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If you have sold or transferred all of your ordinary shares in Carclo plc, please send this document and any other documents that accompany it as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain this document and its enclosures.

CARCLO PLC

(incorporated in England and Wales under company number 196249)

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

Notice of the 2020 Annual General Meeting of Carclo plc, to be held at 6-7 Faraday Road, Rabans Lane Industrial Area, Aylesbury, Buckinghamshire, HP19 8RY on Tuesday 29 September 2020 at 11:30 am, is set out on pages 4 and 5 of this document. Your attention is drawn to the letter from the Non-Executive Chairman on pages 2 and 3 of this document which sets out the special arrangements in place for the meeting in light of the coronavirus pandemic.

To participate in the meeting, you are strongly encouraged to complete and submit a proxy appointment in accordance with the Notes to the Notice of the Annual General Meeting set out on pages 6 and 7. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by no later than by 11:30 am on Friday 25 September 2020.

LETTER FROM THE NON-EXECUTIVE CHAIRMAN

To the holders of ordinary shares in Carclo plc (the Company)

4 September 2020

Dear Shareholder

2020 Annual Report and Accounts and Notice of Annual General Meeting

I am pleased to inform you that the Company's 2020 annual report and accounts and the notice of the 2020 annual general meeting have now been published.

AGM format in light of the coronavirus

This year's annual general meeting will be held at 6-7 Faraday Road, Rabans Lane Industrial Area, Aylesbury, Buckinghamshire, HP19 8RY on Tuesday 29 September 2020 at 11:30 am (the AGM).

The formal notice of AGM is set out on pages 4 and 5 of this document and contains the proposed resolutions. Explanatory notes to the business to be considered are set out in Appendix 1 to this document on pages 8 to 10, and a number of specific matters to which to draw your attention have also been highlighted below.

The Board has been closely monitoring the coronavirus (COVID-19) pandemic and its potential impact on the AGM. As part of its monitoring, the Board has noted in particular the recent easing of some of the Government's public health measures, including those on certain large gatherings. It has also noted the enactment of the Corporate Insolvency and Governance Act 2020 which, among other matters, provides companies with temporary easements on requirements relating to company meetings.

The Board has concluded that it is in the Company's best interests to proceed with the AGM, but that the health, safety and wellbeing of all of the Company's stakeholders continues to be the Board's priority and that it is, therefore, necessary to make some important changes to the way in which the Company holds and conducts this year's meeting. In considering changes to the format of the meeting, the Board has taken particular account of the ongoing need to reduce the public health risks posed by the transmission of the virus, the continuing Government guidance concerning the need for social distancing, and the advice that only absolutely necessary participants should physically attend meetings. Accordingly, the Board's current intention is that this year's meeting should be scaled-back and focus on the formal business only.

The Board proposes that a limited number of Company representatives will attend the AGM in person to ensure that a valid meeting is held. In doing so, they will observe all relevant social distancing guidelines. As permitted by the Corporate Insolvency and Governance Act 2020, shareholders will not be able to attend the AGM in person. Shareholders and guests who travel to the meeting will not be admitted. **It is, therefore, important that you do not attend the AGM in person.**

The Board recognises that the pandemic, and the Government's response to it, is a fast-evolving situation. The Board will continue to monitor developments and the latest Government guidance and will continue to assess over the coming weeks whether it becomes appropriate to permit shareholders to attend the AGM in person. We, therefore, ask shareholders to monitor the Company's website and regulatory news for any further updates in relation to the AGM.

Asking questions and voting

The Board recognises the importance of the AGM to shareholders and is keen to ensure that you are still able to exercise your right to vote at the meeting and that you are able to ask questions. Therefore, if you wish to vote at the AGM, you should appoint the Chairman of the meeting as your proxy and give your instructions on how you wish the Chairman to vote on the proposed resolutions. All proposed resolutions will be put to a vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised. On a poll, each shareholder has one vote for every share held.

Please note that if you appoint as your proxy any person other than the Chairman of the meeting, such person will not be permitted to attend the AGM in person as things currently stand. In these circumstances, your appointment will be deemed to be an appointment of the Chairman of the meeting. This will ensure that your vote still counts.

Details of how to appoint a proxy are set out in the Notes to the notice of AGM on pages 6 and 7. To be valid, your proxy appointment must be received at the address for delivery specified in the Notes by no later than 11:30 am on Friday 25 September 2020.

