

**Norcros plc**  
**Notice of Annual General Meeting 2023**

To be held at  
the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester M2 3DE  
on Wednesday 26 July 2023 at 11.00 am

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N O R C R O S

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent professional adviser who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser.

If you sell or otherwise transfer, or have sold or otherwise transferred, all of your shares in the Company, please send this document and the form of proxy (if you have a form of proxy) 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, save that you should not send such documents in or into any jurisdiction in which to do so would constitute a violation of that jurisdiction's relevant laws or regulations.

If you sell or otherwise transfer, or have sold or otherwise transferred, only part of your holding of shares, you should retain this document and any enclosures.

## LETTER FROM THE ACTING CHAIR

Norcros plc

(incorporated and registered in England and Wales with registered number 3691883)

### Directors

David McKeith (Acting Chair)  
Alison Littley  
Stefan Allanson  
Thomas Willcocks  
James Eyre

### Registered office:

Ladyfield House  
Station Road  
Wilmslow  
Cheshire  
SK9 1BU

15 June 2023

To the holders of ordinary shares in Norcros plc (the "Company")

### Dear Shareholder

#### 2023 Annual General Meeting

I am pleased to be writing to you with details of the Company's 2023 Annual General Meeting (the "AGM" or "Meeting") which will be held at the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester M2 3DE on Wednesday 26 July 2023 at 11.00 am. The AGM is an opportunity for our shareholders to express their views directly to the board of directors (the "Board") and I hope that you will take this opportunity to do so.

The formal notice convening the AGM (the "Notice") is set out on pages 3 and 4 of this document. Explanatory notes on the business to be considered are set out from page 5.

#### Appointing a proxy

If you are unable to attend the AGM, you can still be represented by appointing a proxy to act on your behalf and by giving instructions on how you wish your proxy to vote on the proposed resolutions.

Irrespective of whether or not you propose to attend the AGM, you are strongly encouraged to appoint the Chair of the Meeting as your proxy. This will ensure that your vote will be counted if ultimately you are (or any other proxy you might otherwise appoint is) not able to attend on the day for any reason. If you appoint the Chair of the Meeting as your proxy, the Chair will vote in accordance with your instructions. If the Chair is given discretion as to how to vote, he or she will vote in favour of each of the resolutions set out in the Notice. Appointing a proxy will not prevent you from attending and voting in person if you wish to do so. In accordance with the Company's Articles of Association, all proposed resolutions will be put to a vote on a poll.

Details of how to appoint a proxy are set out in the Notes to the Notice on page 5 of this document. To be valid, your proxy appointment must be received at the address for delivery specified in the Notes by no later than 11.00 am on Monday 24 July 2023.

#### Recommendation

The Board believes that all the resolutions set out in the Notice are in the best interests of the Company and of the shareholders as a whole and recommends shareholders to vote in favour of them, as each of the Directors intends to do in respect of his or her own beneficial holding.

I look forward to seeing as many of you as possible at the AGM.

Yours faithfully



**David McKeith**  
Non-executive Director and Acting Chair

# NOTICE OF ANNUAL GENERAL MEETING

Norcros plc ("Company")

Notice is given that the 2023 Annual General Meeting of the Company ("AGM") will be held at 11.00 am on Wednesday 26 July 2023 at the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester M2 3DE for the purpose of considering and, if thought fit, passing the resolutions set out below.

The following resolutions will be proposed at the meeting. Resolutions 1 to 12 (inclusive) and resolution 17 will be proposed as ordinary resolutions and resolutions 13 to 16 (inclusive) will be proposed as special resolutions.

