



NWF Group plc
Notice of Annual General Meeting

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "Meeting") of NWF Group plc (the "Company") will be held at The Swan Hotel, Tarporley, Cheshire on Thursday, 2 October 2008 at 10.30 am to transact the following business:

Ordinary business

1. To receive and adopt the Company's annual accounts for the financial year ended 31 May 2008 together with the Directors' Report and Auditors' Report on those accounts.
2. To declare a final dividend for the year ended 31 May 2008.
3. To re-elect Mr. M.H. Hudson as a Director of the Company who retires by rotation in accordance with the Articles of Association of the Company.
4. To re-elect Mr. D.R. Southworth as a Director of the Company who retires by rotation in accordance with the Articles of Association of the Company.
5. To re-appoint Messrs PricewaterhouseCoopers LLP as auditors to hold office from the conclusion of the Meeting to the conclusion of the next Meeting at which accounts are laid before the Company at a remuneration to be determined by the Directors.

Special business

To consider and, if thought fit, pass the following Resolutions which will be proposed as Special Resolutions:

6. That the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of that Section) up to an aggregate nominal amount of £3,910,875 provided that this authority shall, unless renewed, varied or revoked by the Company in General Meeting, expire at the next Annual General Meeting of the Company save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to Section 80 of the Act, but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.
7. That, subject to passing Resolution 6, the Directors be and they are empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) to Section 94(3A) of the Act) wholly for cash pursuant to the authority conferred by the previous Resolution as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
 - (a) in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;
 - (b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £586,631; andshall expire at the next Annual General Meeting of the Company 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 allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.
8. That the Articles of Association of the Company produced to the Meeting and, for the purposes of identification, initialled by the Chairman, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

S R Andrew

Company Secretary

NWF Group plc

Wardle

Nantwich

Cheshire CW5 6BP

26 August 2008

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
6.00 pm on 30 September; or,
if this Meeting is adjourned, at 6.00 pm two days prior to the adjourned meeting
shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy, how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

completed and signed;

sent or delivered to the office of the Company's registrars at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and

received by the Company's registrars no later than 48 hours before the time appointed for holding the Annual General Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, 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).

Corporate representatives

8. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:
 - (a) if a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (b) if more than one corporate representative for the same corporate member attends the Meeting but the corporate member has not appointed the Chairman of the Meeting as its corporate representative, the first corporate representative of the corporate member will be appointed as the designated corporate representative who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (a) above.

Documents on display

9. The following documents will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting:
 - a. copies of the service contracts of the Executive Directors of the Company;
 - b. copies of the letters of appointment of the Non-Executive Directors of the Company; and
 - c. a copy of the proposed new Articles of Association of the Company.

Communication

10. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

calling Capita Registrars on 0871 664 0300*

*Please note: calls cost 10p per minute plus network charges

Explanatory notes to the business of the Annual General Meeting

Ordinary business

Each resolution will be proposed as an ordinary resolution. This means that for each of the resolutions to be passed, more than half of the votes cast must be in favour of the resolution. The ordinary resolutions are entirely routine and deal with the approval of the Report and Accounts for the financial year ended 31 May 2008, the declaration of a final dividend, the re-appointment of Mr. M.H. Hudson and Mr. D.R. Southworth as Directors of the Company and the re-appointment of PricewaterhouseCoopers LLP as auditors.

Special business

Each resolution will be proposed as a Special Resolution. Where resolutions are passed as Special Resolutions in order for those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 6 – Authority to allot shares (Special Resolution)

This resolution gives the Directors authority to allot unissued share capital with a nominal value of up to £3,910,875 which, as at 26 August 2008, being the last practicable date prior to the publication of this Notice, represents just less than one-third of the issued share capital of the Company. Although the Directors have no present intention of exercising this authority to allot unissued shares of the Company, they consider it appropriate to seek such authority in order to retain maximum flexibility to take advantage of business opportunities as they arise.

Resolution 7 – Disapplication of pre-emption rights (Special Resolution)

This resolution gives the Directors authority to allot ordinary shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings and is limited to allotments in connection with rights issues, or otherwise, up to a maximum nominal amount of £586,631 representing just less than 5% of the Company's issued share capital. Although the Directors have no present intention of exercising this authority, they consider it appropriate to seek such authority in order to maintain maximum flexibility to take advantage of business opportunities as they arise.

