

SAMUEL HEATH & SONS PLC
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SHARE DEALING POLICY
AND OVERVIEW OF MARKET ABUSE REGIME
(Adopted by Board Resolution passed on 8th July 2016)

SAMUEL HEATH & SONS PLC
(the "Company")

RESTRICTIONS ON SHARE DEALING

1. INTRODUCTION

- 1.1 Under Rule 21 of the AIM Rules for Companies of the London Stock Exchange (the "**AIM Rules for Companies**"), the Company must have in place, from admission, a reasonable and effective dealing policy setting out the requirements and procedures for directors and applicable employees' dealings in the Company's shares. AIM Rule 21 sets out the minimum provisions the dealing policy must contain.
- 1.2 In addition, as a result of implementation in the UK of the Market Abuse Regulation (596/2014/EU) ("**MAR**") on 3 July 2016, persons discharging managerial responsibilities ("**PDMRs**") in the Company, and persons closely associated with them, must comply with the share dealing restrictions and procedures in article 19 of MAR.
- 1.3 The Company has therefore adopted a policy for dealings in its shares (the "**Dealing Policy**"), which sets out the requirements and procedures for PDMRs (including directors), persons closely associated with them and applicable employees (collectively referred to as "**you**"). A copy of the Dealing Policy is attached as Appendix I.
- 1.4 This document explains the circumstances in which shares in the Company can be bought and sold by you. This document also provides an overview of the new market abuse regime under MAR and the penalties for breach of MAR. **You are being given this document and the Dealing Policy because they both apply to you.**

2. OVERVIEW OF MARKET ABUSE REGIME

- 2.1 MAR repeals and replaces the Market Abuse Directive (2003/6/EC) ("**MAD**") and its implementing legislation, with effect from 3 July 2016.
- 2.2 MAR is an EU Regulation, which means it will apply directly in the UK without the need for any domestic implementing legislation. As a result, the UK has limited policy discretion in how the provisions of MAR take effect. However, it will require changes to the Financial Services and Markets Act 2000 ("**FSMA**"), the FCA Handbook and the AIM Rules for Companies, in order for the UK to become compliant with the provisions in MAR.
- 2.3 The scope of MAR is significantly broader than that of MAD. MAR extends the scope of the UK market abuse framework to new markets, new platforms and new behaviours that have developed since MAD came into force. This includes any financial instruments traded or admitted to trading on a multi-lateral trading facility (such as AIM). Broadly, any conduct or action that can have an effect on a financial instrument is within the scope of MAR, whether it takes place on a trading venue or not.
- 2.4 **What is market abuse?**
- 2.5 Market abuse is unlawful behaviour in the financial markets. It comprises of:
- (a) insider dealing;
 - (b) unlawful disclosure of inside information; and
 - (c) market manipulation in relation to the Company's shares.
- 2.6 In addition, and for the first time, attempted insider dealing and attempted market manipulation will be prohibited under MAR. What this means in practice is that the following behaviours are expressly prohibited under MAR:
- (a) using inside information to cancel or amend an existing order placed before the person possessed inside information, on the basis of the new inside information; and

(b) placing an order that may not be executed, for example, because an instruction to trade is not acted upon.

2.7 Under MAD, attempted insider dealing and attempted market manipulation are not deemed to be an offence, because no securities would have been acquired as a result of the insider information or market manipulation.

2.8 MAR provides a defence if the transaction or order was legitimate and in accordance with market practices accepted by the regulator.

2.9 **What is inside information?**

2.10 "Inside information" is defined in article 7(1)(a) of MAR as "information which has not been made public, is precise and relates to one or more issuers of financial instruments that, were it to be made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments".

2.11 Information will be of a "precise nature" where it contains a set of circumstances which either exist, or may be reasonably expected to, and which are specific enough to enable a person to draw a conclusion as to the possible effect of that set of circumstances, or event, on the price of the relevant financial instrument.

2.12 Information which, if it were made public, would be likely to have a "significant effect" on the price of financial instruments means information that a reasonable investor would be likely to use as the basis of his or her investment decision.

2.13 **You must consider the extent to which any relevant information you hold is non-public and the possible effect on the Company's shares traded in advance of its publication or distribution, to establish whether you would be trading on the basis of inside information.**

3. **CIVIL SANCTIONS FOR BREACH OF MARKET ABUSE REGIME**

3.1 The Financial Conduct Authority ("**FCA**") is the designated regulator under MAR for multi-lateral trading facilities in the UK. Accordingly, the FCA will be the regulator of the Company for the purposes of monitoring and enforcing its compliance with MAR.

3.2 MAR specifies the minimum powers that regulators should have. These include the power to impose civil sanctions for breach of MAR, including:

- (a) a "cease and desist" order;
- (b) disgorgement of the profits gained, or losses avoided, as a result of the breach;
- (c) public censure;
- (d) a temporary ban on a PDMR, or another natural person, who is held responsible for the infringement, from dealing on own account; and
- (e) a maximum fine of at least three times the amount of the profits gained, or losses avoided, because of the breach, if this can be determined.

3.3 If you are found guilty of market abuse, you are liable to fines of up to:

- (a) €5 million for insider dealing, unlawful disclosure or market manipulation;
- (b) €1 million for failure to maintain adequate systems and controls to prevent market abuse or failure to disclose insider information; and
- (c) €100,000 for breaches in connection with insider lists, PDMR transactions or investment recommendations.