1. To receive the audited accounts and the auditor's and Directors' reports for the year ended 31 March 2023.
2. To declare a final dividend of 6.8 pence per ordinary share for the year ended 31 March 2023.
3. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 31 March 2023.
4. To approve the Directors' Remuneration Policy (as contained in the Directors' Remuneration Report for the year ended 31 March 2023).
5. To re-elect Alison Littley as a Director.
6. To elect Steve Good as a Director.
7. To elect Stefan Allanson as a Director.
8. To elect Thomas Willcocks as a Director.
9. To re-elect James Eyre as a Director.
10. To re-appoint BDO LLP as auditor of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts are laid.
11. To authorise the Audit and Risk Committee of the Board of Directors to agree the remuneration of the auditor of the Company.
12. 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 such authority are shares with an aggregate nominal value of £5,951,607.00 of which:
    - (i) one half may be allotted or made the subject of Allotment Rights in any circumstances; and
    - (ii) the other half may be allotted or made the subject of Allotment Rights pursuant to any rights issue (as referred to in the Financial Conduct Authority's Listing Rules) or pursuant to any arrangements made for the placing or underwriting or other allocation of any shares or other securities included in, but not taken up under, such rights issue;
  - (b) such authority shall expire at the close of business on 30 September 2024 or, if earlier, at the conclusion of the Company's next annual general meeting;
  - (c) before such expiry, the Company may make any offer or agreement which would or might require such 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 such authority had not expired; and
  - (d) all existing authorities vested in the Directors on the date of the notice of this meeting to allot such shares or to grant Allotment Rights that remain unexercised at the commencement of this meeting are revoked.
13. That, subject to the passing of resolution 12 in the notice of this meeting (the "Notice"), the Directors are empowered pursuant to Sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560(1) of that Act) for cash, pursuant to the authority conferred on them by resolution 12 in the Notice and/or by way of a sale of treasury shares, as if Section 561 of that Act did not apply to any such allotment and/or sale, provided that such power is limited to:
  - (a) the allotment of equity securities and/or sale of treasury shares 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 in the Company on the register on any fixed record date in proportion to their holdings of such ordinary shares (and, if applicable, to the holders of any other class of equity security in the Company 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 regulations or requirements of any regulatory body or any stock exchange; and
  - (b) the allotment of equity securities and/or sale of treasury shares (other than pursuant to paragraph (a) above) up to an aggregate nominal value of £446,371.00,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 12 in the Notice, save that, before the expiry of such power, the Company may make any offer or agreement which would or might require such equity securities to be allotted and/or treasury shares to be sold after such expiry and the Directors may allot such equity securities and/or sell such treasury shares under any such offer or agreement as if such power had not expired.

## NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Norcros plc ("Company")

14. That, subject to the passing of resolution 12 in the notice of this meeting (the "Notice") and, in addition to the power contained in resolution 13 set out in the Notice, the Directors are empowered pursuant to Sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560(1) of that Act) for cash, pursuant to the authority conferred on them by resolution 12 in the Notice and/or by way of sale of treasury shares, as if Section 561 of that Act did not apply to any such allotment and/or sale, provided that such power is:

- (a) limited to the allotment of equity securities and/or the sale of treasury shares up to an aggregate nominal value of £446,371.00; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within 12 months after the date of the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapply Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the Notice,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 12 in the Notice save that, before the expiry of such power, the Company may make any offer or agreement which would or might require such equity securities to be allotted and/or treasury shares to be sold after such expiry and the Directors may allot such equity securities and/or sell such treasury shares under any such offer or agreement as if such 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(4) of that Act) of ordinary shares in its capital provided that:

- (a) the maximum aggregate number of such shares that may be acquired under this authority is 8,927,420;
- (b) the minimum price (exclusive of expenses) that may be paid for such a share is its nominal value;
- (c) the maximum price (exclusive of expenses) that may be paid for such a share is the maximum price permitted under the Financial Conduct Authority's Listing Rules;
- (d) such authority shall expire at the close of business on 30 September 2024 or, if earlier, at the conclusion of the Company's next annual general meeting; and
- (e) before such expiry, the Company may enter into a contract to purchase such shares which would or might require a purchase to be completed after such expiry and the Company may purchase such shares pursuant to any such contract as if such authority had not expired.

16. That any general meeting of the Company that is not an annual general meeting may be convened by not less than 14 clear days' notice.

17. That the limit on the aggregate amount of fees that the Company may pay per annum to the Directors for their services as Directors under Article 92 of the Company's Articles of Association is increased from £350,000 to £750,000.

By order of the Board



**Richard H. Collins**  
**Company Secretary**  
15 June 2023

**Registered office:**  
Ladyfield House  
Station Road  
Wilmslow  
Cheshire SK9 1BU

Registered in England and Wales company number 3691883

# EXPLANATORY NOTES

## Notes

1. A member who is entitled to attend and vote at the meeting is entitled 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 to attend and to speak and vote at the meeting. A proxy need not be a member.
2. The right of a member to attend and vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by the close of business on Monday 24 July 2023 in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
3. A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed 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.
4. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should he or she so wish.

