

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Macfarlane Group PLC, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

31 March 2017

Dear Shareholder

Macfarlane Group PLC 2017 Notice of Annual General Meeting

This year's Annual General Meeting ("AGM") is to be held at the DoubleTree by Hilton Hotel Glasgow Central, 36 Cambridge Street, Glasgow G2 3HN on 9 May 2017 at 12 noon. The notice of the AGM, which follows this letter, sets out the business to be considered at the meeting.

The notice also contains items of business which are of a technical nature and these items are explained in more detail on pages 4 to 5.

Your Directors believe that all the Resolutions to be considered at the AGM are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

I hope that you can attend the AGM on 9 May 2017 and look forward to seeing you there.

Yours faithfully

Graeme Bissett
Chairman

Notice of Annual General Meeting

Macfarlane Group PLC (Company No: SC4221)

NOTICE IS HEREBY GIVEN THAT the one hundred and eighteenth ANNUAL GENERAL MEETING ("AGM") of the members of MACFARLANE GROUP PLC (the "Company") will be held at the DoubleTree by Hilton Hotel Glasgow Central, 36 Cambridge Street, Glasgow G2 3HN on Tuesday 9 May 2017 at 12 noon for the purpose of transacting the following business:

Ordinary Business

1. To receive, consider and adopt the Directors' Report and the Company's Annual Accounts for the financial year ended 31 December 2016 ("the Annual Accounts");
2. To approve the Directors' Remuneration Report for the financial year ended 31 December 2016 set out on pages 28 to 31 (inclusive) in the Annual Accounts;
3. To declare a dividend of 1.40p per share payable on 8 June 2017;
4. To re-elect Peter Atkinson as a Director of the Company;
5. To re-elect Michael Arrowsmith as a Director of the Company;
6. To re-elect Graeme Bissett as a Director of the Company;
7. To reappoint KPMG LLP as the Company's auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company;
8. To authorise the Directors to determine the remuneration of the auditors.

Special Business

To consider and, if thought fit, pass resolutions 9 and 10 which will be proposed as an ordinary and as a special resolution respectively:

9. That the Directors be and are hereby authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £11,361,291 (representing one third of the issued share capital at 30 March 2017) and shall expire at the AGM of the Company in 2018, or, if earlier on the date falling 15 months after the date of the passing of this resolution but so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or securities to be converted into shares after such expiry and that the Directors be and are hereby authorised to allot shares and grant such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

10. Subject to the passing of (and the authority thereby conferred by) ordinary resolution 9 above, that the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities for cash (as defined in section 560 of the Act) pursuant to the authority given in accordance with section 551 of the Act, as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited: (i) to the allotment of equity securities in connection with an offer of equity securities: (a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and (b) to 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, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and (ii) to the allotment (otherwise than pursuant to paragraph (i) above) of equity securities, up to a maximum nominal amount of £3,408,387 (representing 10% of the Company's issued ordinary share capital as at 30 March 2017), which authority shall expire at the conclusion of the AGM of the Company in 2018, or, if earlier, on the date falling 15 months after the date of the passing of this resolution, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and notwithstanding such expiry the Directors may allot equity securities in pursuance of such offers or agreements and all authorities previously conferred under section 570 of the Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect.

To transact such other ordinary business as may be properly transacted at the AGM.

By Order of the Board

Derek L.H. Quirk
Company Secretary
21 Newton Place
Glasgow G3 7PY
31 March 2017

Explanation of the resolutions to be proposed at the AGM

Resolution 1 is a standard resolution. The Annual Accounts are required to be laid before the Company in general meeting. The Annual Accounts are accompanied by the Directors' Report, the Directors' Remuneration Report and the report of the Independent Auditor.

Resolution 2 requests approval for the Directors' Remuneration Report, on pages 28 to 31 of the Annual Accounts. This is an advisory vote and votes cast against approval of the Directors' Remuneration Report will not invalidate the Annual Report and Accounts as a whole.

Resolution 3 will, if passed, confirm approval of the payment of a final dividend. The Directors have proposed a final dividend of 1.40p per share, to be paid on 8 June 2017 to shareholders on the register on 12 May 2017.