Resolution 8 – Adoption of new Articles of Association (Special Resolution)

The Company proposes to adopt new Articles of Association (the "Proposed Articles"). These incorporate amendments to reflect certain provisions of the Companies Act 2006 which have either come into force or are expected to come into force over the course of the next year. The principal changes to the Proposed Articles are summarised in the Appendix to the Notice of the Annual General Meeting.

Appendix summary of Articles of Association (“Articles”)

The new Articles of Association (“Proposed Articles”) that are to be adopted at the AGM by resolution 8 are proposed primarily to reflect certain provisions of the Companies Act 2006 (“2006 Act”) which have been brought into force but also to ensure that the Articles are suitable for a public company traded on AIM. Set out below is a summary of the Proposed Articles, which has been prepared in order to assist shareholders in understanding the substance of the proposed amendments. The amendments listed 1–7 below are proposed largely to reflect the provisions of the 2006 Act, whilst the amendments listed 8–14 are proposed with the intention that the Proposed Articles incorporate provisions that are suitable for a public company traded on AIM.

1. Articles which duplicate statutory provisions

Provisions in the existing Articles of Association (“Existing Articles”) which replicate provisions contained in the Companies Act 1985 (“1985 Act”) are in the main being amended in the Proposed Articles to bring them into line with the 2006 Act. Certain examples of such provisions include the variation of class rights and the period of notice required to convene general meetings.

2. Voting rights

Under the 2006 Act proxies are entitled to vote on a show of hands whereas under the Existing Articles proxies are only entitled to vote on a poll. Accordingly, the Proposed Articles now allow, subject to certain limitations, every member who is present in person or by proxy to have one vote on a show of hands and every member present in person or by proxy to have one vote for each share of which he is a holder on a poll at a general meeting of the Company.

3. Transfer of shares

Under the 2006 Act, if Directors refuse to register a transfer of shares they must provide the transferee with further information about the refusal, if requested. The provisions in the Proposed Articles have been amended in line with the 2006 Act, so that, if the Directors refuse to register a transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company (in the case of a share in certificated form) or the date on which the Operator’s instruction was received by the Company (in the case of a share in uncertificated form) send to the transferee notice of the refusal giving reasons for the refusal.

4. Directors’ interests

Certain provisions in the 2006 Act relate to Directors’ general duties. The provisions largely codify the existing law, but with some changes. Under the 2006 Act, from 1 October 2008, a Director must avoid a situation where he/she has, or can have a direct or indirect interest that conflicts, or possibly may conflict, with the Company’s interests. The requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. The 2006 Act allows Directors of public companies to authorise conflicts and potential conflicts where the Articles of Association contain a provision to this effect. The 2006 Act allows the Articles to contain other provisions for dealing with Directors’ conflicts of interest to avoid a breach of duty. The Proposed Articles give Directors the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director pursuant to the 2006 Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company. Authorisation of a matter will only be effective if:

- (a) the matter in question shall have been proposed for consideration at a meeting of the Directors;
- (b) any quorum requirements at the meeting of Directors at which the matter is considered is met without counting the Director in question; and
- (c) the matter is agreed to without the interested Directors voting or would have been agreed to if the votes of the interested Directors had not been counted.

5. Electronic communications and form of notices

- 5.1 The 2006 Act brought in certain changes in relation to electronic communications and the Proposed Articles reflect these changes.
- 5.2 The Proposed Articles now state (subject to certain conditions) that any notice or document to be given, sent, issued, served, delivered or lodged to or by any person (save for a notice convening a meeting of the Board) shall be in writing and that it shall be effective when sent electronically or in electronic form to an address supplied for the time being for that purpose subject always to the provisions of the Companies Acts. Documents or information may also be validly sent when made available on a website, subject to the Companies Acts.
- 5.3 It is important to note that under the 2006 Act, the recipient of such communications must consent to that form of communication and supply an appropriate address in order for it to be effective. In the case of a shareholder recipient, such consent must be positively provided and may not be deemed. These proposed changes will only allow the Company, with prior consent from individual shareholders, to distribute documents and information, such as annual reports and general meeting notices, via its website or through other electronic media. However, the Directors do not have any intention to request this consent from shareholders at the present time and will only use these powers where it is cost efficient to do so.

