

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents 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.

Hargreaves Services plc
(incorporated and registered in England and Wales under number 4952865)
NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held at Prior's Hall, Durham Cathedral, The College, Durham, DH1 3EH on Monday 3 November 2008 at 11.30 am is set out at the end of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

Hargreaves Services plc
(incorporated and registered in England and Wales under number 4952865)

Registered Office:
West Terrace
Esh Winning
Durham
DH7 9PT

9 October 2008

To the Shareholders of Hargreaves Services plc

Notice of Annual General Meeting

Dear Shareholder,

I am pleased to be writing to you with details of our Annual General Meeting ("AGM") which we are holding at Prior's Hall, Durham Cathedral, The College, Durham, DH1 3EH on Monday 3 November 2008 at 11.30 am. The formal notice of Annual General Meeting is set out on page 2 of this document.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 11.30 am. on 1 November 2008.

Final dividend

Shareholders are being asked to approve a final dividend of 7 pence per ordinary share for the year ended 31 May 2008. If you approve the recommended final dividend, this will be paid on 12 November 2008 to all ordinary shareholders who were on the register of members on 26 September 2008.

Articles of Association

We are also asking shareholders to approve a number of amendments to our articles of association primarily to reflect the provisions of the Companies Act 2006. An explanation of the main changes between the proposed and the existing articles of association is set out in the appendix at page 5 of this document.

Explanatory notes on all the business to be considered at this year's AGM appear on page 4 of this document.

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

Yours sincerely,

Tim Ross
Chairman

Inspection of documents

The following documents will be available for inspection at the registered office of the Company during normal business hours up to and including the date of the AGM and on that day at Prior's Hall, Durham Cathedral, The College, Durham, DH1 3EH from 15 minutes before the AGM until it ends:

- Copies of letters of appointment of the non-executive directors
- A copy of the amended articles of association of the Company, and a copy of the existing articles of association marked to show the changes being proposed in resolution 12.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that this year's annual general meeting will be held at Prior's Hall, Durham Cathedral, The College, Durham, DH1 3EH on Monday 3 November 2008 at 11.30 am for the following purposes:

Ordinary Business

1. To receive the Directors' Report, the Directors' Corporate Governance and Remuneration Report, the Auditor's Report and the Financial Statements for the year ended 31 May 2008.
2. To approve the Directors' Corporate Governance and Remuneration Report for the year ended 31 May 2008.
3. To declare a final dividend for the year ended 31 May 2008 of 7 pence per ordinary share to bring the dividend for the year ended 31 May 2008 to a total of 10.3pence.
4. To re-elect Iain Cockburn as a director of the Company in accordance with article 29 of the Company's articles of association.
5. To re-appoint Timothy Ross as a director of the Company in accordance with article 34 of the Company's articles of association, who offers himself for re-appointment.
6. To re-appoint Gordon Banham as a director of the Company in accordance with article 34 of the Company's articles of association who offers himself for re-appointment.
7. To re-appoint KPMG Audit Plc as auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next meeting at which accounts are laid before the Company.
8. To authorise the Directors to agree the remuneration of the auditors.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolution 9 will be proposed as an ordinary resolution and resolutions 10, 11 and 12 as special resolutions.

Ordinary Resolution

9. That the Directors of the Company be and are generally granted and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the 'Act') to exercise all the powers of the Company to allot, grant options over, offer or otherwise deal with or dispose of relevant securities (within the meaning of Section 80 (2) of the Act) up to an aggregate nominal value of £875,000 (representing just less than one third of the total ordinary share capital in issue as at the date of this notice); provided that the authority conferred by this resolution 9 shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 6 months after the end of the Company's current financial year unless varied, revoked or renewed by the Company in general meeting, save that the Company may at any time 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 as if the authority conferred by this resolution 9 had not expired. This authority shall be in substitution for all previous authorities under Section 80 of the Act which are pursuant to this resolution 9 revoked but without prejudice to any allotment, offer or agreement made or entered into prior to the date of this resolution 9.