A member can appoint a proxy by:

- logging onto <https://www.signalshares.com> and submitting a proxy appointment online by following the instructions. A member who has not previously done so will first need to register to use this facility (using the Investor Code detailed on the member's share certificate or otherwise available from the Company's registrar, Link Group).

A member may also appoint a proxy online via Link Group's shareholder app: LinkVote+. This app is free to download and use and gives members the ability to access their shareholding record at any time and to submit a proxy appointment quickly and easily online. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.



- submitting (if the member is a CREST member) a proxy appointment electronically by using the CREST voting service in accordance with Note 10 below; or
- submitting (if the member is an institutional investor) a proxy appointment electronically via the Proxymity platform by following the procedures set out, and online instructions referred to, in Note 11 below.

A member who would prefer a paper form of proxy may request one from the Company's registrar by calling the helpline number below. A paper proxy appointment form must be completed in accordance with the instructions that accompany it and must be delivered (together with any power of attorney or other authority under which it is signed, or a copy certified by a notary or in some other way approved by the Board) to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL.

All proxy appointments must be received by no later than 11.00 am on Monday 24 July 2023 to be valid. The Company's registrar, Link Group, can be contacted by telephone on 0371 664 0300 if calling from the UK, or +44 (0) 371 664 0300 if calling from outside of the UK, or by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The lines are open between 9.00 am - 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic proxy appointment, the proxy will vote as they think fit or, at their discretion or withhold from voting.

## EXPLANATORY NOTES CONTINUED

### Notes continued

5. 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 (a "nominated person"), may have a right under an agreement between him or her 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 or she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. 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.
6. Voting on all resolutions will be conducted by way of a poll, rather than a show of hands. This is a more transparent method of voting as members' votes are counted according to the number of ordinary shares held. As soon as practicable following the meeting, the results of the voting at the meeting will be announced via a Regulatory Information Service and will also be placed on the "AGM 2023" section of the Company's website ([www.norcros.com](http://www.norcros.com)).
7. As at 14 June 2023 (being the latest practicable date prior to the printing of this document), (i) the Company's issued share capital consisted of 89,274,204 ordinary shares carrying one vote each and (ii) the total voting rights in the Company were 89,274,204.
8. Each member attending the meeting 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. 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 the "AGM 2023" section of the Company's website ([www.norcros.com](http://www.norcros.com)). A member may not use any electronic address provided by the Company in this or any accompanying document or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
9. 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. The Company cannot require the member(s) concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditor by the time it makes the statement available on the website. The business that may be dealt with at the meeting includes any such statement.
10. CREST members who wish to appoint one or more proxies 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 (a CREST proxy appointment instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & International 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 Link Group (ID RA10), as the Company's issuer's agent, by 11.00 am on Monday 24 July 2023. 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) Link Group 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 provider(s) 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.

## **Notes** continued

11. An institutional investor may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's registrar. Further information regarding Proxymity, can be found at [www.proxymity.io](http://www.proxymity.io). To be valid, a member's proxy appointment must be received by no later than 11.00 am on Monday 24 July 2023. Before a proxy can be appointed via this process, the appointing member will need to have agreed to Proxymity's associated terms and conditions. It is important that the appointing member reads these carefully as he or she will be bound by them and they will govern the electronic appointment of the proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of the appointing member's proxy vote.
12. The Company takes all reasonable precautions to ensure that no malicious software or computer viruses (all such things being referred to here as "Malware") are present in any electronic communication which it sends (or which is sent on its behalf) but does not accept responsibility for any loss or damage arising from the opening or use of any email or attachment. The Company recommends that members subject all emails and attachments to suitable Malware checking procedures prior to opening or use. Any electronic communication received by the Company or Link Group (including the lodgement of an electronic proxy appointment) which is believed to or is found to contain any Malware will not be accepted.
13. Copies of Directors' service contracts and letters of appointment will be available for inspection at the registered office of the Company during normal business hours each business day and at the place of the meeting for at least 15 minutes prior to and during the meeting. In addition, an electronic copy of any such document is available by request from a member to the Company Secretary (email:[info@norcros.com](mailto:info@norcros.com)).

## **Fair Processing Notice**

Norcros will only process your information for the purpose of managing AGM voting and analysis of voting patterns (not how individuals cast their votes). This data will only be retained for 14 months before being deleted. For more information on how we look after your personal data please see our Privacy Policy at [www.norcros.com](http://www.norcros.com).

