



## Norcros plc - Notice of Annual General Meeting

Date: 30 July 2020

Time: 11.00am

Location: Ladyfield House, Station Road, Wilmslow, Cheshire SK9 1BU

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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 proxy form) 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 in the Company, you should retain this document and the form of proxy (if you have a proxy form) and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

**Note: Due to COVID-19 restrictions this is a closed meeting.**

If any shareholder has any questions for the company please contact:  
**[info@norcros.com](mailto:info@norcros.com)**

# Notice of Annual General Meeting

Notice is given that the 2020 Annual General Meeting of the Company (“**AGM**”) will be held at 11.00 am on 30 July 2020 at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire SK9 1BU for the purpose of considering and, if thought fit, passing the resolutions set out below.

## COVID-19

We recognise that the AGM is a very important occasion for the Board to engage with shareholders and answer any questions that shareholders might have.

The unprecedented COVID-19 pandemic is a rapidly evolving situation from a public health perspective and is challenging for us all.

The health and wellbeing of our shareholders is of paramount importance to us and we are monitoring the situation and measures advised by the UK Government.

In light of the current UK Government advice and related public health guidance, we have taken the unprecedented decision to hold a very limited AGM this year. As such, pending further guidance and subject to the limited exceptions mentioned below, we will not permit any shareholder entry to or attendance at the AGM with the exception of two Directors who hold shares, so that they can form a quorate meeting and duly record the proxy votes.

If, despite the above, any shareholder would nevertheless like to attend the AGM in person, they may request permission to do so by email to the Company Secretary ([info@norcros.com](mailto:info@norcros.com)) and it may be possible for the Company to permit a very small number of shareholders to do so provided that they comply with whatever arrangements the Company may require to ensure compliance with the above-mentioned UK Government advice and related public health guidance. In light of the above, the Company reserves the right to refuse such permission and, if such permission is granted, to revoke such permission at any time (whether before or during the AGM) if the Director who is chair of the AGM (“**Chair**”) considers this necessary, including if any shareholder who is permitted entry to and attendance at the AGM fails to comply with the above-mentioned arrangements.

As shareholders will not be able to physically attend the AGM this year, subject to the above-mentioned limited exceptions (and, even if permitted entry to the AGM, may not be able to physically attend the AGM throughout), we strongly encourage shareholders to register your proxy votes in advance of the AGM and to appoint the Chair as their proxy, to ensure that they can vote and be represented at the AGM. In light of the above, any proxy other than the Chair may not be permitted entry to or attendance at the AGM, so they may not be able to vote. Details of how to complete and submit your proxy votes are set out below.

UK Government advice and related public health guidance in relation to COVID-19 is rapidly evolving and the Board intends to keep the arrangements of the AGM under close review during this period. In the event that it is necessary or desirable to make any changes to the arrangements for the AGM, we will seek to give shareholders as much notice as possible. Details of any changes to those arrangements will be made available on the “AGM 2020” section of the Company’s website ([www.norcros.com](http://www.norcros.com)) and, where appropriate, announced via a Regulatory Information Service.

In light of the above, it is unlikely that a formal question and answer session will be held. Instead, shareholders are encouraged to submit any questions relating to the business of the AGM in advance of the AGM by email to [info@norcros.com](mailto:info@norcros.com) and the Board will attempt to ensure, to the extent practicable, that answers are provided by 11.00 am on 27 July 2020. If the Board considers it appropriate and practicable, answers to any commonly asked or particular questions may be published on the “AGM 2020” section of the Company’s website ([www.norcros.com](http://www.norcros.com)).

The following resolutions will be proposed at the meeting. Resolutions 1 to 13 (inclusive) will be proposed as ordinary resolutions and resolutions 14 to 17 (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 2020.
2. To approve the Directors’ Remuneration Report (other than the part containing the Directors’ Remuneration Policy) for the year ended 31 March 2020 set out in the Annual Report and Accounts 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 set out in the Annual Report and Accounts for the year ended 31 March 2020.
4. To elect Mark Allen as a Director.
5. To re-elect Alison Littlely as a Director.
6. To re-elect David McKeith as a Director.
7. To re-elect Nick Kelsall as a Director.
8. To re-elect Shaun Smith as a Director.

