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PORTMEIRION GROUP PLC

Notice of Annual General Meeting

Notice of the Annual General Meeting of Portmeirion Group PLC to be held at Portmeirion Group PLC's registered office at London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ on 17 May 2018 at 12.00 noon is set out on pages 5 to 8 of this document. The action to be taken by shareholders is set out above and on pages 7 and 8. Whether or not you propose to attend the Annual General Meeting, please complete, sign and return the enclosed form of proxy in accordance with the instructions printed on it so that it is received not less than 48 hours before the time of the holding of the Annual General Meeting.

Letter from the Chairman of the Company

PORTMEIRION GROUP PLC

(The “Company”)

(Incorporated and registered in England and Wales under number 124842)

Registered Office:
London Road, Stoke-on-Trent,
Staffordshire ST4 7QQ

12 April 2018

Dear Shareholder(s),

Notice of Annual General Meeting

I am writing to you with details of our Annual General Meeting (“AGM”) which we are holding at 12.00 noon on 17 May 2018 at the Company’s registered office at London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ. The formal Notice of AGM is set out on pages 5 to 8 of this document.

Whether or not you propose to attend the AGM, please complete and sign the form of proxy sent to you with this Notice and return it to our registrars as soon as possible. They must receive it by 12.00 noon on 15 May 2018.

I set out below explanatory comments regarding the matters to be dealt with at the AGM. There are 16 resolutions which shareholders are asked to approve, of which resolutions 14 and 15 will be proposed as special resolutions and the remainder proposed as ordinary resolutions. For each of the ordinary resolutions to be passed, more than half of the votes cast must be in favour of the resolution. As resolutions 14 and 15 will be proposed as special resolutions, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Reports and Accounts

The Directors are required to present to the AGM the audited accounts and the reports of the Directors and the Auditors for the financial year ended 31 December 2017.

Resolution 2: Declaration of Dividend

The final dividend must be approved by shareholders but cannot exceed the amount recommended by the Directors.

Resolutions 3 to 9: Election and Re-election of Directors

Under the Company’s Articles of Association, each Director is obliged to retire and shall be eligible for re-election at the third Annual General Meeting of the Company after the general meeting at which he/she was appointed or last reappointed. In accordance with our commitment to good corporate governance practice, the Board has voluntarily adopted the policy that in normal circumstances all continuing Directors stand for re-election on an annual basis in line with the recommendations of the UK Corporate Governance Code 2016. Phil Atherton, Lawrence Bryan, Lady Barbara Judge, Mick Knapper, Janis Kong and myself will therefore retire at the AGM and, all apart from Lady Barbara Judge, are offering ourselves for re-election. In addition, Andrew Andrea and Mike Raybould are being proposed for election as they joined the Board since the last Annual General Meeting. As announced on 21 March 2018, Lady Barbara Judge will retire from the Board at the conclusion of the AGM.

Having considered the performance of, and contribution made by each of the Directors standing for election or re-election, the Board remains satisfied that the performance of each of the Directors continues to be effective and that they demonstrate a commitment to the role.

Biographical details of the Directors standing for election and re-election are set out on pages 24 and 25 of the Report and Accounts for the year ended 31 December 2017.

Resolution 10: Reappointment of Auditors

The Company is required to appoint Auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the reappointment of Mazars LLP.

Resolution 11: Remuneration of Auditors

In accordance with standard practice, this resolution is proposed to give authority to the Directors to determine the remuneration to be paid to the Auditors.

Resolution 12: Directors’ Remuneration Report

The Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy contained within that Report) for which approval is sought is set out on pages 30 to 37 of the Report and Accounts for the year ended 31 December 2017. This vote will be advisory.

Resolution 13: Authority to Allot Shares

Under section 551 of the Companies Act 2006 (the “Act”), the directors of a company may only allot shares or grant any rights to subscribe for or to convert any security into shares in the company if authorised to do so by shareholders. At the Annual General Meeting of the Company held on 25 May 2017, as in previous years, the Directors were given authority to allot shares and grant such rights. This authority is due to expire at the conclusion of this year’s AGM, and the Directors propose to renew it.

Share capital management guidelines published by the Investment Association confirm that the Association's members will regard as routine an authority to allot up to two-thirds of a company's existing issued share capital (excluding treasury shares), provided that any amount in excess of one-third of the existing issued shares can be applied only to fully pre-emptive rights issues. In light of these guidelines, which the Board considers represent best practice, this authority (if approved by shareholders) will allow the Directors to allot new shares or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal value of £361,744, approximately equal to two-thirds of the issued share capital excluding treasury shares as at 14 March 2018 (being the latest practicable date prior to the date of this circular). Of this amount, £180,872 (representing approximately one-third of the Company's issued ordinary share capital excluding treasury shares as at 14 March 2018) can only be allotted pursuant to fully pre-emptive rights issues. The authority will last until the conclusion of the Company's next Annual General Meeting in 2019 or, if earlier, until 30 June 2019.