## EXPLANATORY NOTES CONTINUED

Explanatory notes in relation to the resolutions appear below. For the purposes of these notes, reference to 14 June 2023 in relation to the Company's issued share capital is a reference to the latest practicable date prior to the publication of this document.

### Resolution 1

#### Report and accounts

For each financial year, the Directors are required to present the audited accounts, the auditor's report and the Directors' report to shareholders at a general meeting. In line with best practice, shareholders are invited to vote on the receipt of the Company's annual report and accounts for the financial year ended 31 March 2023 ("Annual Report and Accounts 2023").

### Resolution 2

#### Dividend

The payment of the final dividend requires approval of shareholders in general meeting. A final dividend can only be declared by the shareholders in general meeting and cannot exceed the amount recommended by the Directors. The Directors have recommended a final dividend for the year ended 31 March 2023 of 6.8 pence per ordinary share. If the meeting approves this resolution, the final dividend will be paid on 4 August 2023 to ordinary shareholders who are on the register of members at the close of business on 30 June 2023.

### Resolution 3

#### 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 2023. The vote on this resolution is advisory only and the Directors' entitlement to remuneration is not conditional on it being passed.

The Directors' Remuneration Report is set out in full on pages 94 to 113 of the Annual Report and Accounts 2023. For the purposes of this resolution, the Directors' Remuneration Report does not include the Directors' Remuneration Policy, the approval of which is the subject of a separate resolution this year (Resolution 4).

### Resolution 4

#### Approval of the Directors' Remuneration Policy

The Companies Act 2006 requires the Directors' Remuneration Policy to be put to shareholders for a binding vote at least every three years unless there is a change in the approved policy within the three year period.

The current Directors' Remuneration Policy was last approved by shareholders at the Company's 2020 annual general meeting. The Company, therefore, proposes an ordinary resolution this year to approve a new Directors' Remuneration Policy which sets out how the Company proposes to pay its Directors going forward. The proposed policy is set out on pages 97 to 104 of the Annual Report and Accounts 2023. Areas where the proposed policy differs from the current approved policy are explained on page 94 of the Annual Report and Accounts 2023.

If approved, the new policy will take effect at the conclusion of the AGM and replace the current policy. The vote on this resolution is binding and, if passed, will mean that the Company 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 this resolution is not passed, the Company will, if and to the extent permitted by companies legislation, continue to make payments to its Directors in accordance with the policy approved in 2020.

### Resolutions 5 to 9

#### Election and re-election of Directors

Resolutions 5 to 9 relate to the retirement and election or re-election of the Company's Directors. The Company's Articles of Association 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. The Board of Directors has made the following appointments: Stefan Allanson was appointed as a Non-executive Director with effect from 1 January 2023, Thomas Willcocks was appointed as an Executive Director with effect from 1 April 2023 and Steve Good will take office as a Non-executive Director and Board Chair Designate on 1 July 2023. Consequently, they will retire from office at the Annual General Meeting and all three intend to stand for election by the shareholders for the first time.

The Company's Articles of Association also require certain Directors to retire from office at intervals, and that at each annual general meeting one-third of eligible Directors must retire from office by rotation. Notwithstanding the provisions of the Articles of Association, the Board has determined that each of the other Directors shall also retire from office at the AGM. In line with best practice recommendations of the UK Corporate Governance Code, each intends to stand for re-election by the shareholders, with the exception of David McKeith who, as announced on 15 December 2022, will step down from the Board at the conclusion of the AGM.

Subject to their successful election by shareholders, at the conclusion of the AGM Steve Good will become Board Chair and Stefan Allanson will assume the role of Chair of the Audit and Risk Committee. As previously announced, Alison Littley will assume the role of Senior Independent Director with effect from 1 July 2023 and will continue in that role subject to her successful re-election.

## **Resolutions 5 to 9** continued

### **Election and re-election of Directors** continued

The Board confirms that, following formal performance evaluation of all of the Directors, each of the Directors standing for election or re-election continues to be an effective and valuable member of the Board, to make a positive contribution and to demonstrate commitment to his or her role (including making sufficient time available for Board and committee meetings and other duties). The Board believes that the considerable and wide-ranging experience of the Directors will continue to be invaluable to the Company. Brief biographical details of all of the Directors standing for election or re-election can be found on pages 82 and 83 of the Annual Report and Accounts 2023 and in the case of Steve Good, who is at the date of this document a Director Designate, on the Company's website ([www.norcros.com/about-us/our-board-and-management](http://www.norcros.com/about-us/our-board-and-management)).