9. To 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.
10. To authorise the Audit and Risk Committee of the Board of Directors to agree the remuneration of the auditor of the Company.
11. That the Directors be, and are hereby, authorised:
  - (a) to adopt and establish the Norcros plc 2020 Deferred Bonus Plan (“DBP”), the principal terms of which are described in Appendix 1 to the notice of this meeting, and the rules of which are produced to the meeting and signed by the Chair of the meeting for the purposes of identification;
  - (b) to make such modifications to the DBP as they may consider appropriate to take account of best practice and the legislation governing such arrangements and to adopt the DBP as so modified and to do all such other acts and things as they may consider appropriate to implement the DBP; and
  - (c) to establish further plans based on the DBP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the DBP.
12. That the Directors be, and are hereby, authorised:
  - (a) to adopt and establish the Norcros plc 2020 Performance Share Plan (“PSP”), the principal terms of which are described in Appendix 2 to the notice of this meeting, and the rules of which are produced to the meeting and signed by the Chair of the meeting for the purposes of identification;
  - (b) to make such modifications to the PSP as they may consider appropriate to take account of best practice and the legislation governing such arrangements and to adopt the PSP as so modified and to do all such other acts and things as they may consider appropriate to implement the PSP; and
  - (c) to establish further plans based on the PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the PSP.
13. That the Directors be and 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 £5,371,443.60 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 October 2021 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 to allot such shares or to grant Allotment Rights that remain unexercised are revoked.
14. That, subject to the passing of resolution 13 in the notice of this meeting (the “Notice”), the Directors be and 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 13 in the Notice or by way of a sale of treasury shares, as if Section 561 of that Act did not apply to any such allotment or sale, provided that such power is limited to:
  - (a) the allotment or sale of such 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 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 or sale of such equity securities (other than pursuant to paragraph (a) above) up to an aggregate nominal value of £402,858.20 (representing approximately 5% of the issued share capital of the Company),

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 13 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 or sold after such expiry and the Directors may allot or sell such equity securities under any such offer or agreement as if such power had not expired.

15. That, subject to the passing of resolution 13 in the notice of this meeting (the "Notice") and, in addition to the power contained in resolution 14 set out in the Notice, the Directors be and 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 13 in the Notice or by way of sale of treasury shares, as if Section 561 of that Act did not apply to any such allotment or sale, provided that such power is:

- (a) limited to the allotment or sale of such equity securities up to an aggregate nominal value of £402,858.20; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying 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 13 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 or sold after such expiry and the Directors may allot or sell such equity securities under any such offer or agreement as if such power had not expired.

16. That the Company be and 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 8,057,165;
- (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 October 2021 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.

17. 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.