The Directors have no current intention of exercising this authority except in relation to the allotment of shares under share option schemes. However, the Directors consider it appropriate to maintain the flexibility that this authority will provide to be in a position to respond to market developments and to enable allotments to take place to finance business opportunities should they arise.

Resolution 14: Disapplication of Pre-emption Rights

If equity securities are to be allotted for cash, section 561(1) of the Act requires that those equity securities are offered first to existing shareholders in proportion to the number held by them at the time of the offer and otherwise in compliance with the technical requirements of that Act. Those pre-emption provisions also apply to the sale of treasury shares by the Company. However, it may be in the interests of the Company for the Directors to allot shares and/or sell treasury shares other than to shareholders in proportion to their existing holdings or otherwise than strictly in compliance with those requirements.

This resolution would allow the Directors, pursuant to section 570 and section 573 of the Act, to allot shares and to sell treasury shares for cash without first offering them to shareholders in accordance with the Act. This authority is limited to the issue of equity securities and/or sale of treasury shares for cash up to a maximum nominal amount of £54,261, which is approximately equal to 10 per cent. of the total issued ordinary share capital of the Company excluding treasury shares as at 14 March 2018 (being the latest practicable date prior to the date of this circular), and allotments of equity securities and/or sale of treasury shares in connection with a rights issue or other pre-emptive offer to shareholders, subject to the Directors' ability to make arrangements to deal with certain legal or practical problems arising in connection with such offer.

Resolution 15: Purchase of Own Shares

The Directors believe that it is in the interests of the Company and its members for the Company to continue to have the flexibility to purchase its own shares and this resolution seeks authority from members to do so. The Directors intend only to exercise this authority where, after considering market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion and its overall financial position, they believe that the effect of such an exercise would be to increase the earnings per share and be in the best interests of shareholders generally.

The Company can either choose to cancel any shares it purchases under this authority (if granted), reducing the number of shares in issue as a result, or the Directors may elect to hold them in treasury.

Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under a company's employee share schemes. Once held in treasury, a company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares. Further, no dividend or other distribution of the company's assets may be made to the company in respect of the treasury shares.

This resolution replaces the authority given at the Annual General Meeting held on 25 May 2017 and would be limited to 1,085,236 ordinary shares, approximately equal to 10 per cent. of the issued share capital excluding treasury shares as at 14 March 2018 (being the latest practicable date prior to the date of this circular). The Directors intend to seek renewal of this power at each Annual General Meeting.

Resolution 16: The Portmeirion Group 2010 Deferred Incentive Share Option Plan (the "Plan")

This year marks the eighth year that we have been operating the Portmeirion Group 2010 Deferred Incentive Share Option Plan.

Under the Plan, employees who have received an annual incentive payment in respect of the previous financial year (an "Incentive") are entitled to receive an option ("Option") over a number of shares in the Company ("Shares") that is equivalent to 20 per cent. of the gross value of the Incentive. In practice, it is only Executive Directors who participate in the Plan. The Option is normally exercisable in three years' time, subject generally to the employee remaining in employment with the Company. In order that the participants are not required to fund the tax arising in relation to their awards under the Plan, on exercise of an Option, a participant is entitled to receive a "grossed-up" payment (i.e. a payment which, after discharge of necessary taxes (including National Insurance contributions) leaves a net amount) sufficient to pay the taxes (including National Insurance contributions) due in respect of the exercise of the Option. In calculating the amount of any such payment, the income tax and employee National Insurance contributions arising in respect of the exercise of the Option which will be the subject of such a payment are capped at the amount due at a rate of 50 per cent. and 2 per cent. respectively, and the "grossing up" for income tax and employee National Insurance contributions are capped at a rate of 50 per cent. and 2 per cent. respectively. Grossing up is appropriate so as to ensure that the shares are acquired without any need to sell them to generate cash to cover tax liabilities.

Letter from the Chairman of the Company *continued*

Resolution 16: The Portmeirion Group 2010 Deferred Incentive Share Option Plan (the “Plan”) continued

We have taken time to reflect on the operation of the Plan, and have reviewed the effectiveness of the Plan as an incentive and recruitment and retention tool, by reference to current market practice among not only our competitors, but also companies in the FTSE 250 and FTSE 100.

