 2018 Awards (subject to any adjustment to reflect variations in capital) will not count towards these limits.

Grant of the 2018 Awards

Awards under the HSS LTIP may be granted within the period of 42 days commencing on the day after the announcement by the Company of its results for any period or any day on which the Remuneration Committee resolves that exceptional circumstances exist. The HSS LTIP will be amended to include an explicit reference to the grant of the 2018 Awards in the period of 42 days commencing on the date of the General Meeting or, in the case of any 2018 Award granted to a future recruit, following the date on which they commence employment with the Group.

Corporate events

The provisions of the HSS LTIP relating to changes of control shall be varied as they apply to the 2018 Awards. If there is a change of control of the Company (or other relevant event as described in the HSS LTIP), the extent to which a 2018 Award will vest and be released shall depend upon the date of the relevant event as follows:

- if the relevant event occurs before 1 June 2019, 75 per cent of the 2018 Award will be released to the participant; and
- if the relevant event occurs on or after 1 June 2019 but before the vesting date, 100 per cent of the 2018 Award will be released to the participant, provided that if the relevant event occurs after the end of the performance period the Remuneration Committee may have regard to the extent to which the performance condition has been satisfied in determining the extent to which the 2018 Award is released,

in each case, to the extent the 2018 Award has not already vested and is not exchanged with the consent of the Executive Director or in connection with an Internal Reorganisation (as defined in the HSS LTIP); however, the Remuneration Committee will have discretion to reduce the extent of vesting if it considers that the extent otherwise determined does not reflect the underlying performance of the business, taking into account such factors as the Remuneration Committee determine. If a resolution is passed for the voluntary winding-up or an order is made for the compulsory winding up of the Company, the Remuneration Committee will determine whether and to what extent 2018 Awards which have not yet been released should be released.

If there is a demerger, delisting, special dividend or other event and in the opinion of the Remuneration Committee, such event would affect the current or future value of HSS Shares, the Remuneration Committee may allow the 2018 Awards to vest and be released early on such terms as the Remuneration Committee may determine.

2. Amendments to the HSS DBP and the HSS Sharesave

The HSS DBP includes two limits on the use of new issue HSS Shares, which are the same as the limits in the HSS LTIP. In line with institutional shareholder guidelines, the HSS Sharesave includes only the “ten per cent in ten years limit”.

In order that the dilution limits operate in the same way across all of the Company’s share plans, up to 17 million HSS Shares subject to 2017 Awards (subject to any adjustment to reflect any variations in share capital) will not count towards these limits.

3. Other principal terms applying to the 2018 Awards

To the extent possible, it is intended that 2018 Awards will be granted as CSOP Options. The following terms apply to the 2018 Awards (other than where in accordance with the applicable tax legislation or HMRC practice, the terms are varied for the purposes of CSOP Options).

Number of HSS Shares subject to 2018 Awards

The 2018 Award granted to Steve Ashmore will be over 5,500,000 HSS Shares. The 2018 Award granted to Paul Quested will be over 3,250,000 HSS Shares.

The maximum number of HSS Shares over which the 2018 Awards may be granted is 17 million (subject to any adjustment to reflect any variation in the Company’s share capital).

The number of HSS Shares subject to any 2018 Award and the maximum number of HSS Shares over which all the 2018 Awards may be granted may be adjusted in the event of any variation of the Company’s share capital.

Performance Condition, vesting and release

The 2018 Awards will be subject to the performance condition based on the Company’s share price. The performance condition will ordinarily be assessed over the three month period ending on 31 December 2021, as set out below

<i>% of 2018 Award which vests</i>	<i>Average closing middle market quotation of an HSS Share in the period of three months ending at the end of the performance period¹</i>
25%	£1.00
50%	£1.15
100%	£1.30

¹ The share price targets may be adjusted to reflect any variation in the Company’s share capital.

The Remuneration Committee may reduce the vesting if it considers that it is not supported by an improvement in underlying business performance, taking into account such factors as the Remuneration Committee determine.