## **Resolutions 10 and 11**

### **Re-appointment and remuneration of auditor**

The Company is required to appoint or re-appoint an auditor at each general meeting at which accounts are laid, to hold office until the end of the next such meeting. The Audit and Risk Committee has reviewed BDO LLP's performance as auditor of the Company during the year and has recommended to the Board that it be re-appointed. The Audit and Risk Committee also confirmed to the Board that its recommendation was free from third-party influence and that no restrictive contractual provisions had been imposed on the Company limiting its choice of auditor. BDO LLP has indicated that it is willing to continue as the Company's auditor for another year. Accordingly, the Directors propose the re-appointment of BDO LLP. Resolution 10 therefore proposes that BDO LLP be re-appointed as the Company's auditor to hold office with effect from the end of the meeting until the end of the next general meeting at which accounts are laid.

Resolution 11 follows best practice in giving authority to the Audit and Risk Committee to agree the auditor's remuneration.

## **Resolution 12**

### **Authority to allot shares**

Most listed companies renew their directors' authority to issue shares at each annual general meeting. Such an authority was granted by the Company's shareholders last year and is due to expire at the conclusion of the 2023 Annual General Meeting. In accordance with best practice, this resolution seeks to renew the Directors' authority to allot shares.

If passed, this resolution will renew the Directors' authority to allot shares in the capital of the Company up to a maximum aggregate nominal value of £5,951,607.00. This represents approximately two-thirds of the Company's issued ordinary share capital as at 14 June 2023 and is within the limits prescribed by The Investment Association. Of this amount, ordinary shares up to an aggregate nominal value of £2,975,803.50 (which represents approximately one-third of the Company's issued ordinary share capital as at 14 June 2023) can be allotted in any circumstances, and ordinary shares up to an aggregate nominal value of £2,975,803.50 (which also represents approximately one-third of the Company's issued ordinary share capital) can only be allotted pursuant to a rights issue.

As at 14 June 2023, the Company did not hold any shares in the Company in treasury. The renewed authority will, if passed, remain in force until the close of business on 30 September 2024 or, if earlier, the conclusion of the Company's next annual general meeting.

**Except for the allotment and issue of shares where necessary to satisfy the exercise of share options already granted by the Company, the Directors have no present intention of exercising this authority. The purpose of giving the Directors this authority is to maintain the Company's flexibility to take advantage of any appropriate opportunities that may arise.**

## **Resolutions 13 and 14**

### **Disapplication of pre-emption rights**

The Directors are currently empowered, subject to certain limitations, to issue shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. That power will expire at the conclusion of the 2023 Annual General Meeting and, in accordance with best practice, resolutions 13 and 14 seek to renew the Directors' power to disapply pre-emption rights as referenced below.

In November 2022, the Pre-Emption Group revised its Statement of Principles on the Disapplication of Pre-emption Rights. The revised Principles make a number of changes designed to improve capital raising processes for publicly traded companies by, among other matters, increasing the "routine" disapplication thresholds and introducing new supplemental disapplication thresholds.

The Principles now provide that a company may seek power to issue, on a non-pre-emptive basis, shares for cash in any one year representing: (i) no more than 10% (previously 5%) of the company's issued ordinary share capital for use in any circumstances; and (ii) no more than an additional 10% (previously 5%) of the company's issued ordinary share capital provided that such additional power is only used in connection with either an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding twelve month period (previously six months) and is disclosed in the announcement of the issue.

The Principles also provide that, in both cases (i) and (ii) outlined above, a company may now seek a further power to issue, on a non-pre-emptive basis, shares for cash representing no more than 2% of the company's issued ordinary share capital for the purposes of making a "follow-on" offer (being an offer of a kind contemplated by the Principles) to certain retail investors and existing shareholders.

The Board has carefully considered the increased and supplemental thresholds available under the revised Principles, and has concluded that, for the time being, it continues to be in the best interests of the Company and its shareholders to seek disapplication powers at the levels sought by the Company in previous years.