Special Resolutions

10. That, subject to and conditional upon the passing of resolution 9 above, the Directors be and are empowered pursuant to Section 95 of the Act to allot equity securities of the Company (as defined in Section 94 (2) of the Act) pursuant to the authority conferred by resolution 9 above as if Section 89 (1) of the Act did not apply to any such allotment provided that such power shall be limited to:
 - (i) the allotment of equity securities in connection with any rights issue, open offer or other pre-emptive offer in favour of ordinary shareholders, where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them or into which their shares or securities are deemed to be converted in calculating the extent of their participation but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or legal or practical problems arising in respect of any territory or the requirements of any regulatory body or stock exchange; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph 10(i) above) of equity securities to an aggregate nominal value of £262,700 (representing approximately 10% of the total ordinary share capital in issue);and the authority given shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 6 months after the end of the Company's current financial year unless renewed or extended prior to such expiry, 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 shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution 10 has expired.
11. The Company be and is generally and unconditionally authorised for the purpose of section 166 of the Act to make market purchases (which in this resolution shall have the meaning given to this term in section 163 (3) of the Act) of its ordinary shares of 10p each in the capital of the Company ('Ordinary Shares') on the terms set out below:
 - (i) the maximum aggregate number of Ordinary Shares authorised to be purchased by the Company pursuant to this resolution 11 is 2,627,000 (representing approximately 10% of the number of Ordinary Shares in issue as at the date of this notice); and
 - (ii) the minimum price which may be paid for each of those Ordinary Shares (exclusive of expenses) is 10p; and
 - (iii) the maximum price (exclusive of expenses) which may be paid for each of those Ordinary Shares is not more than the higher of (i) five per cent above the average of the middle market quotations for Ordinary Shares (as derived from the Daily Official Lists of the London Stock Exchange) for the five dealing days immediately preceding the date of purchase and (ii) that stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulations 2003 but so that this authority shall (unless previously varied, revoked or renewed) expire on the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 6 months after the end of the Company's current financial year, save that the Company may before the expiry of this authority conclude any contract for the purchase of its own shares pursuant to the authority conferred by this resolution 11 which contract would or might be executed wholly or partially after the expiration of this authority as if the authority conferred by this resolution 11 had not expired.
12. That the Articles of Association be amended by making the alterations marked on the print of the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification with effect from the conclusion of the meeting.

By order of the Board

Stephen MacQuarrie
Company Secretary
9 October 2008

Registered Office:

West Terrace
Esh Winning
Durham DH7 9PT
Registered in England and Wales No. 4952865

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the office of the Registrars of the Company, Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 11.30 am on 1 November 2008.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6 pm on 1 November 2008 (or, in the event of any adjournment, no later than 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. As at 8 October 2008 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 26,273,773 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 8 October 2008 are 26,273,773.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11.30 am on 1 November 2008. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder 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 (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders 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 appointment letter if the chairman is being appointed as described in (i) above.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 9 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 to 12 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Accounts

The Directors will present their report, the auditors' report and the audited financial statements for the financial year ended 31 May 2008 to the meeting as required by law.

Resolution 2: Approval of the Directors' Remuneration report

In accordance with the Directors' Remuneration Report Regulations 2002, shareholders are asked to approve the Directors' Corporate Governance and Remuneration report for the financial year ended 31 May 2008 which is set out in full on pages 18 to 21 of the Company's annual report.

Resolution 3: Declaration of final dividend

Final dividends must be approved by shareholders but must not exceed the amount recommended by the directors. If the meeting approves resolution 3, the final dividend in respect of 2008 of 7 pence per share will be paid on 12 November 2008 to shareholders on the register of members on 26 September 2008.

Resolutions 4: Re-election of Iain Cockburn

Iain Cockburn was appointed as a director of the Company on 1 January 2008. In accordance with article 29.2 of the Company's articles of association, Mr Cockburn's appointment is only effective until the AGM. Mr Cockburn therefore offers himself for re-election as a director in accordance with article 29.2 of the Company's articles of association.

Resolutions 5 and 6: Re-appointment of Directors

At each general meeting one-third of the directors for the time being (other than those appointed since the last Annual General Meeting) are required to retire. If the number of relevant directors is not a multiple of three, the number nearest to one third of directors, but not less than one third, should be obliged to retire. Directors due to retire by rotation are those longest in office since their last re-election or reappointment and as between persons who become or were last re-elected or reappointed on the same day those due to retire shall (unless otherwise agreed among themselves) be determined by lot. A retiring director is eligible for reappointment. Timothy Ross and Gordon Banham are both offering themselves for reappointment.

Resolutions 7 and 8: Re-appointment of auditors and approval of remuneration

The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next general meeting. The present auditors, KPMG Audit Plc, are willing to continue in office for a further year and resolution 7 proposes their reappointment and, in accordance with standard practice, resolution 8 authorises the directors to determine the level of the auditors' remuneration.

Resolution 9: Authority to allot shares

The resolution grants the directors authority to allot relevant securities up to an aggregate nominal amount of £875,000 being just less than one third of the Company's ordinary share capital in issue at 8 October 2008. It is not the directors' current intention to allot relevant securities pursuant to this resolution. This authority replaces the existing authority to allot relevant securities.

Resolution 10: Disapplication of statutory pre-emption rights

This resolution disapplies the statutory pre-emption rights which would otherwise apply on an issue of shares for cash pursuant to a rights issue where the securities attributable to the interests of all shareholders are proportionate (as nearly as may be) to the number of shares held and generally up to a further £262,700 being approximately 10% of the aggregate nominal value of the Company's ordinary share capital in issue at 8 October 2008. This replaces the existing authority to disapply pre-emption rights and expires at the conclusion of the next annual general meeting of the Company or six months after the expiration of the 2009 Company financial year, whichever is the earlier.