Given that there will not be a formal question and answer session at the AGM, shareholders are invited to submit any questions relating to the business of the meeting by sending them to investor.relations@carclo-plc.com. You may submit a question at any time before the AGM, but, to ensure that you receive a response before the AGM, you should submit your questions before 5:00 pm on Friday 18 September 2020.

AGM business

Voting at the 2019 AGM

The Board was naturally disappointed by the levels of support for all of the resolutions proposed at last year's annual general meeting, and particularly in respect of the share capital and other authorities which did not receive the requisite majorities to be passed as special resolutions. Following the 2019 AGM, the Board engaged in discussions with its principal shareholders to understand the reasons for the levels of support received generally. Through this engagement, the Board understood that the voting was largely attributable to shareholder dissatisfaction with the performance of the business and the share price during the previous year. In response, following the exit of the loss-making LED business and the completion of a medium-term financing agreement with the Group's lending bank and its pension trustees, Carclo now has a more stable platform from which to develop the business.

Whilst the near-term performance of the Group is uncertain due to the impact of the COVID-19 pandemic, the Board believes that the operating businesses within the Group have attractive growth prospects, in particular within the medical diagnostics market where the CTP business is well positioned for future growth. Alongside investing to deliver its organic growth strategy, the Group is working closely with its pension trustees in order to reduce the relative scale of the Group's defined benefit pension deficit which will be a key element in translating the performance of the underlying business into sustainable value creation for shareholders.

The Company intends to seek the share capital and other authorities that are customarily sought by UK listed public companies on an annual basis at this year's AGM. As in previous years, the authorities are aligned with the limits and guidance issued by The Investment Association and The Pre-Emption Group.

Directors' Remuneration Policy

This year, as required by company law, you are invited to approve a revised Directors' Remuneration Policy. The current Policy was last approved by shareholders at our 2017 AGM. During the course of last year, the Remuneration Committee conducted a comprehensive review of the Company's remuneration arrangements and determined that the current Policy continues to support the Company's strategy and culture and that there was no requirement to change it materially. However, while the Policy is considered suitable for continued use the mechanics of the long-term incentive element will require to be re-examined, as detailed in the Directors' Remuneration Report of the annual report. When this work is completed a revised Policy will be issued to shareholders for approval.

As previously announced, as part of a series of measures taken to mitigate the challenges posed by the coronavirus pandemic, the Board has taken a 20% cut in salaries and fees for the first quarter of the new financial year.

Directors' fees

The Company's articles of association sets a limit on the amount of fees that the Company can pay to its directors each year. For the purposes of this limit, fees are considered distinct from any salary, remuneration or other amount payable to the directors under the articles.

It has come to the Board's attention that while the Company's shareholders have agreed the terms of the Directors' Remuneration Policy (which sets out the Company's policy in respect of proposed fees for directors) and have passed an annual advisory vote on the Directors' Remuneration Report (which sets out the actual fees paid to directors), the Company has not formally determined in general meeting a revised limit on the amount of fees payable to directors each year under the articles and, as such, the payment of fees has, in respect of certain financial years, exceeded the formal limit set out in the Company's constitution.

Accordingly, the Company is proposing an ordinary resolution the purpose of which is to address this issue by formally increasing the limit on the amount of fees that the Company can pay under its articles of association. The proposed resolution also formally ratifies, adopts and approves the decisions of the Company's current and former directors in approving the fees paid to directors in financial years where the amount of fees paid to the directors exceeded the current limit set out in the articles. Further information can be found on page 9 of this document.

Recommendation

The Company's board of directors considers that each of the resolutions set out in the notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommends shareholders to vote in favour of them as the directors intend to do in respect of their own beneficial shareholdings (save in respect of those resolutions in which they are interested).

We are disappointed not to be able to welcome you to our AGM in person this year and thank you for your understanding. We, nevertheless, hope that you will choose to appoint a proxy to exercise your right to vote on the day.

Yours faithfully



Joe Oatley
Non-Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

To the holders of ordinary shares in Carclo plc (the Company)

Notice is given that the next Annual General Meeting of the Company will be held at 6-7 Faraday Road, Rabans Lane Industrial Area, Aylesbury, Buckinghamshire, HP19 8RY on Tuesday 29 September 2020 at 11:30 am to consider, and if thought fit, pass the proposed resolutions set out below of which resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 16 will be proposed as special resolutions.