- 3.4 Companies are liable to fines of up to:
- (a) €15 million, or 15% of annual turnover in the preceding business year, for insider dealing, unlawful disclosure or market manipulation;
 - (b) €2.5 million, or 15% of annual turnover in the preceding business year, for failure to maintain adequate systems and controls to prevent market abuse or failure to disclose insider information; and
 - (c) €1 million for breaches in connection with insider lists, PDMR transactions or investment recommendations.

3.5 For subsidiaries, turnover would be calculated by reference to the annual turnover resulting from the consolidated accounts of the ultimate parent undertaking.

4. CRIMINAL SANCTIONS FOR BREACH OF MARKET ABUSE REGIME

4.1 The Directive on Criminal Sanctions for Market Abuse ("**CSMAD**") introduces criminal sanctions for market abuse. The UK, however, will not be opting in to CSMAD on the basis that criminal sanctions for market abuse already exist under the Criminal Justice Act 1993 ("**CJA**") and the Financial Services Act 2012 ("**FS Act**").

4.2 Insider dealing offences

4.3 It is a criminal offence under section 52 of the CJA if an insider:

- (a) deals in price-affected securities, when in possession of inside information;
- (b) encourages another person to deal in price-affected securities, when in possession of inside information. The offence is committed when the encouragement is given, whether or not the other person acts on it; and
- (c) discloses inside information, other than in the proper performance of his employment, office or profession.

4.4 An individual holds information as an "insider" if:

- (a) it is, and he knows that it is, inside information; and
- (b) he has it, and knows that he has it, from an inside source.

4.5 An individual has information from an inside source if:

- (a) he has it through being a director, employee or shareholder of an issuer of securities (not necessarily the company whose securities are the subject of the insider dealing); or
- (b) he has access to the information by virtue of his employment, office or profession (for example, because he works for an adviser to the company); or
- (c) the direct or indirect source of his information is a person within the previous two categories (e.g. a spouse of a director).

4.6 Insider dealing is a criminal offence under Part V of the CJA and the FCA has the power to make a prosecution. If you are found guilty of insider dealing, you are liable to:

- (a) an unlimited fine; and/or
- (b) imprisonment (for a term not exceeding six months on summary conviction, or seven years on conviction on indictment).

4.7 False or misleading statements

- 4.8 The FCA also has the power to prosecute individuals that:
- (a) make a false or misleading statement under section 89 of the FS Act; or
 - (b) create a false or misleading impression under section 90 of the FS Act.
- 4.9 It is a criminal offence to make false or misleading statements or create false or misleading impressions under Part 7 of the FS Act. If you are found guilty of either of these offences, you are liable to:
- (a) an unlimited fine; and/or
 - (b) imprisonment (for a term not exceeding twelve months on summary conviction, or seven years on conviction on indictment).

5. THE SHARE DEALING POLICY

- 5.1 The Dealing Policy in Appendix I describes the Company's policy and procedures for dealings in its shares by you.
- 5.2 The Dealing Policy sets out:
- (a) the Company's close periods, during which you cannot deal;
 - (b) when you must obtain clearance to deal in the Company's shares;
 - (c) the appropriate person(s) within the Company to grant clearance requests;
 - (d) the procedure for obtaining clearance for dealing;
 - (e) the appropriate timeframe for you to deal, once you have received clearance;
 - (f) how the Company will assess whether clearance to deal may be given to you; and
 - (g) procedures on how the Company will notify deals required to be made public under MAR.
- 5.3 **The Dealing Policy represents a minimum standard of good practice. Even if you are not prohibited by law from dealing in the Company's shares under the Dealing Policy, there may be circumstances where it is undesirable for you to do so.**

6. RESTRICTIONS ON DEALING

- 6.1 The Dealing Policy prohibits you from dealing **at any time** when you possess inside information.
- 6.2 The Dealing Policy also prohibits you from dealing (besides in exceptional circumstances):
- (a) 30 calendar days immediately preceding the announcement of the Company's interim financial report or the announcement of the Company's year-end report. You will be presumed to be in possession of inside information during this period; and
 - (b) 30 calendar days immediately preceding the announcement of the Company's quarterly results. You will be presumed to be in possession of inside information during this period.
- 6.3 MAR imposes a mandatory 'close period' of 30 calendar days before the announcement of an interim financial report or year-end report which the issuer is obliged to make public.
- 6.4 Under exceptional circumstances, the Designated Director(s) may permit you to deal during a Close Period. For example, due to:

- (a) severe financial difficulty; or
- (b) the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change).

6.5 Be aware that "**dealing**" includes the exercise of options.

7. DEALING PROCEDURE

7.1 If you wish to deal in the Company's shares, you must request authorisation from Mr. S.B. Heath and in his absence Mr. D.J. Pick, ("**Designated Director**")¹ using the share dealing request form attached in Appendix II. You can also obtain copies of this form from the Company Secretary.

7.2 The Designated Director will consider your request and notify you in writing of his decision. The Designated Director will consult with the Nominated Adviser and may consult with the board of directors of the Company ("**Board**") or the Company's other professional advisers, before making a decision to give or refuse consent. **You must not deal until the Designated Director has approved your request and returned your share dealing form to you.** Details of the share dealing will be reported to the Board at their next meeting.