We are of the view that the structure of the Plan remains appropriate for our business and continues to be effective in providing a meaningful incentive for our senior employees. However, we are aware that market practice in the area of executive reward is constantly changing, and we want to ensure that the Plan includes “best practice” from a corporate governance perspective, whilst continuing to act as an effective retention and incentivisation tool. In this respect, we are proposing a number of amendments to the rules of the Plan (“**Amendments**”).

The Amendments will:

1. Include the ability for the Remuneration Committee (the “**Committee**”) to reduce the value of an Option granted to an employee (malus), or to require an employee to make a repayment in respect of an Option that he/she has already exercised (clawback), where certain events have occurred in relation to the business or to the conduct of the particular employee, which would warrant a reduction or cancellation of the employee’s Option. The time limit for the application of this provision will generally be five years from the date that the Option was granted (which is a further two years after an Option becomes exercisable).
2. Include the ability for the Committee to impose a two-year holding period on the sale or transfer of Shares acquired on the exercise of an Option (subject to the employee being allowed to sell sufficient Shares to cover any tax liability). The holding period is intended to facilitate the operation of malus and clawback (as set out above), by requiring employees to hold on to their Shares throughout the period during which the malus and clawback provisions may be applied.
3. Increase the limit on the value of Options that may be granted to an employee in respect of a financial year, from 20 per cent. of the gross value of the prior year’s Incentive, to 50 per cent.
4. Allow Options to be granted outside of the usual grant period where “exceptional circumstances” exist. We would propose to use this provision to grant additional Options in the current financial year, to “top up” the value of Options from 20 per cent. of the gross Incentive to 50 per cent. (as set out above). We note that the majority of incentive plans operated by our peers include an “exceptional circumstances” clause.
5. Update the reference to “2010” in the rules of the Plan to “2018”, so that the Plan will be named the “Portmeirion Group 2018 Deferred Incentive Share Option Plan”.
6. Implement a small number of administrative amendments, to ensure that the Plan remains compliant with current laws and practices.

The Amendments in relation to malus and clawback, and the holding period (points 1 and 2 above) reflect remuneration requirements for fully listed companies, and are not required in respect of incentives operated by AIM listed companies. Nevertheless, we are keen to adopt these new provisions as “best practice”.

In accordance with the Plan rules, shareholder authority is required for the Amendments at points 3 and 4 above, being amendments that are advantageous to participants in the Plan. However, authority is sought for all of the proposed Amendments, as we intend to implement all of the Amendments together.

A copy of the rules of the Plan, as proposed to be amended, is available for inspection at the Company’s registered office, London Road, Stoke-on-Trent, ST4 7QQ during normal business hours from the date of this Notice until the conclusion of the AGM. The rules will also be available for inspection at the AGM venue for fifteen minutes prior to, and until the end of, the AGM.

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours faithfully,



Dick Steele
Non-executive Chairman

Notice of Annual General Meeting

Portmeirion Group PLC (the “**Company**”)

Notice is hereby given that the Annual General Meeting (“**AGM**”) of the Company will be held at the Company’s registered office at London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ, on 17 May 2018 at 12.00 noon for the following purposes:

As ordinary business: to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions.

1. To receive the audited accounts for the year ended 31 December 2017 together with the Report of the Directors, the Strategic Report and the Auditor’s Report on those accounts.
2. To declare a final dividend of 27.26p per share in respect of the year ended 31 December 2017 payable on 30 May 2018 to shareholders on the register at the close of business on 27 April 2018.
3. To elect A.A. Andrea as a Director.
4. To re-elect P.E. Atherton as a Director.
5. To re-elect L. Bryan as a Director.
6. To re-elect M.J. Knapper as a Director.
7. To re-elect J. Kong as a Director.
8. To elect M.T. Raybould as a Director.
9. To re-elect R.J. Steele as a Director.
10. To reappoint Mazars LLP as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next meeting at which accounts are laid before the Company.
11. To authorise the Directors to fix the remuneration of the Auditors of the Company.
12. To approve the Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy contained within that Report) as set out in the Report and Accounts for the year ended 31 December 2017.

As special business: to consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions save for resolutions 13 and 16 which will be proposed as ordinary resolutions.