By order of the Board



**Richard H. Collins**  
**Company Secretary**  
25 June 2020

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

## 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, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting. A proxy need not be a member. **AS STATED ABOVE, IN LIGHT OF THE ONGOING CIRCUMSTANCES RELATING TO COVID-19 AND THE RELATED UK GOVERNMENT ADVICE AND PUBLIC HEALTH GUIDANCE (“COVID-19 RESTRICTIONS”), SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE CHAIR OF THE AGM (“AGM CHAIR”) AS THEIR PROXY AND ANY PROXY OTHER THAN THE AGM CHAIR MAY NOT BE PERMITTED TO ATTEND THE MEETING.**
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 11.00 am on 28 July 2020 in order to be entitled to attend and vote at the meeting as a member in respect of those shares. **AS STATED ABOVE, IN LIGHT OF THE COVID-19 RESTRICTIONS, SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE AGM CHAIR AS THEIR PROXY AND ANY SHAREHOLDER OR SHAREHOLDER’S REPRESENTATIVE, OR ANY PROXY OTHER THAN THE AGM CHAIR, MAY NOT BE PERMITTED TO ATTEND THE MEETING.**
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 appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. **AS STATED ABOVE, IN LIGHT OF THE COVID-19 RESTRICTIONS, SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE AGM CHAIR AS THEIR PROXY AND ANY SHAREHOLDER OR SHAREHOLDER’S REPRESENTATIVE, OR ANY PROXY OTHER THAN THE AGM CHAIR, MAY NOT BE PERMITTED TO ATTEND THE MEETING.**
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 so wish. **AS STATED ABOVE, IN LIGHT OF THE COVID-19 RESTRICTIONS, SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE AGM CHAIR AS THEIR PROXY AND ANY SHAREHOLDER OR SHAREHOLDER’S REPRESENTATIVE, OR ANY PROXY OTHER THAN THE AGM CHAIR, MAY NOT BE PERMITTED TO ATTEND THE MEETING.**

A member can appoint a proxy by:

- logging onto <http://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 Asset Services); or
- submitting (if the member is a CREST member) a proxy appointment electronically by using the CREST voting service (in accordance with the notes below).

A member who would prefer a paper proxy form 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 Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

All proxy appointments must be received by no later than 11.00 am on 28 July 2020 to be valid. The Company’s registrar, Link Asset Services, can be contacted on its helpline number by calling 0371 664 0300 (calls cost 12p per minute plus the relevant phone company’s access charge). The number to call from outside the United Kingdom is +44 371 664 0300 and calls will be charged at the applicable international rate. Phone lines are open 9.00 am–5.30 pm (BST), Monday to Friday excluding public holidays in England and Wales.

**AS STATED ABOVE, IN LIGHT OF THE COVID-19 RESTRICTIONS, SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE AGM CHAIR AS THEIR PROXY AND ANY SHAREHOLDER OR SHAREHOLDER’S REPRESENTATIVE, OR ANY PROXY OTHER THAN THE AGM CHAIR, MAY NOT BE PERMITTED TO ATTEND THE MEETING.**

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 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. 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 and the numbers of proxy votes cast for and against, together with the number of votes actively withheld in respect of, each of the resolutions will be announced via a Regulatory Information Service and will also be placed on the "AGM 2020" section of the Company's website ([www.norcros.com](http://www.norcros.com)).
7. As at 23 June 2020 (being the latest practicable date prior to the printing of the Annual Report and Accounts 2020), (i) the Company's issued share capital consisted of 80,571,654 ordinary shares carrying one vote each and (ii) the total voting rights in the Company were 80,571,654.
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 2020" 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 the Annual Report and Accounts 2020 or in 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. **AS STATED ABOVE, IN LIGHT OF THE COVID-19 RESTRICTIONS, SHAREHOLDERS ARE REQUESTED TO SUBMIT QUESTIONS TO THE BOARD IN ADVANCE OF THE MEETING (AS SET OUT ON THAT PAGE).**
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. **AS STATED ABOVE, IN LIGHT OF THE COVID-19 RESTRICTIONS, SHAREHOLDERS ARE REQUESTED TO SUBMIT QUESTIONS TO THE BOARD IN ADVANCE OF THE MEETING (AS SET OUT ON THAT PAGE).**
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 & 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 Link Asset Services (ID RA10), as the Company's issuer's agent, by 11.00 am on 28 July 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) Link Asset Services 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.
11. 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 but does not accept responsibility for any loss or damage arising from the opening or use of any email or attachment sent by the Company. 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 Asset Services (including the lodgement of an electronic proxy appointment) which is believed to or is found to contain any Malware will not be accepted.
12. 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)).

13. Information regarding this meeting, including information required by Section 311A of the Companies Act 2006, is available on the "AGM 2020" section of the Company's website ([www.norcros.com](http://www.norcros.com)).