7.3 If you are aware of information which is, or might be, inside information, you should not assume that the Designated Director is likewise aware of the situation. You should bring this matter to the attention of the Designated Director in the share dealing form. You should be aware that disclosure in the share dealing form, or consent to deal, does not extinguish any liability under applicable laws and regulation (including, but not limited to the CJA, the FS Act, MAR and FSMA).

7.4 You must obtain prior consent from the Designated Director each time you wish to deal in the Company's shares. This means that even if another PDMR, person closely associated, director or applicable employee has already obtained consent to deal, you must still obtain your own consent.

7.5 PDMRs, directors or applicable employees must notify "**persons closely associated**" with them about the restrictions on share dealing described in paragraph 6. Persons closely associated must, in turn, notify the PDMR, director or applicable employee if they intend to deal using the share dealing request form in Appendix II. Upon receipt of that notification, PDMRs, directors or applicable employees must notify the Designated Director of the same.

7.6 If the Designated Director grants clearance to deal, you must carry out the dealing within two business days of receipt of consent. If you do not carry out the dealing within this timeframe, the clearance lapses and you must seek clearance again from the Designated Director before the dealing can take place.

7.7 Promptly and within 24 hours of dealing², **you must notify** the Designated Director of the same using the share dealing notification form in Appendix III. **Failure to do so constitutes a breach of the Dealing Policy.**

7.8 The [Designated Director][Company Secretary][Compliance Officer] is responsible for notifying the FCA of your dealing in the Company's shares (subject to a de minimis threshold) within three business days of your dealing. Similarly, it must make the information public promptly and within three business days of your dealing.

¹ The Designated Director is a sufficiently senior and independent director, authorised and designated by the Board as a person responsible for receiving and approving clearance for dealings by PDMRs (including directors), persons closely associated and applicable employees.

² Within three business days under MAR (article 19(1)).

- 7.9 Any share dealings undertaken by you should always be suitable for publication in newspapers. If publication is likely to result in criticism, the share dealing should only be undertaken after full consideration of the issues and discussion with the Designated Director.
- 7.10 Any questions of interpretation with the Dealing Policy will be dealt with according to the spirit, and not the letter, of the Dealing Policy.

I confirm that I have read these restrictions on share dealing. I further confirm that I will not undertake any action prohibited under the Dealing Policy or applicable laws and regulation (including, but not limited to the CJA, the FS Act, MAR and FSMA).

Signed by:

Print name:

Date:

APPENDIX I

SAMUEL HEATH & SONS PLC

POLICY FOR DEALINGS IN SHARES BY RELEVANT PERSONS

(Adopted by Board Resolution passed on 8th July 2016)

1. DEFINITIONS

In this Dealing Policy the following definitions (in addition to those contained in the AIM Rules for Companies) apply unless the context otherwise requires:-

"AIM Rules for Companies"	the rules and guidance for companies whose shares are admitted to trading on AIM entitled the " AIM Rules for Companies " published by the London Stock Exchange, as amended from time to time;
"Applicable Employee"	any employee of the Company or its subsidiary or parent undertaking who is likely to be in possession of Inside Information in relation to the Company because of his or her employment in the Company, its subsidiary or parent undertaking, irrespective of his or her holding or interest;
"Board"	the board of Directors for the time being of the Company (or a duly authorised committee thereof);
"Close Period"	any of the periods when a Relevant Person is prohibited from dealing as specified in clause 2.1 of this Dealing Policy;
"Company"	SAMUEL HEATH & SONS PLC , an issuer of securities admitted to trading on AIM;
"Dealing"	transactions conducted by Relevant Persons and Persons Closely Associated on their own account or for the account of a third party, directly or indirectly, relating to the Securities of the Company or to derivatives linked thereto and detailed in clauses 5.2 and 5.3 of this Dealing Policy;
"Director"	a director of the Company for the time being;
"Designated Director(s)"	Mr. S.B. Heath and in his absence Mr. D.J. Pick, appointed by the procedure contained in clause 4.8 of this Dealing Policy;
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time);
"Inside Information"	information of a precise nature, which has not been made public, relating, directly or indirectly, to the Securities of the Company, and which, if it were made public, would be likely to have a significant effect on the prices of those Securities or on the price of related derivative Securities of the Company; and for persons charged with the execution of orders concerning the Securities of the Company, it also means information conveyed by a Relevant Person or a Person Closely Associated and relating to the Relevant Person's or the Person Closely Associated's pending orders in Securities of the Company, which is of a precise nature, relating directly or indirectly to the Securities of the Company, and which, if it

were made public, would be likely to have a significant effect on the prices of those Securities or on the price of related derivative Securities of the Company;

"Insider List"	the list of all persons who have access to Inside Information and who are working for the Company, its subsidiary or parent undertaking, either under a contract of employment or otherwise performing tasks through which they have access to Inside Information, such as advisers, accountants or credit rating agencies;
"Level 2 Regulation"	Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 supplementing MAR;
"London Stock Exchange"	London Stock Exchange plc;
"Market Abuse Regime"	the market abuse regime implemented by sections 118 and 118A of FSMA and detailed in the Financial Conduct Authority's Code of Market Conduct until 2 July 2016, and thereafter as set out in MAR;
"Person Closely Associated"	a person closely associated to a Relevant Person and means: <ul style="list-style-type: none">(a) a spouse or a partner considered to be equivalent to a spouse in accordance with national law;(b) a dependent child, in accordance with national law;(c) a relative who has shared the same household for at least one year on the date of the transaction concerned; or(d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a Relevant Person or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person;
"PDMR"	a person discharging managerial responsibilities means a person within the Company who is: <ul style="list-style-type: none">(a) a member of the administrative, management or supervisory body of the Company; or(b) a senior executive who is not a member of the bodies referred to in paragraph (a), who has regular access to Inside Information relating directly or indirectly to that entity and power to take managerial decisions affecting the future developments and business prospects of the Company;
"Relevant Person"	a Director, an Applicable Employee or a PDMR; and
"Securities"	any securities admitted to trading on AIM.