Resolutions 4 to 6 seek approval for the re-appointment of Directors in accordance with the Company's Articles of Association and the UK Corporate Governance Code as it applies to companies outside the FTSE350. The biographies of the Directors seeking re-election which appear in the Annual Accounts are repeated here for ease of reference:

Peter Atkinson joined Macfarlane Group as Chief Executive in 2003. He has a strong sales and marketing background through his career at Procter & Gamble and S.C. Johnson. Peter also has significant general management experience gained during his time at GKN PLC and its joint venture partners where he worked from 1988 to 2001 in a number of senior executive roles in their business-to-business operations. He has a successful track record of both business turnarounds and business development with extensive exposure to international business, having worked in the UK, Continental Europe and the USA. From 2000 to 2003, he was responsible for the US automotive and materials handling businesses of Brambles Industries PLC.

Mike Arrowsmith joined the Board in 2012. He was Group Chief Executive of Lincac Group Ltd, a market-leading international food and consumer packaging company with annual sales of £1.1 billion, from 2005 to 2010. Prior to this he worked for Tibbett & Britten Group Plc, the £1.5 billion third party logistics group, from 1999 to 2005, joining the board in a senior commercial role before leading the transformation of the group as Chief Executive from 2001 to 2004 prior to its sale to Exel Plc. Mike served as a non-executive director of Enodis Plc from 2004 to 2008. He is currently a non-executive director of Tullis Russell Group Ltd and Chairman of Jas. Bowman & Sons Limited. Mike is a member of the Audit, Remuneration and Nominations Committees and is the Senior Independent Director.

Graeme Bissett joined the Board in 2004 as a non-executive director, becoming Chairman on 8 May 2012. He is Chairman of the Nominations Committee and a member of the Remuneration Committee. Graeme has previously served as finance director of international groups and as a partner with Arthur Andersen. His other board appointments comprise Smart Metering Systems plc, Anderson Strathern LLP, Curo Compensation Ltd, The Scottish Futures Trust Ltd and Cruden Holdings Ltd. Graeme also holds a number of pro bono appointments.

The Board recommends these re-elections as they bring significant and relevant expertise to the Board and in the case of the executive appointment, supports the implementation of the Company's strategy.

Resolution 7 proposes the reappointment of KPMG LLP as auditors of the Company.

Resolution 8 seeks separate authority for the Directors to determine their remuneration.

Resolution 9 – under the Companies Act 2006 (the "Act") the Directors may only allot unissued shares if authorised to do so by the Shareholders in general meeting. At the AGM held in 2016, Shareholders granted the Directors authority to allot relevant securities under Section 551 of the Act for a period of up to 15 months and this authority expires at the 2017 AGM. Resolution 9 seeks to renew this authority to allow the Directors to allot shares or grant rights to subscribe for or convert any security into shares up to an aggregate nominal amount of £11,361,291 representing an amount equal to one-third of the Company's issued share capital as at 30 March 2017 (being the latest practicable date before the date of this notice (the "Latest Practicable Date")). As at 30 March 2017 the Company holds no treasury shares. If given, these authorities will expire at the Annual General Meeting in 2018 or on 8 August 2018, whichever is the earlier. This authority complies with the latest institutional guidelines issued by the Investment Association.

Resolution 10 is proposed as a special resolution, requiring a majority of 75% of those voting to be in favour. If the Directors wish to allot equity securities for cash they are required to offer those equity securities first to current shareholders in proportion to their existing holdings. This resolution requests authority for disapplication of statutory pre-emption rights and such authority would be limited to allotments in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £3,408,387, representing 10% of the issued share capital of the Company as at the Latest Practicable Date. The authority, if granted, would replace a similar resolution passed at last year's AGM.

If given, this power will expire on 8 August 2018 or at the conclusion of the Annual General Meeting in 2018, whichever is the earlier. The figure of 10% reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the "**Statement of Principles**"). The Directors will have due regard to the Statement of Principles in relation to any exercise of this power, in particular they do not intend to allot shares for cash on a non pre-emptive basis pursuant to this power:

- (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company excluding treasury shares; or
- (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company excluding treasury shares in any rolling three-year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles) which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Attendance at AGM and proxy voting

1. A member entitled to attend and vote at the Annual General Meeting (the “**Meeting**”) is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and to vote at the meeting.

A proxy need not be a member of the Company.

A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

2. A shareholder attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with section 319A of the Companies Act 2006 (the “**Act**”). In certain circumstances prescribed by the same section of the Act, the Company need not answer a question.
3. Information regarding the meeting, including the information required by section 311A of the Act, is available from www.macfarlanegroup.com.
4. A form of proxy is enclosed with this notice. (Please note that this is different to the alternative method of submitting proxies using CREST which is described in Note 5 below). To be effective the instrument appointing a proxy must be completed and deposited, together with the authority (if any) under which it is executed or a notarially certified copy of such authority, at the office of the Company’s registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 8LU (the “**Company’s Registrars**”) not later than forty eight hours (disregarding any day that is not a working day) before the time appointed for holding the meeting, being 12 noon on Friday 5 May 2017.