**SHAREHOLDERS ARE ENCOURAGED TO REGULARLY REVIEW THE "AGM 2020" SECTION OF THE COMPANY WEBSITE IN CASE OF ANY CHANGES TO THE ARRANGEMENTS REGARDING THE MEETING.**

14. The following documents will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting:

- a copy of the draft form of the rules of the Norcros plc 2020 Deferred Bonus Plan; and
- a copy of the draft form of the rules of the Norcros plc 2020 Performance Share Plan.

A copy of the draft form of the rules of the Norcros plc 2020 Deferred Bonus Plan and the Norcros plc 2020 Performance Share Plan will also be available for inspection at the registered office of the Company and also at Eversheds Sutherland LLP 1 Wood Street, London EC2V 7WS during normal business hours on any week day, other than Saturday, Sunday and public holidays, from the date of this Notice until the close of the meeting. In addition, an electronic copy of each of these documents is available on the "AGM 2020" section of the Company's website ([www.norcros.com](http://www.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

The 2020 Annual General Meeting of the Company will take place at 11.00 am on 30 July 2020 at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire SK9 1BU. The Directors recommend all shareholders to vote in favour of all of the resolutions to be proposed, as the Directors intend to do so in respect of their own shares (save in respect of those matters in which they are interested), and consider that they are in the best interests of the Company and the shareholders as a whole.

Explanatory notes in relation to the resolutions appear below. For the purposes of these notes, reference to 23 June 2020 in relation to the Company's issued share capital is a reference to the latest practicable date prior to the publication of the Company's annual report and accounts for the financial year ended 31 March 2020 ("Annual Report and Accounts 2020").

#### **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 Annual Report and Accounts 2020.

#### **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 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 56 to 74 of the Annual Report and Accounts 2020. For the purposes of this resolution, the Directors' Remuneration Report does not include the Directors' Remuneration Policy which is set out on pages 59 to 66.

#### **Resolution 3**

##### ***Approval of the Directors' Remuneration Policy***

In accordance with the Companies Act 2006, the Company proposes an ordinary resolution to approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report. The proposed Directors' Remuneration Policy is set out on pages 59 to 66 of the Annual Report and Accounts 2020. The vote on this resolution is binding and, if passed, will mean that the Directors can only make remuneration payments in accordance with the approved policy unless such payments have otherwise been approved by a separate shareholder resolution. The Company is required to ensure that a vote on its remuneration policy takes place annually unless the approved policy remains unchanged, in which case the Company need only propose a similar resolution at least every three years.

The shareholders approved the current Directors' Remuneration Policy at the Company's 2017 annual general meeting. The policy proposed for approval by shareholders at this year's annual general meeting is broadly the same as the previous policy, subject to some minor amendments, which are explained on pages 56 and 58 of the Annual Report and Accounts 2020.

## **Resolutions 4 to 8**

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

Resolutions 4 to 8 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 to retire at the annual general meeting next following his or her appointment. Mark Allen was appointed as a Director with effect from 1 May 2020. Consequently, he will retire from office at the Annual General Meeting and intends 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 remaining Directors shall also retire from office at the 2020 Annual General Meeting in line with best practice recommendations of the UK Corporate Governance Code. Each of the Directors intends to stand for re-election by the shareholders, with the exception of Martin Towers who will step down from the Board at the conclusion of the meeting.

The Board confirms that, following formal performance evaluation of all of the Directors (other than Mark Allen), 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. The Board is satisfied that each non-executive Director standing for election or re-election is independent (as defined in the UK Corporate Governance Code). Brief biographical details of all of the Directors standing for election or re-election can be found on pages 44 and 45 of the Annual Report and Accounts 2020.