- 1 To receive the audited accounts and the auditors' and directors' reports for the year ended 31 March 2020.
- 2 To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the year ended 31 March 2020.
- 3 To approve the directors' remuneration policy (as contained in the directors' remuneration report for the year ended 31 March 2020).
- 4 To elect Antony Collins as a director.
- 5 To elect Matt Durkin-Jones as a director.
- 6 To elect Nick Sanders as a director.
- 7 To re-elect Joe Oatley as a director.
- 8 To re-elect Peter Slabbert as a director.
- 9 To re-elect David Toohey as a director.
- 10 To re-appoint Mazars LLP as auditors.
- 11 To authorise the audit committee of the board of directors to determine the auditors' remuneration.
- 12 To:
 - (a) approve, adopt and ratify the decisions of the current and former directors of the Company to pay fees to directors, in the amounts set out in the Company's annual reports and accounts for each of the financial years from and including the financial year ended 31 March 2010 up to and including the financial year ended 31 March 2020 notwithstanding that the amounts of such fees exceeded the limit set out in the Company's articles of association (**Articles**); and
 - (b) increase the limit on the amount of fees that the Company may pay to the directors for their services as directors under article 87 of the Articles from an amount not exceeding £20,000 per director per annum. to an amount not exceeding in aggregate £500,000 per annum.
- 13 That the directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (**Allotment Rights**), but so that:
 - (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £1,211,417;
 - (b) this authority shall expire at the close of business on 30 September 2021 or, if earlier, on the conclusion of the Company's annual general meeting to be held in 2021;
 - (c) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and the directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired; and
 - (d) all authorities vested in the directors on the date of the notice of this meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this meeting are revoked.
- 14 That, subject to the passing of resolution 13 in the notice of this meeting, the directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 13 in the notice of this meeting or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is limited to:
 - (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's listing rules) or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
 - (b) the allotment of equity securities (other than pursuant to paragraph 14(a) above) with an aggregate nominal value of £183,548, and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 13 in the notice of this meeting, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

- 15 That the Company is generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693 of that Act) of its ordinary shares, provided that:
- (a) the maximum aggregate number of such shares that may be acquired under this authority is 7,341,919;
 - (b) the minimum price (exclusive of expenses) which may be paid for such a share is its nominal value;
 - (c) the maximum price (exclusive of expenses) which may be paid for such a share is the maximum price permitted under the Financial Conduct Authority's listing rules or, in the case of a tender offer (as referred to in those rules), five per cent. above the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange's Daily Official List) for the five business days immediately preceding the date on which the terms of the tender offer are announced;
 - (d) this authority shall expire at the close of business on 30 September 2021 or, if earlier, on the conclusion of the Company's annual general meeting to be held in 2021; and
 - (e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry and the Company may purchase shares pursuant to any such contract as if the authority had not expired.
- 16 That any general meeting of the Company that is not an annual general meeting may be called by not less than 14 clear days' notice.

By order of the Board



Angie Wakes

Group Company Secretary

4 September 2020

Registered office:
Springstone House
PO Box 88
27 Dewsbury Road
Ossett, West Yorkshire
WF5 9WS

NOTICE OF ANNUAL GENERAL MEETING continued

To the holders of ordinary shares in Carclo plc (the Company)

NOTES:

- 1 In light of the ongoing need to reduce the public health risks posed by the transmission of the coronavirus (COVID-19), the continuing Government guidance concerning the need for social distancing, and the advice that only absolutely necessary participants should physically attend meetings, and as permitted by the Corporate Insolvency and Governance Act 2020, members will not be permitted to attend the AGM in person. Every eligible member does, however, have the right to appoint another person (or two or more persons in respect of different shares held by him or her) as his or her proxy to exercise all or any of his or her rights in relation to the AGM. The appointment of a proxy in relation to the AGM will, however, be subject to the special arrangements in these Notes or any alternative arrangements that the Board considers necessary to ensure the validity of the meeting.
- 2 Members who wish to vote at the AGM should appoint the Chairman of the meeting as their proxy in order to do so. No other person(s) appointed as proxy will be permitted to attend the AGM in person unless the Board decides otherwise. Subject to any other decision by the Board, if a member appoints some other person or persons as proxy, such member shall be deemed to have appointed the Chairman of the meeting and not the other named person(s) as their proxy.
- 3 The right of a member of the Company to attend and vote at the AGM will be determined by reference to the Company's register of members. A member must be registered on that register as the holder of ordinary shares by the close of business on Friday 25 September 2020 in order to be entitled to attend and vote at the meeting as a member in respect of those shares. Changes to entries on the register of members after such time will be disregarded in determining the rights of the person to attend and vote at the AGM. Reference in this Note to the right to attend the AGM shall as regards attendance at the meeting in person be read subject to Note 1 above and to any legislation temporarily limiting such right.
- 4 A form for the appointment of a proxy has been provided to members with this document. To be valid, a hard copy proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to the Company Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by 11:30 am on Friday 25 September 2020.
- 5 As an alternative to completing and returning a hard copy proxy appointment form, a member may appoint a proxy online by visiting the Company Registrar's shareholding management portal, at www.shareview.co.uk and following the instructions. A member that has not already done so will first need to register to use the site. To register, a member will need his or her Shareholder Reference Number which can be found on the enclosed proxy form or member's share certificate (or which is otherwise available from the Registrar). If you wish to submit your proxy appointment electronically, please visit www.shareview.co.uk, where full instructions on how to do so are given. If you return paper and electronic voting instructions, those received last by Equiniti before the latest time for the receipt of proxies or voting instructions will take precedence. You are advised to read the shareview.co.uk terms and conditions of use carefully. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by no later than 11:30 am on Friday 25 September 2020. Members who hold their shares in uncertificated form may also use "the CREST voting service" to appoint a proxy electronically, as explained below.
- 6 CREST members who wish to appoint a proxy through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (CREST proxy appointment instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (Euroclear), and must contain all the relevant information required by the CREST Manual. To be valid, 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 be transmitted so as to be received by Equiniti (ID RA19), as the Company's "issuer's agent", by 11:30 am on Friday 25 September 2020. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

- CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
- 7 A member that is a corporation may authorise one or more persons to act as its representative(s) at the AGM in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his or her appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. Please note that, unless the Board decides otherwise, a person other than the Chairman of the meeting who is appointed as a representative will not be permitted to attend the meeting in person.
 - 8 Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (nominated person) may have a right under an agreement between him and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. Please note that, unless the Board decides otherwise, a person other than the Chairman of the meeting who is appointed as a proxy will not be permitted to attend the meeting in person. The statement in Note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
 - 9 As at 26 August 2020 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 73,419,193 ordinary shares, carrying one vote each, and (ii) the total voting rights in the Company were 73,419,193.
 - 10 Subject to any legislation temporarily limiting such right, each member has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Members who wish to ask questions relating to the business of the meeting can do so by sending them in advance of the meeting to investor.relations@carclo-plc.com. To ensure that a response is received before the AGM, members should submit their questions before 5:00 pm on Friday 18 September 2020. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at www.carclo-plc.co.uk. A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
 - 11 It is possible that, pursuant to members' requests made in accordance with section 527 of the Companies Act 2006, the Company will be required to publish on a website a statement in accordance with section 528 of that Act setting out any matter that the members concerned propose to raise at the meeting relating to the audit of the Company's latest audited accounts or any circumstances connected with the Company's former auditors ceasing to hold office since the Company's previous annual general meeting. The Company cannot require the members concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditors by the time it makes the statement available on the website. The business which may be dealt with at the meeting includes any such statement.
 - 12 All resolutions contained in this notice of meeting will be put to a vote on a poll. This will result in a more accurate reflection of the views of members by ensuring that every vote is recognised, including the votes of those members who are unable to attend but who have appointed a proxy for the meeting. On a poll, each member has one vote for every share held.
 - 13 A member who has queries about his or her shareholding, voting, the appointment of a proxy or who requires any other assistance can contact the Company's Registrars, Equiniti, by calling the helpline on 0371 384 2249. Operator assistance is available between 9:00 am and 5:00 pm each business day. Callers from outside the UK should dial +44 (0) 121 415 7047.

APPENDIX 1

Explanatory notes to the business of the AGM

Resolution 1 – Receipt of the audited accounts and reports

The Companies Act 2006 requires the directors of a public company to lay before the company in general meeting copies of the directors' reports, the independent auditors' report and the audited financial statements of the company in respect of each financial year. In accordance with best practice, the Company proposes an ordinary resolution to receive its audited accounts and reports for the financial year ended 31 March 2020 (**the 2020 Annual Report**).