## EXPLANATORY NOTES CONTINUED

### Resolutions 13 and 14 continued

#### Disapplication of pre-emption rights continued

Accordingly, Resolution 13 is proposed as a special resolution. If passed, it will permit the Board to allot ordinary shares (or sell ordinary shares out of treasury) for cash on a non-pre-emptive basis both in connection with a rights issue or other similar pre-emptive issue and, otherwise than in connection with any such issue, up to a maximum aggregate nominal value of £446,371.00. This amount equates to approximately 5% of the issued ordinary share capital of the Company as at 14 June 2023. This resolution will permit the Board to allot ordinary shares (or sell ordinary shares out of treasury) for cash on a non-pre-emptive basis, up to the specified level, in any circumstances (whether or not in connection with an acquisition or specified capital investment).

Resolution 14 is proposed as a separate special resolution in line with best practice. If passed, it will afford the Board an additional power to allot ordinary shares (or sell ordinary shares out of treasury) for cash on a non-pre-emptive basis up to a further maximum nominal amount of £446,371.00. This amount also represents approximately 5% of the Company's issued ordinary share capital. The Board shall use the power conferred by this resolution only in connection with either an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding twelve month period (as now permitted by the Principles) and is disclosed in the announcement of the issue.

The Board confirms that, in exercising these powers, it will follow the shareholder protections and features set out in Part 2B of the Pre-Emption Group's revised Statement of Principles.

### Resolution 15

#### Authority to purchase own shares

This resolution, which will be proposed as a special resolution, is to give the Company the flexibility to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to an aggregate maximum of 8,927,420 ordinary shares which represents approximately 10% of the Company's issued ordinary share capital as at 14 June 2023 and sets minimum and maximum prices. The renewed authority will, if passed, remain in force until the close of business on 30 September 2024 or, if earlier, the conclusion of the Company's next annual general meeting.

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares, but will keep the matter under review, taking into account other investment opportunities. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would promote the success of the Company and be in the best interests of its shareholders generally. To the extent that any shares so purchased are held in treasury (see below), earnings per share will be enhanced until such time, if any, as such shares are resold or transferred out of treasury.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange. If any shares are purchased, they will be either cancelled or held in treasury. Any such decision will be made by the Directors at the time of purchase on the basis of the shareholders' best interests. Shares held in treasury can be cancelled, sold for cash or, in appropriate circumstances, used to meet obligations under employee share schemes. Any shares held in treasury would not be eligible to vote nor would any dividend be paid on any such shares. If any ordinary shares purchased pursuant to this authority are not held by the Company as treasury shares, then such shares would be immediately cancelled, in which event the number of ordinary shares in issue would be reduced.

The Directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares gives the Company the ability to re-issue them quickly and cost effectively and provides the Company with additional flexibility in the management of its capital base.

As at 14 June 2023, there were options over approximately 4,865,680 ordinary shares in the capital of the Company, which represented approximately 5.45% of the Company's issued ordinary share capital. If the authorities to purchase the Company's ordinary shares (both existing and sought) were exercised in full, these options would represent approximately 6.06% of the Company's issued ordinary share capital. As at 14 June 2023, the Company did not hold any shares in treasury.

### Resolution 16

#### Notice of general meetings

This special resolution is required to preserve the ability of the Company to convene general meetings (other than annual general meetings) on not less than 14 clear days' notice, rather than on not less than the 21 days' notice which would otherwise be required. In order to do so, the Company's shareholders must approve the calling of such meetings on shorter notice. Resolution 16 seeks such approval.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole.

The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

### Resolution 17

#### Increase in the constitutional limit on Non-executive Directors' fees

Article 92 of the Company's Articles of Association provides that the Company shall pay to its Directors such fees as the Board decides for serving as Directors. Such fees must not, however, exceed £350,000 per annum in aggregate or such higher amount as may be decided by ordinary resolution of the Company at a general meeting. The limit under Article 92 applies to fees payable to Non-executive Directors. It does not include any salary, bonus, remuneration or other amount payable to Directors under the Articles. This constitutional limit was set in 2007 and the Board recommends to shareholders that it should now be increased to £750,000 per annum and is therefore proposing an ordinary resolution to this effect. The increase takes into account current fee levels and will provide greater flexibility should future growth of the Board be desirable. All fees will continue to be paid in accordance with the Directors' Remuneration Policy approved from time to time by shareholders.