## **Resolutions 9 and 10**

### ***Appointment and remuneration of auditor***

The Company is required to appoint an auditor at each general meeting at which accounts are laid, to hold office until the conclusion of the next such meeting. During the year, and in light of regulatory guidance regarding audit tendering and audit firm rotation, the Audit and Risk Committee oversaw a formal and comprehensive tender process for the external audit appointment with a view to a new audit firm being appointed to audit the financial statements for the year ending 31 March 2021. Following completion of such tender process, the Audit and Risk Committee recommended to the Board that BDO LLP be appointed and 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. PricewaterhouseCoopers LLP, the current auditor of the Company, will cease to hold office as the Company's auditor with effect from the conclusion of the meeting (and will not stand for re-appointment at the meeting). BDO LLP has indicated that it is willing to act as the Company's auditor and the Board intends to appoint BDO LLP as the Company's new auditor with effect from the conclusion of the meeting to fill the vacancy that will have arisen. Accordingly, shareholder approval is now sought to confirm the appointment of BDO LLP as the Company's auditor. Further details of the tender process are provided in the Audit and Risk Committee report on page 54 of the Annual Report and Accounts 2020. As outgoing auditor, PricewaterhouseCoopers LLP has provided the Company with a Statement of Circumstances as required by company law and a copy of that Statement of Circumstances is set out in Appendix 3 to this Notice. Resolution 9 therefore proposes to permit that BDO LLP be appointed as the Company's auditor to hold office with effect from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid. Resolution 10 follows best practice in giving authority to the Audit and Risk Committee to agree the remuneration of the Company's auditor.

## **Resolution 11**

### ***Adoption of the rules of the Norcros plc 2020 Deferred Bonus Plan (DBP)***

Resolution 11 is to authorise the adoption of the DBP.

The Company already operates the Norcros plc 2011 Deferred Bonus Plan ("2011 DBP") but this is due to expire next year. Following the expiry of the 2011 DBP no further awards may be granted pursuant to the 2011 DBP. The Company is therefore proposing to introduce the DBP to replace the 2011 DBP.

Under the DBP a percentage of the bonus payable to eligible Executive Directors and other members of the senior management team will be deferred and delivered in the form of shares rather than cash in order to strengthen alignment with shareholder interests. In line with the Directors' Remuneration Policy, published in the Annual Report and Accounts 2020 at pages 59 to 66, which shareholders will be asked to approve at the Annual General Meeting by the passing of resolution 3, it is intended that 50% of a participant's bonus will be converted into a nil cost option to acquire shares. Options granted pursuant to the DBP will normally vest at the end of a three year period subject to the award holder remaining employed by the Group.

The DBP will allow the Company to deliver an appropriate balance between long term and short term reward, will align the interests of participants and shareholders and enable Executive Directors to build up shareholdings in line with the Company's shareholdings policy.

The principal terms of the DBP are set out in the summary contained in Appendix 1 to this Notice.



Subject to resolution 11 being passed by the shareholders, it is intended that the DBP shall be adopted by the Company.

## **Resolution 12**

### ***Adoption of the rules of the Norcros plc 2020 Performance Share Plan (PSP)***

Resolution 12 is to authorise the adoption of the PSP.

The Company already operates the Norcros plc 2011 Performance Share Plan with HM Revenue & Customs Approved Schedule ("2011 PSP") but this is due to expire next year. Following the expiry of the 2011 PSP no further awards may be granted pursuant to the 2011 PSP. The Company is therefore proposing to introduce the PSP to replace the 2011 PSP.

Pursuant to the PSP the Company will grant nil cost and market value options to eligible Executive Directors and other members of the senior management team. The options will entitle the participants to acquire shares following a three year period subject to the satisfaction of performance criteria set at the grant of the option and the continued employment of the participant. The PSP also allows HMRC tax-advantaged options to be granted which enables an element of the incentive to be delivered in a tax efficient manner for both the participant and the Company.

The PSP will allow the Company to deliver an appropriate balance between long term and short term reward, will align the interests of participants and shareholders and enable Executive Directors to build up shareholdings in line with the Company's shareholdings policy.

The principal terms of the PSP are set out in the summary contained in Appendix 2 to this Notice.

Subject to resolution 12 being passed by the shareholders, it is intended that the PSP shall be adopted by the Company.