Resolution 2 – Approval of the directors' remuneration report

In accordance with the Companies Act 2006, shareholders are invited to approve the directors' remuneration report for the financial year ended 31 March 2020.

The directors' remuneration report is set out on pages 42 to 56 of the 2020 Annual Report. For the purposes of this resolution, the directors' remuneration report does not include the part of the report containing the directors' remuneration policy which is, this year, the subject of a separate vote (Resolution 3). The vote on the directors' remuneration report is advisory only and the directors' entitlement to remuneration is not conditional on its being passed.

Resolution 3 – Approval of the directors' remuneration policy

The Companies Act 2006 requires the directors' remuneration policy to be put to shareholders for approval at least every three years. The current directors' remuneration policy was last approved by shareholders at the Company's annual general meeting held in 2017. Accordingly, shareholders are this year invited to approve a revised directors' remuneration policy. The proposed new director's remuneration policy is set out on pages 44 to 47 of the 2020 Annual Report. If approved by shareholders, the new directors' remuneration policy will apply for up to three years.

The revised directors' remuneration policy sets out how the Company proposes to pay its directors and includes details of the Company's approach to recruitment remuneration and loss of office payments, as well as details of changes from the current directors' remuneration policy. Further details regarding the rationale for the minimal proposed changes to the directors' remuneration policy are contained in the annual statement of the remuneration committee chair on pages 42 and 43 of the 2020 Annual Report.

The vote on this resolution is binding and, if passed, will mean that the Company's directors can only make remuneration payments in accordance with the approved policy unless an amendment to that policy authorising the Company to make such payments has been approved by a separate shareholder resolution. If shareholders do not approve the proposed directors' remuneration policy, the Company will, if and to the extent permitted by company legislation, continue to make payments to directors in accordance with the current directors' remuneration policy.

Resolutions 4 to 9 – Election and re-election of directors

Resolutions 4 to 9 are to be proposed as ordinary resolutions and relate to the election and re-election of the Company's directors. The Company's articles of association (the Articles) require a director who has been appointed by the board of directors during the year to retire at the annual general meeting next following his or her appointment. Antony Collins and Matt Durkin-Jones were both appointed to the board as directors during the year, with effect from 1 October 2019 and 21 January 2020 respectively and, consequently, they will retire from office at the AGM and both intend to stand for election by the shareholders for the first time. Nick Sanders was appointed to the board of directors on 18 August 2020 and will stand for election by the shareholders for the first time.

The Articles also require one-third of the remaining directors to retire from office at each annual general meeting. A director who retires at an annual general meeting may be re-elected by the shareholders. Notwithstanding the provisions of the Articles, the board of directors has determined that all of the remaining directors will retire from office at the AGM in line with best practice recommendations of the 2018 UK Corporate Governance Code and each of them will stand for re-election by the shareholders.

The Chairman confirms that, following formal performance evaluation, each of the directors standing for election or re-election continues to be an effective member of the board, to make a positive contribution and to demonstrate commitment to the role. The board believes that the considerable and wide-ranging experience of the directors will continue to be invaluable to the Company.

It is the board's view that each of the Non-Executive Directors standing for election or re-election brings considerable management experience and independent perspective to the board's discussions and is considered to be independent of management and free from relationships or other circumstances that could affect, or appear to affect, the exercise of their independent judgement. However, it is intended that the Company will begin a process of evaluation to review and refresh the board once a permanent Chairman is in place. Both David Toohey and Peter Slabbert will have completed six years of service on the board by April 2021 and both have indicated their intention not to seek further re-election beyond that date and to stand down once suitable replacements have been identified. Biographical notes for each of the directors standing for election or re-election, including details of their contribution and how it is and continues to be important to the Company's long term sustainable success, are included at Appendix 2 on pages 11 and 12 of this document.

Resolutions 10 and 11 – Re-appointment and remuneration of the auditors

The Company is required to appoint or re-appoint auditors at each general meeting at which its audited accounts and reports are presented to shareholders.

On 14 April 2020, the Company announced that, following a competitive audit tender process conducted in compliance with the EU Audit Regulation and best practice guidelines, the board had appointed Mazars LLP as the Company's external auditor with immediate effect. The Company's former auditor, KPMG LLP, chose not to participate in the tender process and resigned from office with effect from 24 March 2020.