Although the 2018 Awards will ordinarily vest based on share price performance to 31 December 2021, they will not be released so that they are capable of exercise until the end of a holding period which will end on the announcement of the Company’s results for the year ending 31 December 2022.

In the period of four weeks following the announcement of the Company’s results in respect of the year ended 31 December 2020 or of the Company’s interim results in respect of the period ending 30 June 2021, the performance period in respect of any 2018 Award held by a continuing employee may be ended by the delivery of a notification by the participant to the Company. This notification brings the performance period to a close with the share price being averaged across the three months ending on the day before the end of the relevant period for the purposes of the performance condition, with vesting based on that share price performance although the Remuneration Committee may reduce the vesting if it considers that it is not

supported by an improvement in underlying business performance, taking into account such factors as the Remuneration Committee determines. Any part of a 2018 Award which does not vest based on this assessment lapses; the 2018 Award would not ordinarily be released so that it is capable of exercise until the end of a holding period which will end on the announcement of the Company's results for the year ending 31 December 2022. If the participant does not deliver a notification then the performance period will end on 31 December 2021.

In accordance with the rules of the HSS LTIP, the Remuneration Committee may amend or substitute the performance condition if one or more events occur which cause the Remuneration Committee to consider that a substituted or amended performance condition would be more appropriate and would not be materially less difficult to satisfy.

Cap

A cap will apply to the value which can be delivered under a 2018 Award, such that if, at the time of exercise the HSS share price exceeds £4 (subject to any adjustment to reflect any variation in the Company's share capital), the 2018 Award will be scaled back so that the value delivered to the participant is equal to the value that would have been delivered if the price had been £4 (subject to any adjustment to reflect any variation in the Company's share capital).

Interaction with 2017 Awards

If the holder of a 2018 Award also holds a 2017 Award:

- the 2018 Award may only be exercised if the 2017 Award has lapsed in full or been irrevocably released before any exercise of it; and
- if the 2017 Award is exercised then the 2018 Award will lapse.

Malus and clawback

The Remuneration Committee may at any time before the vesting date of a 2018 Award reduce (including to nil) the number of HSS Shares subject to the 2018 Award or impose additional conditions on the 2018 Award in the event of (a) a material misstatement of the Company's audited financial results, (b) an error in assessing the performance condition or in the information or assumptions on which that 2018 Award was granted or vested, (c) a material failure of risk management by the Company, any other Group company or a relevant business unit, (d) serious reputational damage to the Company, any other Group company or a relevant business unit, or (e) material misconduct on the part of the participant. For a period of two years following the vesting date of a 2018 Award, the Remuneration Committee may, in the same circumstances, reduce the number of HSS Shares or impose additional conditions on the 2018 Award or require the participant to make a repayment in respect of the 2018 Award (if it has been exercised).

Cessation of employment

If the participant leaves employment before his 2018 Award has vested, it will lapse unless he leaves in exceptional circumstances such as due to ill health, injury or disability, his employer ceasing to be a member of the Group or if he transfers to an undertaking that is not a member of the Group or for any other reason at the Remuneration Committee's discretion (other than where the participant is summarily dismissed). In such circumstances, his 2018 Award will not lapse, but will vest and be released either (a) on the normal release date, or (b) at the Remuneration Committee's discretion, as soon as practicable following the date of cessation of employment (or at such other date as the Remuneration Committee determines). The number of HSS Shares in respect of which the 2018 Award vests and is released shall be determined taking into account the satisfaction of the performance condition (at the date of cessation if the 2018 Award is released before the end of the performance period) and, unless the Remuneration Committee determines otherwise, the proportion of the performance period that has elapsed at the date of cessation.

If a participant ceases to be employed during the holding period, the 2018 Award will continue and be released at the normal release date in respect of the HSS Shares over which it vested by reference to the satisfaction of the performance condition, although the Remuneration Committee has discretion to release the 2018 Award at the date of cessation. However, if a participant is summarily dismissed during the holding period his 2018 Award shall lapse.

Sourcing of HSS Shares

Each 2018 Award may be granted over newly issued HSS Shares, treasury shares or existing HSS Shares which would be purchased in the market using the Company's employee benefit trust.