## **Resolution 13**

### ***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 2020 Annual General Meeting. In accordance with best practice, this resolution seeks to renew the Directors' authority to allot shares.

Resolution 13, if passed, will renew the Directors' authority to allot shares in the capital of the Company up to a maximum aggregate nominal value of £5,371,443.60. This represents approximately two-thirds of the Company's issued ordinary share capital as at 23 June 2020 and is within the limits prescribed by The Investment Association. Of this amount, ordinary shares up to an aggregate nominal value of £2,685,721.80 (which represents approximately one-third of the Company's issued ordinary share capital as at 23 June 2020) can only be allotted pursuant to a rights issue.

As at 23 June 2020, 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 October 2021 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 14 and 15**

### ***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 2020 Annual General Meeting and, in accordance with best practice, resolutions 14 and 15 (which will be proposed as special resolutions) seek to renew the Directors' power to disapply pre-emption rights as referenced below and in line with the Statement of Principles published by The Pre-Emption Group in March 2015.

Other than in connection with a rights issue or other similar pre-emptive issue, the power contained in resolution 14 will be limited to ordinary shares up to a maximum aggregate nominal value of £402,858.20. This amount equates to approximately 5% of the issued ordinary share capital of the Company as at 23 June 2020.

In line with the Pre-Emption Group's Statement of Principles, the Directors are also seeking (at resolution 15) a power to issue up to an additional 5% of the Company's issued ordinary share capital for cash without pre-emption rights applying. In accordance with those Principles, the Company will only allot shares up to a maximum aggregate nominal value of £402,858.20 (representing 5% of the issued ordinary share capital of the Company as at 23 June 2020) on a non-pre-emptive basis under this power where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

This renewed authority will, if passed, remain in force until the close of business on 30 October 2021 or, if earlier, the conclusion of the Company's next annual general meeting.

In accordance with the Statement of Principles (which is supported by The Investment Association and the Pensions and Lifetime Savings Association), the Board confirms its intention that no more than 7.5% of the Company's issued share capital will be issued for cash on a non-pre-emptive basis during any rolling three-year period, without prior consultation with shareholders. This limit excludes any ordinary shares issued pursuant to a general disapplication of pre-emption rights in connection with an acquisition or specified capital investment.

#### **Resolution 16**

##### ***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 8,057,165 ordinary shares which represents approximately 10% of the Company's issued ordinary share capital as at 23 June 2020 and sets minimum and maximum prices. The renewed authority will, if passed, remain in force until the close of business on 30 October 2021 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 23 June 2020, there were options over approximately 3,662,527 ordinary shares in the capital of the Company, which represent approximately 4.5% of the Company's issued ordinary share capital. If the authority to purchase the Company's ordinary shares was exercised in full, these options would represent approximately 5.0% of the Company's issued ordinary share capital. As at 23 June 2020, the Company did not hold any shares in treasury.

#### **Resolution 17**

##### ***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 17 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.

# Appendix 1 – The Norcross plc 2020 Deferred Bonus Plan (DBP)

## Status of the DBP

The DBP allows for the deferral of part of a participant's bonus (on a net or gross basis) and for it to be delivered in the form of ordinary shares in the capital of the Company ("**Shares**") rather than cash. The percentage of the bonus which is to be deferred is converted into an option to acquire Shares (an "**Option**") in the future either for no consideration or for a price per Share determined by the remuneration committee of the Company ("**Committee**"), which may be equal to or less than the market value of a Share at the date of grant. The Options have no beneficial tax status.

## Eligibility

All employees (including executive directors) of the Company and any of its subsidiaries may be granted Options under the DBP.

## Grant of Options

The Committee will have absolute discretion to select the persons to whom Options may be granted and the percentage of their bonus which will be converted into an Option. Subject to the limits set out below, the number of Shares each Option will be granted over will be such number as equates to the amount of the bonus to be deferred divided by the market value of a Share on the date of grant of the Option. Market value for this purpose being the mid-market value for the dealing day prior to the date of grant.