The Audit Committee has recommended to the board, and the board now proposes to shareholders at Resolution 10, the re-appointment of Mazars LLP as auditors at the AGM. The Audit Committee has confirmed to the board that its recommendation is free from third party influence and that no restrictive contractual provisions have been imposed on the Company limiting the choice of auditors. Resolution 11 authorises the Audit Committee to determine the auditors' remuneration.

Resolution 12 – Directors' fees

Article 87 of the Articles provides that the Company shall pay to its directors (but not to its alternate directors) for their services as directors such amount of fees as the board decides, provided that a director shall not be entitled to such remuneration while holding any other office or place of profit under the Company or any other undertakings within the Company's group. The fee payable to a director under Article 87 is considered distinct from any salary, remuneration or other amount payable under the Articles. Article 87 further provides that the amount of fees that the Company can pay should not exceed £20,000 per director per annum, or such larger amount as the Company may by ordinary resolution decide.

While the Company's shareholders have agreed the terms of the directors' remuneration policy which sets out the Company's policy in respect of proposed fees for directors and have passed an annual advisory vote on the directors' remuneration report which sets out the actual fees paid to directors, the Company has not formally determined in general meeting a revised limit on the amount of fees payable to directors each year under the Articles.

In each financial year from and including the financial year ended 31 March 2010 up to and including the financial year ended 31 March 2020, the aggregate amount of fees paid to directors has exceeded the aggregate limit per director set out in the Articles, as detailed below. There has, therefore, in relation to each of those financial years, been a technical breach of the limit set under the Articles.

Financial Year	Number of directors in receipt of fees in excess of £20,000 (Directors in Receipt) (aggregate limit on fees for such Directors in Receipt under Article 87)	Aggregate fees paid to Directors in Receipt (amount paid in excess of aggregate limit on fees for such Directors in Receipt under Article 87)
Financial year ended 31 March 2010	2 – £40,000	£52,000 (£12,000)
Financial year ended 31 March 2011	2 – £40,000	£56,000 (£16,000)
Financial year ended 31 March 2012	2 – £40,000	£58,000 (£18,000)
Financial year ended 31 March 2013	2 – £40,000	£52,500 – (£12,500)
Financial year ended 31 March 2014	2 – £40,000	£62,400 – (£22,400)
Financial year ended 31 March 2015	2 – £40,000	£64,200 – (£24,200)
Financial year ended 31 March 2016	3 – £60,000	£98,250 – (£38,250)
Financial year ended 31 March 2017	3 – £60,000	£107,094 – (£47,094)
Financial year ended 31 March 2018	3 – £60,000	£110,307 – (£50,307)
Financial year ended 31 March 2019	3 – £60,000	£110,307 – (£50,307)
Financial year ended 31 March 2020	3 – £60,000	£110,307 – (£50,307)

The purpose of Resolution 12 is to address this issue by formally increasing the limit on the amount of fees that the Company can pay under Article 87 from an individual amount not exceeding £20,000 per director per annum to an aggregate amount not exceeding £500,000 per annum. All fees will continue to be paid in accordance with and be subject to the directors' remuneration policy as approved by shareholders at the relevant time.

The proposed resolution also formally ratifies, adopts and approves the decisions of the Company's current and former directors in approving the fees paid to directors in each financial year from and including the financial year ended 31 March 2010 up to and including 31 March 2020, notwithstanding that the amount of fees paid to the directors exceeded the current limit set out in the Articles.

In accordance with the Companies Act 2006, the votes of any shareholders who were Company directors in office at the time when the decisions to approve payments to directors in excess of the limit in the Articles were approved, and the votes of any shareholders having a relevant connection with any of them, in favour of Resolution 12 will be disregarded in determining whether the resolution is passed.

APPENDIX 1 continued

Explanatory notes to the business of the AGM

Resolution 13 – Authority to allot shares

The directors currently have a general authority to allot new shares in the Company and to grant rights to subscribe for, or convert any securities into, shares. This authority is, however, due to expire at the AGM and the board would like to renew it to provide the directors with flexibility to allot new shares and grant rights up until the Company's next annual general meeting, within the limits prescribed by The Investment Association.

If passed, this resolution will authorise the directors to allot (or to grant rights over) new shares in the Company in any circumstances up to a maximum aggregate nominal amount of £1,211,417.

This amount represents approximately 33 per cent. of the Company's issued ordinary share capital as at 26 August 2020 (being the latest practicable date prior to publication of this document). The Company did not hold any shares in treasury as at that date.