2. DEALINGS BY RELEVANT PERSONS

2.1 Dealing in Close Periods

Subject to paragraphs 2.2, 2.3 and 2.4 below, a Relevant Person must not deal in any Securities of the Company, on their own account or for the account of a third party, directly or indirectly, during a Close Period. A **"Close Period"** is:

- (a) 30 calendar days immediately preceding the announcement of the Company's interim financial report or the announcement of the Company's year-end report; and
- (b) 30 calendar days immediately preceding the announcement of the Company's quarterly results.

MAR imposes a mandatory 'close period' of 30 calendar days before the announcement of an interim financial report or year-end report which the issuer is obliged to make public according to the rules of the trading venue where the issuer's shares are admitted to trading or national law. The Company, however, considers that it is best practice to continue to adhere to the two month period in which Dealings are prohibited.

2.2 Dealing in other circumstances

A Relevant Person must not deal in any Securities of the Company at any time when he or she is in possession of Inside Information, or otherwise where clearance to deal is not given under clause 4 of this Dealing Policy. The Schedule attached contains non-exhaustive guidance on the type of information which is usually to be regarded as price sensitive.

A Relevant Person must (so far as is consistent with his duties of confidentiality to the Company) seek to prohibit any Dealings in Securities of the Company during a Close Period or at a time when he is in possession of Inside Information by an investment manager with whom the Relevant Person has funds under management (whether or not discretionary).

A Relevant Person must not deal in any Securities of the Company on considerations of a short term nature (for example, in order to make a quick profit) and shall take reasonable steps to prevent such dealings by a Person Closely Associated. An investment with a maturity of one year or less will always be considered to be an investment of a short term nature.

2.3 Dealing in exceptional circumstances in Close Periods: severe financial difficulties

The Designated Director(s) may give clearance for a Relevant Person to trade on its own account or for the account of a third party during a Close Period on a case-by-case basis, due to the existence of exceptional circumstances which requires the immediate sale of the Securities of the Company. Severe financial difficulty may constitute exceptional circumstances.

In exceptional circumstances, prior to any trading during the Close Period, the Relevant Person must provide a reasoned written request to the Designated Director(s) for obtaining its permission to proceed with the immediate sale of Securities of the Company during the Close Period.

The written request must describe the envisaged transaction and explain why the sale of the Securities of the Company is the only reasonable alternative to obtain the necessary financing. The Relevant Person must be able to demonstrate that the particular transaction cannot be executed at another moment in time than during the Close Period.

Circumstances will be considered exceptional, when they are extremely urgent, unforeseen and compelling and where their cause is external to the Relevant Person and the Relevant Person has no control over them.

When examining whether the circumstances described in the written request are exceptional, the Designated Director(s) will take into account, among other indicators, whether and to the extent to which the Relevant Person:

- (a) is at the moment of submitting its request facing a legally enforceable financial commitment or claim; and
- (b) has to fulfil, or is in a situation entered into, before the beginning of the Close Period, requiring the payment of sums to a third party (including tax liability) and cannot

reasonably satisfy a financial commitment or claim by means other than immediate sale of Securities in the Company.

2.4 Dealing in exceptional circumstances in Close Periods: due to the characteristics of the trading involved

The Designated Director(s) may give clearance for a Relevant Person to trade on its own account or for the account of a third party during a Close Period, due to the characteristics of the trading involved. In particular:

(a) where the Relevant Person had been awarded or granted Securities in the Company under an employee scheme, provided that the following conditions are met:

(i) the employee scheme and its terms have been previously approved by the Company in accordance with national law and the terms of the employee scheme specify the timing of the award or the grant and the amount of Securities awarded or granted, or the basis on which such an amount is calculated and given that no discretion can be exercised; and

(ii) the Relevant Person does not have any discretion as to the acceptance of the Securities awarded or granted;

(b) where the Relevant Person had been awarded or granted Securities in the Company under an employee scheme that takes place in the Close Period, provided that:

(i) a pre-planned and organised approach is followed regarding the conditions, the periodicity, the time of the award, the group of entitled persons to whom the Securities are granted; and

(ii) the amount of Securities to be awarded, the award or grant of Securities takes place under a defined framework under which any Inside Information cannot influence the award or grant of the Securities;

(c) where the Relevant Person exercises options or warrants or conversion of convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants or convertible bonds falls within a Close Period, as well as sales of the Securities in the Company acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:

(i) the Relevant Person notifies the Designated Director(s) of its choice to exercise or convert at least four months before the expiration date;

(ii) the decision of the Relevant Person is irrevocable; and

(iii) the Relevant Person has received the authorisation from the Designated Director(s) prior to proceed;