Appendix summary of Articles of Association (“Articles”) continued

6. Form of resolution

The current article 11 enables members to act by written resolution. Under the 2006 Act, public companies can no longer pass written resolutions. These provisions have therefore been removed in the Proposed Articles.

7. Director’s retirement

The Proposed Articles do not contain any provision in relation to the retirement age of a Director because the 2006 Act repealed the 70 year age limit for Directors of public companies. This means that Directors will no longer have to vacate office on reaching 70 years of age.

8. Dividends

The Proposed Articles contain fuller and more standard provisions in relation to dividends as summarised below:

- 8.1 Subject to the provisions of the Companies Acts and of the Articles, the Company may, by ordinary resolution, declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Directors.
- 8.2 Subject to the provisions of the Companies Acts, the Directors may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Directors to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. PROVIDED THAT the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- 8.3 All dividends unclaimed for a period of 12 years after having been declared or having become due for payment shall (if the Directors so resolve) be forfeited and shall cease to remain owing by the Company.
- 8.4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that payment of any dividend declared which may be satisfied wholly or partly by the distribution of assets.
- 8.5 The Directors may also, with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Directors may determine, offer to holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution.
- 8.6 Where and to the extent that a member holds Default Shares which represent 0.25% or more of their class, excluding any shares held as treasury shares, any dividend or other monies payable in respect of those shares shall, unless the Directors otherwise determine, be withheld and interest shall not be payable thereon and the member shall not be entitled to elect to receive shares instead of such dividend.

9. Borrowing powers

- 9.1 The Existing Articles and the Proposed Articles allow the Directors to exercise all the powers of the Company to borrow money and to mortgage or charge (all or any part of) its undertaking, property and assets (present or future) and uncalled capital and may issue debentures, loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.
- 9.2 However, the Proposed Articles now state that the Board must restrict such borrowings of the Company and (to the extent possible) subsidiary undertakings so that the aggregate principal amount owed by the Company and subsidiary undertakings (other than intra-group loans) will not at any time (without the previous sanction of an ordinary resolution of the Company), exceed an amount equal to three times the aggregate of share capital and consolidated reserves.

10. General meetings

The Proposed Articles now set out more clearly the procedures to be followed at a General Meeting. Such provisions include:

- 10.1 Ensuring that no business shall be transacted at any general meeting unless a quorum is present. The Proposed Articles now state that two persons (either members, duly authorised representatives or proxies) entitled to vote upon the business to be transacted at the meeting shall be a quorum. The chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Directors shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days’ notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 10.2 The Proposed Articles now allow any resolution put to a vote of the meeting to be decided by poll or on a show of hands. Subject to the provisions of the Companies Acts, a poll may be demanded by the chairman of the meeting, at least five members having the right to vote on the resolution, a member or members representing not less than one-tenth of the total voting rights (excluding treasury shares) of all the members having the right to vote on the resolution or member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding treasury shares).

11. Directors' fees

The Proposed Articles now contain limits on Directors' fees.

12. Directors' appointment and retirement

The Proposed Articles clarify the procedure for the appointment and retirement of Directors. These new provisions state that:

12.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation. A Director shall not be required to hold any shares in the Company.

12.2 At each annual general meeting there shall retire from office by rotation:

- (a) all Directors who held office at the time of the two preceding annual general meetings and who did not retire by rotation at either of them; and
- (b) if the number of Directors retiring under (a) above is less than one third of the Directors, then such additional number of Directors as shall together with the Directors retiring under (a) above equal one third of Directors.

13. Untraced shareholders

The Proposed Articles contain provisions on untraced shareholders. The Company may sell any shares registered in the name of a member who fails to claim three dividends for 12 years and who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

14. Crestco Limited (CREST)

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Proposed Articles are now consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Proposed Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Proposed Articles so that they can be applied to transactions with shares in the Company in uncertificated form.



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