The directors do not have any present intention to exercise this authority, however the board considers it prudent to maintain the flexibility that it provides to enable the directors to respond to any appropriate opportunities that may arise. If passed, this authority will expire at the close of business on 30 September 2021 or, if earlier, at the conclusion of the Company's next annual general meeting.

Resolution 14 – Disapplication of pre-emption rights

Resolution 14 is a special resolution which, if passed by shareholders, will enable the directors to allot equity securities (such as ordinary shares) in the Company, or to sell any shares out of treasury, for cash, without first offering those equity securities to existing shareholders in proportion to their existing holdings, and within the limits prescribed by the Statement of Principles on the disapplication of pre-emption rights issued by the Pre-emption Group.

If passed by shareholders, this resolution will permit the board to allot ordinary shares for cash on a non-pre-emptive basis both in connection with a rights issue or similar pre-emptive issue and, otherwise than in connection with any such issue, up to a maximum nominal amount of £183,548. This amount represents approximately five per cent of the Company's issued ordinary share capital as at 26 August 2020 (being the latest practicable date prior to publication of this document). This resolution will permit the board to allot ordinary shares for cash, up to the specified level, in any circumstances.

The directors do not have any present intention of exercising this power if granted but believe that it is in the best interests of shareholders to have the flexibility, in those limited circumstances, to allot shares or to sell treasury shares for cash.

If this power is granted, the directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. Those provisions provide that a company should not issue shares for cash representing more than 7.5 per cent of the company's issued share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders.

The Company does not intend to seek at the AGM any additional power to allot equity securities for cash on a non-pre-emptive basis for use in connection with acquisitions and capital investments.

Resolution 15 – Purchase of own shares

This special resolution, if passed, will authorise the Company to make market purchases of its own ordinary shares up until the close of business on 30 September 2021 or, if earlier, the Company's next annual general meeting, subject to specific conditions relating to price and volume.

The maximum number of ordinary shares which may be purchased under this authority is 7,341,919, representing approximately ten per cent of the Company's issued ordinary share capital as at 26 August 2020 (being the latest date prior to publication of this document).

The minimum price which could be paid for a share would be its nominal value and the maximum price would be that permitted by the Financial Conduct Authority's Listing Rules or, in case of a tender offer, five per cent above the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the terms of the tender offer are announced. In each case, the minimum and maximum prices exclude expenses.

The directors have no present intention of exercising this authority if granted, but wish to have the flexibility to do so in the future. Shares would only be purchased if the directors believed that to do so would result in an improvement in earnings per share and would be in the best interests of shareholders generally. Any purchases would be made through the London Stock Exchange and purchased shares would be cancelled (in which case the number of shares in issue would thereby be reduced) or, alternatively, held in treasury, depending on which course of action is considered by the directors to be in the best interests of the shareholders at that time.

As at 26 August 2020, there were options or rights outstanding to subscribe for 148,974 new ordinary shares in the Company. This represented 0.20 per cent of the Company's issued ordinary share capital at that date and would represent 0.20 per cent of the Company's issued ordinary share capital if the authority being sought had been exercised in full at that date.

Resolution 16 – Notice of general meetings

The Companies Act 2006 provides that the Company may call general meetings (other than annual general meetings) on not less than 14 clear days' notice where it has met certain conditions. In order to do so, shareholders must first approve the calling of such meetings on shorter notice. This special resolution seeks such approval. The approval, if given, would be effective until the Company's next annual general meeting.

The shorter notice period would not be used as a matter of routine for general meetings, but only where it is merited by the business of the meeting and is considered to be in the interests of shareholders as a whole. The Company's annual general meetings will continue to be called by notice of at least 21 clear days.

APPENDIX 2

Directors' biographical details

Joe Oatley – Non-Executive Chairman

Joe was appointed as Non-Executive Chairman on 27 April 2020, having served as a Non-Executive Director of the Company and the Chairman of the Remuneration Committee from July 2018.

Experience

Joe is currently also a Non-Executive Director at Wates Group Limited and Centurion Group Limited. Previously he was Group Chief Executive of Cape plc from 2012 to 2017. Prior to joining Cape he was Chief Executive of Hamworthy plc.

External appointments

Wates Group Limited – Non-Executive Director
Centurion Group Limited – Non-Executive Director

Skills and contribution

Joe brings varied and substantial board and general management experience to the Group. He has an in-depth understanding of corporate governance having previously holding CEO positions with listed companies.