(d) where the Relevant Person acquires the Securities of the Company under an employee saving scheme, provided that all of the following conditions are met:

(i) the Relevant Person has entered into the scheme before the Close Period, except when it cannot enter into the scheme at another time due to the date of commencement of employment;

(ii) the Relevant Person does not alter the conditions of his participation into the scheme or cancel his participation into the scheme during the Close Period; and

(iii) the purchase operations are clearly organised under the scheme terms and that the Relevant Person has no right or legal possibility to alter them during the Close Period, or are planned under the scheme to intervene at a fixed date which falls in the Close Period;

(e) where the Relevant Person transfers or receives, directly or indirectly, Securities in the Company, provided that:

- (i) the Securities are transferred between two accounts of the Relevant Person; and
- (ii) such a transfer does not result in a change in price of the Securities;

(f) where the Relevant Person acquires qualification or entitlement to Securities of the Company and the final date for such an acquisition, under the Company's statute or by-law falls during the Close Period, provided that:

- (i) the Relevant Person submits evidence to the Designated Director(s) of the reasons for the acquisition not taking place at another time; and
- (ii) the Designated Director(s) is satisfied with the provided explanation.

3. DEALINGS BY PERSONS CLOSELY ASSOCIATED

3.1 A Relevant Person must notify Persons Closely Associated with them of their obligations under this Dealing Policy using the notification letter in Appendix IV. This includes notifying all Persons Closely Associated:

- (a) of the name of the entity of which he or she is a Relevant Person (i.e. the Company or its subsidiary or parent undertaking);
- (b) of the Close Periods during which he or she cannot deal in the Securities of the Company;
- (c) of any other periods when the Relevant Person knows he is not himself free to deal in Securities of the Company under the provisions of this Dealing Policy, unless his duty of confidentiality to the Company prohibits him from disclosing such periods;
- (d) that he or she must advise the Relevant Person immediately of their intention to deal in Securities of the Company, so that the Relevant Person may seek clearance to deal under clause 4 of this Dealing Policy; and
- (e) that he or she must advise the Relevant Person immediately after he or she has dealt in Securities of the Company, and within 24 hours at the latest).

3.2 The Relevant Person must also inform all Persons Closely Associated that:

- (a) they must not deal in any Securities of the Company at any time when they are in possession of Inside Information, or otherwise where clearance to deal is not given under clause 4 of this Dealing Policy; and
- (b) they must not deal in any Securities of the Company on considerations of a short term nature (for example, in order to make a quick profit). An investment with a maturity of one year or less will always be considered to be an investment of a short term nature.

3.3 The Relevant Person must retain a copy of all notifications sent to Persons Closely Associated and provide the [Company Secretary][Designated Director(s)] with a copy of the notifications.

4. DEALING PROCEDURE

4.1 Relevant Persons or Person Closely Associated must not deal in any Securities of the Company without first requesting clearance to deal from the Designated Director(s) using the share dealing request form in Appendix II and receiving clearance before proceeding.

4.2 If the Relevant Person or Person Closely Associated is aware of information which is, or might be, Inside Information, the Relevant Person or Person Closely Associated should bring this matter to the attention of the Designated Director in the share dealing request form in Appendix II.

4.3 The Designated Director will consider the request and confirm his decision in writing. The Designated Director may consult with the Board or the Company's professional advisers, before making a decision to give or refuse consent. The Designated Director(s) will use all

reasonable endeavours to respond to a request for clearance to deal as soon as reasonably practical.

- 4.4** If the Designated Director grants clearance to deal, Relevant Persons or Persons Closely Associated must carry out the Dealing within two business days of receipt of consent. If Relevant Persons or Persons Closely Associated do not carry out the Dealing within this timeframe, the clearance lapses and Relevant Persons or Person Closely Associated must seek clearance again from the Designated Director before the Dealing can take place.
- 4.5** Promptly and within 24 hours of Dealing³, Relevant Persons or Persons Closely Associated must **notify** the Designated Director of the Dealing using the share dealing notification form in Appendix III. **Failure to do so constitutes a breach of the Dealing Policy.**
- 4.6** A Designated Director wishing to deal in Securities of the Company must notify the other Designated Director(s) and receive clearance before proceeding. Where there is only one Designated Director, provision will be made for the appointment of an additional Designated Director.
- 4.7** If any situation arises in which the Designated Director appointed is not independent for a particular clearance request, provision will be made for an alternate Designated Director to deal with the request.
- 4.8** The Board will, from time to time, appoint and remove the Designated Director(s). At any time, there will be at least one Designated Director. The Company Secretary keeps a list of current Designated Director(s), which is available on request.

5. LIST OF DEALINGS

5.1 A list of Dealings in the Securities of the Company must be circulated to members of the Board, prior to each board meeting, where such Dealings are:

- (a) by or on behalf of a Relevant Person or Person Closely Associated; or
- (b) by investment managers on behalf of either a Relevant Person or a Person Closely Associated.

5.2 Guidance on Dealings

For the avoidance of doubt, the following transactions constitute Dealings for the purposes of this Dealing Policy and **are** subject to the provisions of this Dealing Policy:

- (a) acquisition, disposal, short sale, subscription or exchange;
- (b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
- (c) entering into or exercise of equity swaps;
- (d) transactions in or related to derivatives, including cash-settled transaction;
- (e) entering into a contract for difference on a financial instrument of the Company;
- (f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- (g) subscription to a capital increase or debt instrument issuance;

³ Within three business days under MAR (article 19(1)).