Completion and return of the form of proxy does not preclude a member from attending and voting in person at the meeting. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. A replacement proxy form may be obtained by contacting the Company.

To revoke your proxy instructions, please contact the Company’s Registrars by no later than 12 noon on Friday 5 May 2017. However, if you have appointed a proxy and attend and vote at the meeting in person, your proxy appointment will automatically be terminated when you exercise your vote. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this notice. Please read note 6 relating to Nominated persons below.

5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://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 made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (ID: RA19) not later than forty eight hours (disregarding any day that is not a working day) before the time appointed for holding the meeting, being no later than 12 noon on Friday 5 May 2017. 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.

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.

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6. If you are a person who has been nominated under section 146 of the Act to enjoy information rights, you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("**Relevant Member**") to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
 7. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members no later than 6pm on Friday 5 May 2017, or in the case of an adjournment, as at 48 hours (disregarding any day that is not a working day) prior to the time of the adjourned meeting shall be entitled to attend and vote at the meeting.
 8. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
 9. As at 6pm on 30 March 2017 the Company's issued share capital comprised 136,335,497 Ordinary Shares of 25p each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6pm on 30 March 2017 is 136,335,497.
 10. Any member who has a general query about the meeting should contact the Company Secretary by post at the Company's Registered Office. No other method of communication will be accepted. You may not use any electronic address provided in this notice of the Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
 11. Under Section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
 - (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Meeting; or
 - (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website.

The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website. Any request pursuant to section 527 must be received by the Company at least one week before the meeting to which it relates.
 12. Copies of each Director's service contract and Non-executive Director's terms of appointment with the Company, or with any of its subsidiary undertakings are available for inspection at the registered office of the Company during usual business hours until the time of the meeting and will be available for inspection at the DoubleTree by Hilton Hotel Glasgow Central, 36 Cambridge Street, Glasgow G2 3HN for at least 15 minutes prior to and during the meeting.
 13. Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through Equiniti's website at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the proxy form will be required in order to use this electronic proxy appointment system. Alternatively shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and then click on the link to vote. A proxy appointment made electronically will not be valid if received after 12 noon on Friday 5 May 2017.

Attendance at AGM and proxy voting (continued)

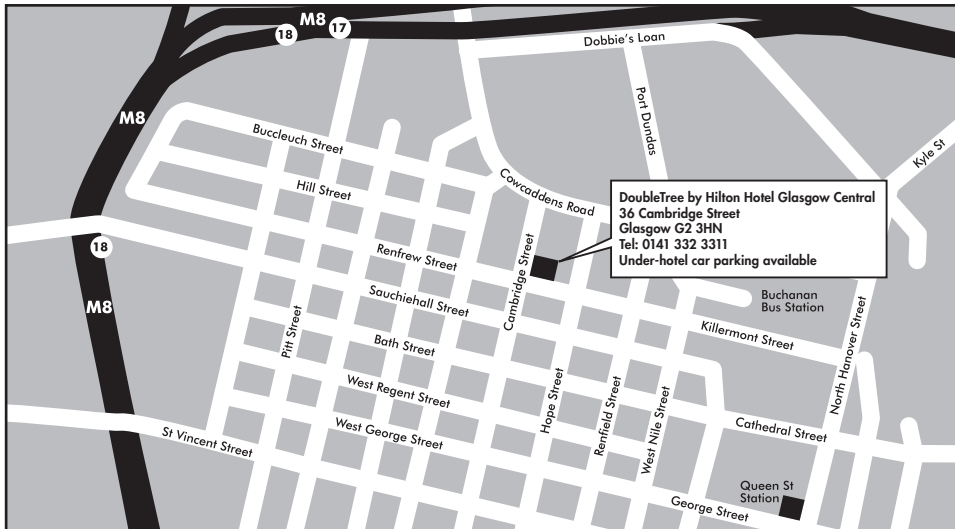
How to get to the DoubleTree by Hilton Hotel Glasgow Central

Road: From South M8, junction 17, 3 sets of lights, 1st left, 2nd straight over, 3rd right. From West M8, junction 17, right fork, 5 sets of lights, 1st right, 2nd right, 3rd right, 4th left, 5th right. 250 car parking spaces are available for a charge.

Rail: Take trains to either Glasgow Central or Queen Street Stations. Both stations are only 0.5 miles from the hotel.

Air: Glasgow Airport is 9 miles away.

Glasgow



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