Options may be granted during the period of 42 days commencing on: (a) the date of adoption (b) the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year; or (c) any other time fixed by the Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of Options.

If the grant of an Option on any of the above days would be prohibited by virtue of the Company's share dealing policy, or any statute or regulation or order made pursuant to such statute, then such Option may be granted during the period of 42 days commencing immediately after the dealing day following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an Option.

## Plan Limits

On any date, no Option may be granted under the DBP if, as a result, the aggregate number of Shares issued or issuable pursuant to Options granted during the previous ten years under the DBP or any other discretionary employees' share scheme adopted by the Company would exceed five per cent of the share capital of the Company in issue on that date.

On any date, no Option may be granted under the DBP if, as a result, the aggregate number of Shares issued or issuable pursuant to Options granted during the previous ten years under the DBP or any other employees' share scheme adopted by the Company would exceed ten per cent of the share capital of the Company in issue on that date.

For the purposes of the limits set out above:

- where an Option takes the form of a right to acquire Shares from an employee benefit trust established by the Company, such Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to the trust for the purposes of the DBP or any other employees' share scheme operated by the Company.
- Options or other rights to acquire Shares which lapse or have been released do not count.
- Where, instead of paying the exercise price, an Option exercise is satisfied by the number of Shares representing the growth in value of a Share between the exercise price and the market value at the date of exercise, only the number of Shares actually issued shall count towards these limits.

## Individual limits

No employee may be granted Options under the DBP in any financial year if it would cause the aggregate market value of Shares which such employee may acquire pursuant to an Option granted to him under the DBP to exceed 200 per cent. of his/her base salary, unless the Committee determines that exceptional circumstances exist which justify a higher percentage, not exceeding 300 per cent. of base salary.

## **Performance conditions**

The exercise of Options may be made conditional upon the achievement of a performance target set at the time of grant. Such performance target shall be measured over a performance period (determined by the Committee at the time of grant but which shall not be less than three years) ("**Performance Period**").

If events occur which cause the Committee, acting fairly and reasonably, to consider that a target is no longer suitable, the Committee may, having taken into account of the interests of the shareholders of the Company, waive, vary or amend the original performance target in such manner as it deems fit provided that any varied or amended target is not more or less difficult to achieve than the original performance target.

It should also be noted that a performance target, applying to an Option, may be measured over an abbreviated period less than the Performance Period in circumstances where an employee ceases to be an employee of the group before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant Performance Period.

## **Dividends**

Until an Option has been exercised and the Shares have been transferred or issued to the participant, the participant shall have no entitlement to any dividends or other distributions payable by reference to a record date preceding the date of such transfer or issue.

On the exercise of an Option the participant will receive a cash payment or additional Shares to reflect the value of any dividends or other cash distribution paid by the Company in respect of its Shares ("**Dividend Equivalents** "). The participant will only be entitled to receive Dividend Equivalents in respect of vested Shares.

Where Dividend Equivalents are or will be satisfied with newly issued Shares, such Shares shall be taken into account for the purposes of applying the plan limits set out above.

## **Exercise of options**

An Option will normally be exercisable between the third and tenth years following its grant provided that any specified performance target has been satisfied and the participant is still an employee within the group. On the grant of an Option the Committee may specify a longer vesting period than three years up to a maximum of five years. The Committee may also determine that the Shares acquired pursuant to an Option will be subject to a holding period which shall expire no later than the date falling on the fifth anniversary of the date of grant of the Option.

Options may not be exercised during any prohibited period specified by the Company's share dealing policy or any other statute or regulation or any order made pursuant to such statute.

## **Leavers**

If a participant ceases employment with the group for any reason any Options that they hold will lapse on the date falling one month following such cessation of employment unless the Committee has, prior to such date, determined that the Option may be retained.