- (h) transactions in derivatives and financial instruments linked to a debt instrument of the Company, including credit default swaps;
- (i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- (j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- (k) gifts and donations made or received, and inheritance received;
- (l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of MAR;
- (m) transactions executed in shares or units of investment funds, including alternative investment funds ("**AIFs**") referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council ("**AIFMD**"), insofar as required by Article 19 of MAR;
- (n) transactions executed by manager of an AIF in which the Relevant Person or a Person Closely Associated with such a person has invested, insofar as required by Article 19 of MAR;
- (o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a Relevant Person or a Person Closely Associated with such a person;
- (p) borrowing or lending of shares or debt instruments of the Company or derivatives or other financial instruments linked thereto.

5.3 Other notifiable transactions

The following transactions also constitute Dealings for the purposes of this Dealing Policy and **are** subject to the provisions of this Dealing Policy:

- (a) the pledging or lending of Securities in the Company by or on behalf of a Relevant Person or a Person Closely Associated. A pledge, or a similar security interest, of Securities in the Company in connection with the depositing of the Securities in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility;
- (b) transactions undertaken by Relevant Persons or executing transactions or by another person on behalf of a Relevant Person or a Person Closely Associated, including where discretion is exercised;
- (c) transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council ("**Solvency II**"), where:
 - (i) the policyholder is a Relevant Persons or a Person Closely Associated;
 - (ii) the investment risk is borne by the policyholder, and
 - (iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

5.4 If you are uncertain as to whether a proposed transaction constitutes "Dealing" and whether it is subject to the Dealing Policy, you must consult the Designated Director(s) without delay.

I confirm that I have read the Company's Dealing Policy. I understand that the Company will keep a record of the foregoing information and of any clearance given hereunder and may release such information in the event of a suspected contravention of this Dealing Policy. I undertake to inform the Designated Director(s) if there is a change in any of the above circumstances.

Signature:

Date:

REMINDER NOTE

NOTIFICATION OF INTERESTS AND DEALINGS IN SECURITIES

1. Relevant Persons and Persons Closely Associated are reminded that, in accordance with Article 19 of MAR, the Company is required to notify the regulator and the market of any Dealings by them.
2. MAR introduces a de minimis threshold of €5,000 per calendar year below which transactions by Relevant Persons and Persons Closely Associated do not need to be reported to the FCA and in the form of an announcement. The threshold must be calculated by adding, without netting, all relevant share dealings in the Company. Once this threshold has been reached, any subsequent transaction will trigger a notification to the FCA (and the public) no later than three business days after the date of the transaction. However, the Company requires all transactions by Relevant Persons and Persons Closely Associated to be reported to the Designated Director, who should then report this to the Nominated Adviser, for co-ordination of release of an announcement to the market. A link to the notification and public disclosure template is at <https://www.fca.org.uk/your-fca/documents/forms/pdmr-notification-form>.
3. In addition to the disclosure requirements under MAR, Rule 5 of the Disclosure and Transparency Rules (the "**DTRs**") apply to the Company. The DTRs detail the circumstances in which a person may be obliged to notify the Company that he has an interest in the voting rights in respect of the Company's Securities (a "**notifiable interest**"), whether as a shareholder or through his direct or indirect holding of financial instruments as defined in the DTRs. An obligation to notify the Company arises:
 - (a) when a person is interested in three per cent. or more of the voting rights attaching to the Company's Securities; and
 - (b) where such person's interest alters by a complete integer of one per cent. of those voting rights (save where such change is below three per cent.).
4. The DTRs also provide that the Company must make an announcement on a Regulatory Information Service at the end of each month in which any increase or decrease has occurred of:
 - (a) the total number of voting rights and capital in respect of each class of share that it issues; and
 - (b) the total number of voting rights attaching to the shares of the issuer which are held by it in treasury.
5. The Company will (and is obliged to) notify its nominated adviser of all Dealings by Relevant Persons or Persons Closely Associated in the Securities of the Company and all notifications received pursuant to the DTRs for release to a Regulatory Information Service.

SCHEDULE

NON-EXHAUSTIVE GUIDANCE ON INFORMATION TO BE REGARDED AS INSIDE INFORMATION

The Committee of European Securities Regulators ("**CESR**") (which was replaced by ESMA on 1 January 2011), provides a non-exhaustive, indicative list of events that might constitute inside information.

I Information directly concerning the issuer

- (a) Changes in control and control agreements.
- (b) Changes in management and supervisory boards.
- (c) Changes in auditors or any other information related to the auditors' activity.
- (d) Operations involving the capital or the issue of debt securities or warrants to buy or subscribe securities.
- (e) Decisions to increase or decrease share capital.
- (f) Mergers, splits and spin-offs.
- (g) Purchase or disposal of equity interests or other major assets or branches of corporate activity.
- (h) Restructurings or reorganisations that have an effect on the issuer's assets and liabilities, financial position or profits and losses.
- (i) Decisions concerning buy-back programmes or transactions in other listed financial instruments.
- (j) Changes in the class rights of the issuer's own listed shares.
- (k) Filing of petitions in bankruptcy or the issuing of orders for bankruptcy proceedings.
- (l) Legal disputes.
- (m) Revocation or cancellation of credit lines by one or more banks.
- (n) Dissolution or verification of a cause of dissolution.
- (o) Changes in asset value.
- (p) Insolvency of relevant debtors.