Resolution 11: Purchase of own shares

Resolution 11 authorises the Company to purchase its own shares (in accordance with section 166 of the Companies Act 1985) during the period from the date of this annual general meeting until the end of the next annual general meeting of the Company or the expiration of six months after the 2009 Company financial year end, whichever is the sooner, up to a total of 2,627,000 ordinary shares. This represents approximately 10% of the issued ordinary share capital as at 8 October 2008, the latest practicable date prior to the issue of this circular. The maximum price payable for a share shall not be more than the higher of 5% above the average of the middle market quotations of such shares for the five business days before such purchases and the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003 (being the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out). The minimum price payable for a share will be 10 pence.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 came into force on 1 December 2003. These regulations allow shares to be purchased by the Company out of distributable profits and to be held as treasury shares, which then may be cancelled, either immediately or at a point in the future, re-sold for cash, or transferred in connection with the Company's employee share plans, provided the number of shares held does not exceed 10% of the issued ordinary share capital (excluding shares held in treasury) at any time. The Company intends to hold any shares bought back pursuant to this resolution in treasury, rather than cancel them immediately. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares and they will not be taken into account in future calculations of earnings per share (unless they are subsequently re-sold or transferred out of treasury).

The directors will consider making use of the renewed authorities pursuant to resolution 11 in circumstances which they consider to be in the interests of shareholders generally after taking account of market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the Company's overall financial position. No purchases will be made which would effectively alter the control of the Company without the prior approval of the shareholders in general meeting.

Resolution 12: Amendment of articles of association

It is proposed in resolution 12 to amend the articles of association of the Company (the "Current Articles") in order to update them primarily to take account of changes in English company law brought about by the Companies Act 2006 (the "2006 Act").

The principal changes introduced in the amended articles of association of the Company (the "Amended Articles") are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act have not been noted in the Appendix. The Amended Articles showing all the changes to the Current Articles are available for inspection, as noted on page 1 of this document.

APPENDIX

EXPLANATORY NOTES OF PRINCIPLE CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. Form of resolution

The 2006 Act dispenses with the concepts of "extraordinary general meetings" and "extraordinary resolutions" and accordingly the Amended Articles have removed reference to these. Matters that formerly required the passing of an extraordinary resolution will instead now require the passing of a special resolution.

3. Power to allot and issue shares (Article 5)

Notwithstanding that the Board seek shareholder approval for issues of shares up to an agreed limit at each AGM, it is proposed to amend article 5 of the Current Articles to include the general parameters for any authority to allot shares which may be granted by shareholders to the Board at an AGM. The authority allows the Board to allot shares up to an agreed amount known as the "section 80" amount, in respect of a rights issue and in respect of any other issues up to an amount equal to the amount by which any pre-emption rights on allotment of shares are disapplied.

4. Declining registration of transfer of shares (Article 16.6)

The 2006 Act requires the Board to provide reasons for any refusal by it to register a transfer of shares in the Company and Article 16.6 has been amended to require the Board to provide notice of such reasons within two months of any such refusal.

5. Convening general meetings (Article 24)

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the 2006 Act. In particular, a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 clear days' notice was required. 21 clear days' notice is still required for convening the AGM (which must be held within six months of the end of the Company's accounting reference date) and this is reflected in articles 23 and 24.

6. Quorum requirements (Article 25.2)

The 2006 Act makes it possible for a member to appoint more than one proxy or corporate representative. The 2006 Act provides that in general terms the quorum for a general meeting be calculated by reference to the numbers of 'qualifying persons' who are present at the meeting, which includes an individual who is a member of the Company, a person authorised under the 2006 Act to act as the representative of a corporation, and a person appointed as proxy of a member. It is proposed that the Current Articles be amended to make clear that there will be no double counting for qualifying persons who are representatives of the same corporation or proxies of the same member.

7. Proxies and corporations acting by representatives (Articles 25.2, 26, 28)

A proxy has a statutory right under the 2006 Act to speak at any general meeting. This right is not reflected in the Current Articles. The 2006 Act also confers on proxies the right to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the member. The Current Articles are not consistent with these provisions of the 2006 Act; accordingly, it is proposed that the Current Articles be amended to reflect the new rules.

Since the 2006 Act allows the appointment of multiple proxies and for proxies to vote on a show of hands, in order to guard against voting on a show of hands being distorted by one member appointing multiple proxies, it is proposed to amend the Current Articles by including a provision that the number of votes of the proxies appointed by a member shall not be more than that member would have had had he attended in person (Article 26.8). The 2006 Act allows corporations to appoint multiple representatives and article 28.18 has been amended to permit this.