Committees

Nomination (Chair)
Remuneration

Antony Collins – Group Chief Executive Officer

Antony was appointed Chief Executive Officer on 1 October 2019, having previously been interim Chief Restructuring Officer from 30 May 2019.

Experience

In a 30 year business career, Antony has held a variety of roles as an executive and advisor in plc and private equity companies. He was Chief Executive of John Foster & Son Limited before becoming a director in PwC's Business Restructuring Division. Antony began his post-graduate career as an officer in the British Army.

External appointments

None

Skills and contribution

Antony brings significant restructuring and leadership experience across a range of businesses together with considerable executive management experience. He has experience in driving rapid operational and performance improvements and restoring profitable growth. He has an MBA from Manchester Business School and is a Member of the Institute for Turnaround.

Committees

None

Matt Durkin-Jones – Chief Financial Officer

Matt joined the Company as Interim Chief Financial Officer on 21 January 2020.

Experience

Matt previously served as Director of Financial Planning and Analysis for Insitu Inc, a subsidiary of Boeing based in Washington State, USA.

He commenced his career with ICI/Huntsman Polyurethanes in Manchester, embarking on a series of progressive roles, taking him to Brussels, Belgium.

Matt subsequently worked for R.R. Donnelley & Sons in Amsterdam, the Netherlands; PCH International in Shenzhen, China; and Erickson Aviation in Portland Oregon, USA.

External appointments

None

Skills and contribution

Matt is a Chartered Management Accountant with over 30 years international finance & accounting experience. He has held a number of senior finance roles and brings extensive experience in improving financial performance and measurement and implementing financial control and management procedures across a range of businesses.

Committees

None

Peter Slabbert – Senior Independent Non-Executive Director

Peter was appointed a Non-Executive Director of the Company from 1 April 2015 and Chairman of the Audit Committee from that date.

Experience

Peter was Chief Executive of Avon Rubber plc from April 2008 to September 2015. Peter joined the Group from Tilbury Douglas where he was Divisional Finance Director and Group Financial Controller. Prior to that, he worked at Bearing Power International as Finance Director.

External appointments

None

Skills and contribution

Peter is a Chartered Accountant and an experienced Non-Executive Director and Audit Committee Chairman. He brings extensive financial experience and financial expertise and insight as Chairman of the Audit Committee.

Committees

Audit (Chair)
Remuneration
Nomination

APPENDIX 2 continued

Directors' biographical details

David Toohey – Independent Non-Executive Director

David was appointed a Non-Executive Director of the Company from 1 April 2015 and appointed as Chairman of the Remuneration Committee on 27 April 2020.

Experience

David has over 30 years' experience in international business, the last 20 of which have been in medical devices and the In Vitro Diagnostics industry. He has been Chief Executive Officer of Syncrophi Systems Limited since 2012. He joined Syncrophi from Alere Inc, where he spent 11 years in senior managerial roles, latterly as President of International Business Operations. He has held various Executive positions at Boston Scientific Corporation, Bausch & Lomb, Inc., Digital Equipment Corp. and Mars, Inc.

External appointments

Syncrophi Systems Limited – Chief Executive Officer

Skills and contribution

David is an experienced non-executive director and brings a valuable perspective to board discussions with his international business and executive management experience.

Committees

Remuneration (Chair)

Nomination

Audit

Nick Sanders – Independent Non-Executive Director and Chairman-elect

Nick was appointed a Non-Executive Director and Chairman-elect of the Company from 18 August 2020.

Experience

Nick is an engineer by training and has over 20 years' of board experience in UK and international businesses. His early career was spent in a variety of technical and operational roles at Rolls Royce and Lucas Aerospace and since 2002 he has been leading turnaround situations in aerospace and manufacturing businesses. In this capacity he served as Executive Chairman of Gardner Aerospace for nine years until 2019. Nick was also a founding partner of Better Capital LLP (advisers to the turnaround funds).

External appointments

Sertec Group – Non-Executive Chairman

Doncasters – Non-Executive Director

Cashewglen Limited – Non-Executive Chairman

Skills and contribution

Nick brings significant restructuring and leadership experience across a range of businesses. He has experience in driving rapid operational and performance improvements and restoring profitable growth in distressed companies. He has vast experience in executing fundamental turnaround plans.

Committees

None