- (q) Reduction of real properties' values.
- (r) Physical destruction of uninsured goods.
- (s) New licences, patents, registered trademarks.
- (t) Decrease or increase in value of financial instruments in portfolio.
- (u) Decrease in value of patents or rights or intangible assets due to market innovation.
- (v) Receiving acquisition bids for relevant assets.
- (w) Innovative products or processes.
- (x) Serious product liability or environmental damages cases.
- (y) Changes in expected earnings or losses.
- (z) Relevant orders received from customers, their cancellation or important changes.
- (aa) Withdrawal from or entering into new core business areas.
- (bb) Relevant changes in the investment policy of the issuer.
- (cc) Ex-dividend date, dividend payment date and amount of the dividend; changes in dividend policy payment.

II Information relating indirectly to issuers or financial instruments

- (a) Data and statistics published by public institutions disseminating statistics.
- (b) The coming publication of rating agencies' reports, research, recommendations or suggestions concerning the value of listed financial instruments.
- (c) Central bank decisions concerning interest rates.
- (d) Government decisions concerning taxation, industry regulation, or debt management.
- (e) Decisions concerning changes in the governance rules of market indices.
- (f) Regulated and unregulated markets' decisions concerning rules governing the markets.
- (g) Competition and market authorities' decisions concerning listed companies.
- (h) Relevant orders by government bodies, regional or local authorities or other public organisations.
- (i) A change in trading mode (for example, information relating to knowledge that an issuer's financial instruments will be traded in another market segment, such as a change from continuous trading to auction trading) or a change of market maker or dealing conditions.

APPENDIX II

SAMUEL HEATH & SONS PLC (THE "COMPANY")

SHARE DEALING REQUEST FORM

1. Name:
2. Address:
3. Telephone number:
4. Reason for notification:
5. Proposed dealing
- 5.1 Extent of your interest in the transaction (e.g. please state if this is a notification in respect of (i) your own shareholding; (ii) your spouse, (iii) your civil partner, (iv) your child (under 18 years) or (v) in respect of a non-beneficial interest).
- 5.2 Number and class of securities:
- 5.3 Nature of transaction (e.g. buying/selling/exercise of options):
- 5.4 Name of stockbrokers proposed to be instructed:
- 5.5 Price and volume of transaction:

Please note: in the case of a pledge whose terms provide for its value to change, this should be disclosed together with its value at the date of the pledge.
6. Other information (e.g. any additional material not stated above which may affect the Designated Director(s) decision to prohibit/permit dealings).

ANY CHANGE IN ANY OF THE INFORMATION SPECIFIED ABOVE MUST BE PROMPTLY NOTIFIED TO THE DESIGNATED DIRECTOR.

I confirm that, save as set out below, I am not aware of information concerning the business of the Company or any of its subsidiaries or parent undertaking or any other information relating to the Company or its listed securities which is or might be Inside Information and which may affect the decision as to whether the transaction is permitted or not:

I hereby declare that the information above is true and that I have read the Company's Dealing Policy. I understand that the Company will keep a record of the foregoing information and of any clearance given hereunder and may release such information in the event of a suspected contravention of the Dealing Policy.

I undertake to deal as soon as possible after clearance has been given and in any event within two business days of clearance being given. I understand that this permission to deal is no longer valid beyond that time. I undertake to inform the Designated Director(s) if there is a change in any of the above circumstances.

Signature:

Date:

=====

Request authorised/refused* (*Delete whichever is not applicable)

Name:

(For and on behalf of the board of directors of the Company)

Date:

APPENDIX III

SAMUEL HEATH & SONS PLC (the "Company")

SHARE DEALING NOTIFICATION FORM

1	Details of the relevant person / person closely associated					
a)	Name	<i>[For natural persons: the first name and the last name(s)] [For legal persons: full name including legal form as provided for in the register where it is incorporated, if applicable.]</i>				
2	Reason for the notification					
a)	Position/status	<i>[For relevant persons: the position occupied within the issuer should be indicated e.g. CEO, CFO.] [For persons closely associated, - An indication that the notification concerns a person closely associated with a relevant person; - Name and position of the relevant person]</i>				
b)	Initial notification/ Amendment	<i>[Indication that this is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that this notification is amending.]</i>				
3	Details of the issuer					
a)	Name	<i>[Full name of the entity.]</i>				
b)	LEI	<i>[Legal Entity Identifier code in accordance with ISO 1744 LEI code.]</i>				
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted					
a)	Description of the financial instrument, type of instrument Identification code	<i>[- Indication as to the nature of the instrument: - a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument; - Instrument identification code as defined under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014.]</i>				
b)	Nature of the transaction	<i>[Description of the transaction type using, where applicable, the type of transaction identified in Article [X] of the Commission Delegated Regulation (EU) xxxx/xx [Act adopted under Article 19(14) of Regulation (EU) No 596/2014] or a specific example set out in Article 19(7) of Regulation (EU) No 596/2014. Pursuant to Article 19(6)(e) of Regulation (EU) No 596/2014, it shall be indicated whether the transaction is linked to the exercise of a share option programme]</i>				
c)	Price(s) and volume(s)	<table border="1"> <tr> <td>Price(s)</td> <td>Volume(s)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	Price(s)	Volume(s)		
Price(s)	Volume(s)					