13. That, in substitution for all existing authorities and pursuant to section 551 of the Companies Act 2006 (the “**Act**”), the Directors be generally and are unconditionally authorised to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:
 - a) up to a maximum aggregate nominal amount of £180,872; and in addition
 - b) up to a further aggregate nominal amount of £180,872 provided that they comprise equity securities (as defined in section 560 of the Act) in connection with an offer of such securities by way of a rights issue to holders of ordinary shares on the register on a record date fixed by the Directors in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares and to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, legal or practical problems arising in or under the laws of any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever,

during the period from the date of the passing of this resolution up to the conclusion of the next Annual General Meeting of the Company (to be held in 2019) or 30 June 2019, whichever is the earlier, on which date the authority will expire (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares and grant rights in pursuance of any such offer or agreement as if this authority had not expired.

Notice of Annual General Meeting *continued*

14. That, subject to the passing of resolution 13 in the Notice of this Annual General Meeting and in substitution for all existing unexercised powers, the Directors be hereby generally empowered pursuant to section 570 and section 573 of the Companies Act 2006 (the "**Act**") to make allotments of equity securities (within the meaning of section 560 of the Act) for cash either pursuant to the authority conferred on them by resolution 13 in the Notice of this Annual General Meeting or by way of a sale of treasury shares as if section 561 of the Act did not apply to any such allotment, provided that this power be limited:

- a) to the allotment of equity securities where such equity securities have been offered to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
- b) to the allotment otherwise than pursuant to sub-paragraph (a) above of equity securities up to an aggregate nominal amount of £54,261,

and that this power shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2019) or on 30 June 2019, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may, notwithstanding such expiry, allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

15. That the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 (the "**Act**") to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 5p each in the capital of the Company ("**Ordinary Shares**") provided that:

- a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 1,085,236;
- b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 5p per share;
- c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than 5 per cent. above the average of the middle market quotations for an Ordinary Share as derived from the AIM section of the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased;
- d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2019) or on 30 June 2019, whichever is the earlier; and
- e) the Company may enter into a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may, notwithstanding such expiry, make a purchase of Ordinary Shares in pursuance of any such contracts as if the power conferred hereby had not expired.

16. That the Directors be authorised to adopt the proposed amendments to the Portmeirion Group 2010 Deferred Incentive Share Option Plan ("**DISOP**") as included in the copy of the rules of the DISOP produced to the meeting and initialled by the Chairman (for the purpose of identification only), and the effect of which is set out in the explanatory comments in the letter from the Chairman included in this Notice of this meeting.

By order of the Board



M. MacDonald

Secretary
12 April 2018

Registered Office:

London Road, Stoke-on-Trent,
Staffordshire, ST4 7QQ.

Notes:

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders on the register of members of the Company as at close of business on 15 May 2018 (or, if the meeting is adjourned, not later than close of business on the day which is two days before the date of the adjourned meeting) will be entitled to attend or vote at the AGM and they may only vote in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after close of business on 15 May 2018 (or, if the meeting is adjourned, after close of business on the day which is two days before the date of the adjourned meeting) will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. If you wish to attend the meeting in person, please arrive at the venue for the meeting by 11.45 a.m. Please sign the attendance card attached to the form of proxy which accompanies this Notice of Annual General Meeting and bring it with you to the meeting, to enable your attendance to be registered.
3. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company, but must attend the AGM to represent the member. Appointment of a proxy will not prevent members from attending this meeting and voting in person.
4. A form of proxy is enclosed with this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Link Asset Services on 0871 664 0300 (calls cost 12p per minute plus network extras from within the UK) or from overseas on +44 (0)371 664 0300 (in either case lines are open 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday). Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the proxy you wish to appoint, the number of Ordinary Shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions that are proposed. You should send all pages together to Link Asset Services in accordance with the instructions below.
5. To be valid, the form of proxy must be lodged with Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU not later than 48 hours before the time fixed for the meeting, along with any power of attorney or other authority under which the proxy is appointed (or a notarially certified copy of such power or authority). A pre-paid address for use within the UK is printed on the reverse of the form of proxy should you wish to use it.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via 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. 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 ("Euroclear UK & Ireland")'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 the issuer's agent (ID RA10) by not later than 12.00 noon on 15 May 2018 or by not later than 48 hours prior to the time appointed for the holding of any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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 the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notice of Annual General Meeting *continued*

Notes: continued

7. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see note 5 above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

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.

8. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member, provided that no more than one corporate representative exercises powers over the same share.
9. Copies of all Directors' service contracts with the Company and the terms and conditions of appointment of Non-executive Directors are available for inspection during normal business hours at the registered office of the Company (public holidays excluded) and will also be available for inspection at the place of the AGM from 11.45 a.m. on the day of the AGM until its conclusion.
10. You may not use any electronic address provided either in this Notice of Annual General Meeting or in any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.