Application will be made for any new HSS Shares allotted and issued in connection with the 2018 Awards to be admitted to listing and to trading by the UK Listing Authority and the London Stock Exchange respectively.

Dividend equivalents

The HSS LTIP permits the payment of "dividend equivalents" in relation to dividends that would have been paid on vested HSS Shares subject to awards over the period from the grant of the 2018 Award to its release. No dividend equivalents will be paid in relation to the 2018 Awards.

Variation of capital

If there is a variation of the share capital of the Company, a demerger, delisting, special dividend, rights issue or distribution, the Remuneration Committee may adjust the number of HSS Shares subject to a 2018 Award, the per HSS Share exercise price of any 2018 Award and the performance condition.

Amendments

The Remuneration Committee may amend the terms of each 2018 Award save that the prior approval of Shareholders in general meeting must be obtained for any amendment to the terms of a 2018 Award which is to the participant's advantage.

PART III – DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“2017 Award”	an award over HSS Shares in the form of an option on and subject to the rules of the HSS LTIP, the principal terms of which are set out in Part II of the circular to the Company’s shareholders dated 20 July 2017
“2018 Award”	an award over HSS Shares in the form of an option on and subject to the rules of the HSS LTIP, the principal terms of which are set out in Part II (<i>Summary of the Principal Terms Applying to the 2018 LTIP Awards and Amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave</i>) of this document
“Company” or “HSS”	HSS Hire Group plc, incorporated in England and Wales with registered number 09378067
“Companies Act”	the Companies Act 2006, as amended
“CSOP Option”	an option granted under the HSS 2015 Long Term Incentive (CSOP Options) Plan, which forms part of the HSS LTIP
“Dealing Day”	any day on which the London Stock Exchange is open for business
“Directors”	the directors of the Company
“Executive Director”	the executive directors of the Company, being Steve Ashmore and Paul Queded
“FCA”	The Financial Conduct Authority of the UK, its predecessors or its successors from time to time, including, as applicable, in its capacity as the competent authority for the purposes of Part VI of FSMA
“Financial Year”	a financial year of the Company
“Form of Proxy”	the form of proxy in connection with the General Meeting, which accompanies this document
“General Meeting”	the general meeting of the Company to be held at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11.15 a.m. on 7 August 2018
“Group” or “HSS Group”	HSS and its consolidated subsidiaries
“HSS DBP”	the HSS 2015 Deferred Bonus Plan, as amended from time to time
“HSS LTIP”	the HSS 2015 Long Term Incentive Plan, as amended from time to time
“HSS Share”	an ordinary share of £0.01 in the share capital of the Company
“HSS Sharesave”	the HSS 2015 Sharesave Scheme, as amended from time to time
“Registrar”	Equiniti Limited, incorporated in England and Wales with registered number 06226088 whose registered address is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
“Remuneration Committee”	the Remuneration Committee of the Company’s board of directors

“Remuneration Policy”	the HSS directors’ remuneration policy as approved at the Company’s Annual General Meeting on 15 June 2016
“Resolution”	the ordinary resolution to be proposed a the General Meeting
“RIS”	a Regulatory Information Service approved by the FCA and that is on the list of Regulatory Information Services maintained by the FCA
“Shareholders”	the holders of HSS Shares from time to time
“SLT”	the Company’s senior leadership team other than the Executive Directors
“UK”	the United Kingdom of Great Britain and Northern Ireland

PART IV – NOTICE OF GENERAL MEETING

HSS HIRE GROUP PLC (the “Company”)

(Company number 09378067)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of HSS Hire Group plc (the **Company**) will be held at 11.15 a.m. at 6th Floor, 30 Broadwick Street, London W1F 8JB on 7 August 2018 to consider and, if thought fit, to pass the resolution set out below, which shall be proposed as an ordinary resolution, in connection with the grant of awards of share options over ordinary shares of £0.01 each in the capital of the Company (**Shares**) to Steve Ashmore and to Paul Qusteded (the **Executive Directors**) and other of the Company’s senior managers, related amendments to the HSS 2015 Long Term Incentive Plan (the **HSS LTIP**) and consequential amendments to the HSS 2015 Deferred Bonus Plan (the **HSS DBP**) and the HSS 2015 Sharesave Scheme (the **HSS Sharesave**).