		<p><i>[Where more than one transaction of the same nature (purchases, sales, lendings, borrows ...) on the same financial instrument or emission allowance are executed on the same date and on the same place of transaction, prices and volumes of these transaction shall be reported in this field, in a two columns form as presented above, inserting as many lines as needed.</i></p> <p><i>Using the data standards for price and quantity, including where applicable the price currency and the quantity currency, as defined under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>
d)	<p>Aggregated information</p> <p>- Aggregated volume</p> <p>- Price</p>	<p><i>[The volumes of multiple transactions are aggregated when these transactions:</i></p> <ul style="list-style-type: none"> - <i>relate to the same financial instrument or emission allowance;</i> - <i>are of the same nature;</i> - <i>are executed on the same date; and</i> - <i>are executed on the same place of transaction.</i> <p><i>Using the data standard for quantity, including where applicable the quantity currency, as defined under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p> <p><i>[Price information:</i></p> <ul style="list-style-type: none"> - <i>In case of a single transaction, the price of the single transaction;</i> - <i>In case the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions.</i> <p><i>Using the data standard for price, including where applicable the price currency, as defined under defined under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014.]</i></p>
e)	Date of the transaction	<p><i>[Date of the particular day of execution of the notified transaction.</i></p> <p><i>Using the ISO 8601 date format: YYYY-MM-DD; UTC time.]</i></p>
f)	Place of the transaction	<p><i>[Name and code to identify the MiFID trading venue, the systematic internaliser or the organised trading platform outside of the Union where the transaction was executed as defined under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014, or</i></p> <p><i>If the transaction was not executed on any of the above mentioned venues, please mention "outside a trading venue".]</i></p>

APPENDIX IV

PROHIBITION FROM DEALING

Dear []

Prohibition from dealing in securities of SAMUEL HEATH & SONS PLC (the "Company")

I write to notify you of certain information of which I am required to advise you, because I am a [please complete as appropriate⁴] (a "**Relevant Person**" for the purposes of the Company's Dealing Policy) and you are deemed to be a "**person closely associated**" with me.

1. You must not deal in any securities of the Company during the following "**close periods**":
 - (a) 30 days immediately preceding the announcement of the Company's interim financial report or the announcement of the Company's year-end report; and
 - (b) 30 days immediately preceding the announcement of the Company's quarterly results.I may, from time to time, be required to notify you of other periods during which you must not deal in any securities of the Company.
2. You must not deal in any securities of the Company at any time when:
 - (a) you are in possession of "**inside information**". Inside Information is "information of a precise nature, which has not been made public, relating, directly or indirectly, to the securities of the Company, and which, if it were made public, would be likely to have a significant effect on the prices of those securities or on the price of related derivative securities of the Company"; or
 - (b) the Company has not provided you with clearance to deal in accordance with the Dealing Policy.
3. You must not deal in any securities of the Company on considerations of a short term nature (for example, in order to make a quick profit). An investment with a maturity of one year or less will always be considered to be an investment of a short term nature.
4. You must advise me immediately of your intention to deal in securities of the Company, so that I may seek clearance for you to deal under the Dealing Policy.
5. You must advise me immediately after you have dealt in securities of the Company, and within 24 hours at the latest.
6. For the avoidance of doubt, the following transactions constitute "**dealings**" in securities of the Company:
 - (a) acquisition, disposal, short sale, subscription or exchange;
 - (b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
 - (c) entering into or exercise of equity swaps;

⁴ A person discharging managerial responsibilities within the Company or a director in the Company or an employee of the Company or its subsidiary or parent undertaking.

- (d) transactions in or related to derivatives, including cash-settled transaction;
- (e) entering into a contract for difference on a financial instrument of the Company;
- (f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- (g) subscription to a capital increase or debt instrument issuance;
- (h) transactions in derivatives and financial instruments linked to a debt instrument of the Company, including credit default swaps;
- (i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- (j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- (k) gifts and donations made or received, and inheritance received;
- (l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of the Market Abuse Regulation (596/2014/EU) ("**MAR**");
- (m) transactions executed in shares or units of investment funds, including alternative investment funds ("**AIFs**") referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council ("**AIFMD**"), insofar as required by Article 19 of MAR;
- (n) transactions executed by manager of an AIF in which the Relevant Person or a person closely associated with such a person has invested, insofar as required by Article 19 of MAR;
- (o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a Relevant Person or a person closely associated with such a person;
- (p) borrowing or lending of shares or debt instruments of the Company or derivatives or other financial instruments linked thereto.

7. The following transactions also constitute "**Dealings**" for the purposes of the Dealing Policy and **are** subject to the provisions of this Dealing Policy:

- (a) the pledging or lending of securities in the Company by or on behalf of a Relevant Person or a person closely associated. A pledge, or a similar security interest, of securities in the Company in connection with the depositing of the securities in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility;
- (b) transactions undertaken by Relevant Persons or executing transactions or by another person on behalf of a Relevant Person or a person closely associated, including where discretion is exercised; and
- (c) transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council ("**Solvency II**"), where:

(i) the policyholder is a Relevant Person or a person closely associated;

(ii) the investment risk is borne by the policyholder, and

(iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

Yours [sincerely/faithfully]

.....

Date:.....

=====

Acknowledgement of receipt

Signature:

Print Name:

Date:.....