8. Age of directors on appointment

The Current Articles contain a provision requiring a director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the Amended Articles.

9. Conflicts of interest (Article 38)

The 2006 Act sets out directors' general duties which 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 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 appropriate, where the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. It is therefore proposed that the Amended Articles allow the directors to authorise conflicts and potential conflicts, subject to certain safeguards.

There are two principal safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the Amended Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

10. Board Committees (Article 43.8)

The Board is entitled to delegate any of its powers to committees. The Amended Articles confirm the position in the Current Articles that allow the Board to co-opt non-directors onto such committees. However, any such co-opted members must be less than half of the total amount of the committee and no resolution of the committee will be effective unless a majority of the members present at the committee are directors.

11. Capitalisation of reserves (Article 49)

It is not permitted for a company to allot shares below their par value. Issues can arise where share option prices are varied following a capitalisation of reserves or reorganisation of share capital, reducing the exercise price to below par value for a share. A new article 49.1 has therefore been inserted into the Amended Articles to enable the Company to capitalise reserves available for distribution in paying up the difference in price between the option price and par value for a share to ensure that the company does not fall foul of this legislative requirement.

12. Electronic and web communications (Article 53)

Provisions of the 2006 Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The Amended Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

13. Directors' indemnities and loans to fund expenditure (Articles 58 and 59)

The 2006 Act has, in some areas, widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to subsidiary and associated companies.



Form of Proxy

Annual General Meeting to be held on Monday 3 November 2008

I/We

of

being (a) member(s) of Hargreaves Services plc, appoint the chairman of the Annual General Meeting of Hargreaves Services plc or (see Notes 3 and 4)

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday 3 November 2008 at 11.30 am and at every adjournment of it.

Please tick this box if you are appointing more than one proxy (see note 4)

I/We request such proxy to vote on the following resolutions as mentioned below (see note 5).

Ordinary Resolutions	For	Against	Vote Withheld
1. To receive the directors' report, the directors' corporate governance and remuneration report, the Auditor's report and financial statements for the year ended 31 May 2008			
2. To approve the directors' corporate governance and remuneration report for the year ended 31 May 2008			
3. To declare a final for the year ended 31 May 2008			
4. To re-elect Iain Cockburn, who was appointed on 1 January 2008 as a director of the Company			
5. To re-appoint Timothy Ross, who retires by rotation at the meeting, as a director of the Company			
6. To re-appoint Gordon Banham, who retires by rotation at the meeting, as a director of the Company			
7. To re-appoint KPMG Audit plc as auditors of the Company			
8. To authorise the directors to agree the auditors' remuneration			
9. To authorise the directors to allot securities up to an aggregate nominal amount of £875,000			
Special Resolutions	For	Against	Vote
10. To authorise the directors to allot securities for cash and to disapply statutory pre-emption rights up to an aggregate nominal amount of £262,700			
11. To authorise the Company to make purchases of up to 2,627,000 of its own shares			
12. To amend the articles of association as set out in the document produced to the meeting, and for the purposes of identification, signed by the chairman of the meeting			

Signature Date

Notes

- As a member of the Company you are entitled to appoint a proxy to ensure all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- Submission of a proxy form does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- You may delete the words chairman of the meeting and insert the name of your own choice of proxy, who need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this form of proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
- You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by photocopying this form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.
- Please indicate with an 'X' in the appropriate space how you wish your votes to be cast. In the absence of any instructions on the resolutions referred to above your proxy will vote or abstain as he or she thinks fit. Your proxy will also vote or abstain as he or she thinks fit on any other matter coming before the meeting, including on any resolution to amend a resolution or to adjourn the meeting. Proxies may vote on a show of hands and on a poll.
- To abstain from voting on a resolution, tick the box "vote withheld". A "vote withheld" is not a vote in law which means that the vote will not be counted in the calculation of votes "for" and "against" the resolution.
- To be valid this proxy form must reach the Company's registrars, Capita Registrars of Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, Business Reply licence number MB122 not less than 48 hours before the meeting.
- In the case of joint registered holders, any joint holder may sign this proxy form, but the vote of the person whose name appears first in the register of members in respect of the holding or his proxy will be accepted to the exclusion of the votes of other joint holders or their proxies.
- If this proxy form is executed under a power of attorney or other authority, the power of attorney and other authority (or a materially certified copy of it) must be lodged with the Company with the proxy form.
- In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by an attorney or officer of the corporation.
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent RA10 by 11.30 am on 1 November 2008.
- You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

SECOND FOLD

BUSINESS REPLY SERVICE
LICENCE NO. MB122



Capita Registrars
Proxies Department
PO Box 25
BECKENHAM
Kent
BR3 4BR

FIRST FOLD

THIRD FOLD AND TUCK IN