Ordinary resolution to approve amendments to the HSS LTIP, HSS DBP and HSS Sharesave and the grant of the awards to participants, including to the Executive Directors

THAT

- (a) the amendments to the HSS LTIP as shown in the marked up rules of the HSS LTIP, a copy of which was produced to the Meeting and initialled by the Chairman for identification (the principal terms of which being as described in Part II of the Circular to Shareholders dated 20 July 2018, a copy of which was also produced to the Meeting and initialled by the Chairman for identification (the **Circular**)) be and are hereby approved;
- (b) the amendments to the HSS DBP as shown in the marked up rules of the HSS DBP, a copy of which was produced to the Meeting and initialled by the Chairman for identification be and are hereby approved;
- (c) the amendments to the HSS Sharesave as shown in the marked up rules of the HSS Sharesave, a copy of which was produced to the Meeting and initialled by the Chairman for identification be and are hereby approved;
- (d) the awards over Shares to be granted to participants (including, but not limited to the Executive Directors) on and subject to the terms of the amended HSS LTIP and pursuant to the 2017 LTIP Schedule (the **2018 Awards**), and the principal terms of the 2018 Awards being as described in Part II of the Circular, be and are hereby approved for the purposes of Sections 226B(1)(b) and 226C(1)(b) of the Companies Act, as amended, and Listing Rule 9.4.4; and
- (e) the directors of the Company (the **Directors**) (or any duly constituted committee thereof) be and are hereby authorised to adopt the amendments to the HSS LTIP, the HSS DBP and the HSS Sharesave and to do all things necessary and desirable to implement, complete or to procure their implementation or completion of the grant of the 2018 Awards, including to the Executive Directors, on and subject to the terms of the HSS LTIP as amended and to give effect thereto with such modifications, variations, revisions or amendments (not being modifications, variations, revisions or amendments of a material nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the 2018 Awards.

By order of the Board

Daniel Joll
Company Secretary
20 July 2018

Registered Office:
Oakland House, Talbot Road, Old Trafford, Manchester, England, M16 0PQ

Registered in England and Wales No. 09378067

Notes

Right to attend and vote at the meeting

1. The right to attend and vote at the General Meeting is determined by reference to the Company's register of members. Only persons entered in the register of members of the Company at 6.30 p.m. on 3 August 2018 (or, in the event that the meeting is adjourned, in the register of members at 6.30 p.m. two business days before any adjourned General Meeting) are entitled to attend, speak and vote at the General Meeting and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Proxies

2. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him/her. A proxy need not be a shareholder of the Company but must attend the meeting to represent you. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you intend appointing additional proxies, please contact Equiniti Limited on 0371 384 2030, or on +44 (0) 121 415 7047 from outside the UK, to obtain (an) additional proxy form(s).
3. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting. A shareholder may only appoint a proxy or proxies by:
 - (a) completing and returning the proxy form enclosed in this pack to the Company's registrars, Equiniti Limited, by no later than 11.15 a.m. on 3 August 2018;
 - (b) going to www.sharevote.co.uk and following the instructions provided; or
 - (c) if they are a user of the CREST system (including CREST personal members), having an appropriate CREST message transmitted.

Sharevote

4. You may, if you wish, register the appointment of a proxy or proxies, and give voting instructions for the meeting, electronically by logging on to www.sharevote.co.uk. You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your proxy form. Full details of the procedure are given on the website, www.sharevote.co.uk. The proxy appointment and/or voting instructions must be received by Equiniti Limited at least 48 hours before the appointed time of the meeting (excluding any part of a day that is not a working day), that is to say, no later than 11.15 a.m. on 3 August 2018. Please note that any electronic communication sent to the Company or the Registrars that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the meeting is governed by Equiniti Limited's conditions of use set out on the website, www.sharevote.co.uk, and may be read by logging on to that site.
5. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

CREST

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 7 August 2018 and any adjournment(s) thereof by using the procedures described in the CREST manual (available at www.euroclear.com). 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.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Equiniti (ID RA19) by 11.15 a.m. on 3 August 2018. 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 Equiniti 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.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 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. CREST personal members, sponsored members and CREST members

who have appointed a voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST.

9. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Further details of the appointment of proxies are given in the notes to the proxy form enclosed with this pack.
11. You may not use any electronic address provided in this notice of General Meeting (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated. To appoint more than one proxy, please print out or copy and fill in a separate copy of the proxy form.
12. **IMPORTANT: In any case your proxy form must be received by the Company's registrars, Equiniti, by no later than 11.15 a.m. on 3 August 2018.**

Availability of proxy by joint members

13. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Availability of documents and other information

14. The following documents will be available for inspection at the registered office of the Company during usual business hours every business day from the date of this Notice until the meeting and will be available for inspection at the place of the meeting for one hour prior to and until the close of the meeting:
 - (a) copies of directors' service contracts and letters of appointment;
 - (b) a copy of the amended rules of the HSS LTIP, the HSS DBP and the HSS Sharesave; and
 - (c) a copy of Part II of this document comprising the payment particulars memorandum in respect of the 2018 Awards that is required to be made available for inspection by Shareholders in accordance with Section 226D of the Companies Act. The copy of Part II of this document will also be available for inspection on the Company's website, <http://www.hsshiregroup.com>, from 23 July 2018 until the end of the Company's annual general meeting in 2019.
15. In accordance with Section 311A of the Companies Act 2006, the contents of this Notice details of the total number of shares in respect of which members are entitled to exercise voting rights at the meeting and, if applicable, members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at www.hsshiregroup.com.
16. You may not use any electronic address provided either in this Notice or in any related documents (including the enclosed proxy form) to communicate with the Company for any purposes other than those expressly stated.

Corporate representative

17. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares
 - (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
 - (b) in other cases, the power is treated as not exercised.

Issued share capital and total voting rights

18. As at 19 July 2018 (being the latest business day prior to publication of this Notice), the Company's issued share capital consisted of 170,207,142 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury, and therefore the total voting rights in the Company as at 19 July 2018 were 170,207,142.

Nominated persons

19. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have the right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
20. The statements of the rights of shareholders in relation to the appointment of proxies in this Notice do not apply to Nominated Persons. Those rights can only be exercised by registered shareholders of the Company.

Electronic addresses

21. You may not use any electronic address provided in this document to communicate with the Company for any purpose other than that expressly stated.

Accessibility

22. The venue is wheelchair accessible. Please let us know in advance if you will need wheelchair assistance or if you have any other needs to ensure appropriate arrangements are in place. Anyone accompanying a shareholder in need of assistance will be admitted to the meeting. Other guests will only be admitted at the discretion of the Company.

Security

23. We thank you in advance for your co-operation with our security staff and the security staff at the venue. You may be asked to pass through the security systems before entering the meeting. We do not permit cameras or recording equipment at the meeting and we would be grateful if you would ensure you switch off your mobile telephone before the start of the meeting. We will not permit behaviour which may interfere with anyone's safety or the orderly conduct of the meeting.

Members' rights to ask questions

24. Under Section 319A of the Companies Act 2006, any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
- (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Website

25. A copy of this notice, and other information required by s311A of the Act, can be found at www.hsshiregroup.com.

Voting results

26. The results of the voting at the General Meeting will be announced through a Regulatory Information Service and will appear on our website www.hsshiregroup.com as soon as practicable after the General Meeting.

Voting

27. Voting at the General Meeting will be by poll. The Chairman will invite each Shareholder, corporate representative and proxy present at the General Meeting to complete a poll card indicating how they wish to cast their votes in respect of the Resolution. In addition, the Chairman will cast the votes for which he has been appointed as proxy. Poll cards will be collected at the end of the General Meeting. Once the results have been verified by the Company's Registrar, Equiniti, they will be notified to the FCA, announced through a Regulatory Information Service and available to view on the Company's website.