Where an Option may be retained, if it has already vested then the participant has six months from the date they cease employment to exercise their Option or, in the case of death, their personal representatives will have twelve months, following which it will lapse.

If the Option has not vested it will vest either on the date of cessation or the normal vesting date, as determined by the Committee. The number of Shares in respect of which the Option may be exercised will be such number as determined by the Committee taking into account the time that has elapsed since the grant date as compared to the normal vesting period and the extent to which any applicable performance targets have been satisfied. The participant will have six months from the vesting date to exercise their Option, or in the case of death their personal representatives will have twelve months, following which it will lapse.

## **Change of control**

In the event of a takeover, scheme of arrangement resulting in a change of control or voluntary winding up of the Company prior to the vesting of an Option, the Option will become capable of exercise early. If there a scheme of arrangement being sanctioned by the court or a demerger and the Committee consider that a participant will be disadvantaged if their Option does not vest early then they may permit the Option to be exercised early. The number of Shares in respect of which the Option may be exercised on the occurrence of a corporate event will be such number, unless the Committee determine otherwise, as is determined by the extent to which the performance targets, if any, have been satisfied at the date of the relevant corporate event and such other factors, including the performance of the Company and the conduct of the participant. Unless the Committee determine otherwise such number will then be reduced on a pro-rated basis to reflect the time which has elapsed since the date of grant as compared to the vesting period.

Alternatively, Options may (or, if the Committee so determines, shall) be exchanged for new equivalent options over shares in the acquiring company where appropriate. In such case any performance targets will continue unless the Committee determines otherwise.

### **Malus and Clawback**

Options shall be subject to the Malus and Clawback Policy operated by the Company which provides that the Company may forfeit or withhold all or part of any share incentives granted to employees prior to their vesting/exercise and may recover sums already paid on the occurrence of events of the following kind:

- Material misstatement in accounting records
- Gross misconduct
- Calculation error
- Corporate failure

Participants will be provided with a copy of the Malus and Clawback Policy and it will be a condition of the vesting of an Option that they have signed and returned to the Company an acceptance notice pursuant to which they irrevocably agree that their Option will be subject to such policy.

Where an event specified in the Malus and Clawback Policy occurs the Committee may reduce down the number of Shares that an Option may be exercised to give effect to the provisions of the Malus and Clawback Policy.

### **Other Option terms**

Options may be satisfied using newly issued Shares or existing Shares.

Options are not capable of transfer or assignment (other than on death).

Until Options are exercised, participants have no voting or other rights in relation to the Shares subject to those Options.

Shares allotted pursuant to the exercise of an Option will rank pari passu in all respects with the Shares already in issue. Shares transferred on the exercise of an Option shall be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise. For so long as the Company's Shares are listed on the Official List, the Company will apply for any Shares issued following exercise of any Options to be admitted to the Official List as soon as practicable after allotment.

Benefits obtained under the DBP are not pensionable.

The Committee have the discretion to override any formulaic outcomes resulting from the application of any provision of the DBP or any performance conditions.

### **Adjustment of Options**

The number of Shares under Option and their exercise price may be adjusted by the Committee in the event of any variation of the share capital of the Company.

### **Administration and Amendment**

The DBP is administered by the Committee. The Committee may amend the provisions of the DBP. However, the rules of the DBP which relate to:

- the persons to whom Shares are provided under the DBP;
- the limits on the number of Shares which may be issued under the DBP;
- the maximum entitlement of any participant;
- the basis for determining a participant's entitlement to Shares or Options; and
- the basis for determining the adjustment of any Option granted under the DBP following any increase or variation in the share capital of the Company

cannot be amended to the material advantage of any participant without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the DBP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any group company.

**Termination**

The DBP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further Options can be granted under the DBP after such termination. Termination shall not affect the outstanding rights of existing participants.

**Overseas employees**

The Company may adopt a sub-plan to the DBP or amend the terms of an Option so as to grant Options to overseas employees on different terms which take account of relevant overseas tax, securities or exchange control laws provided that the Options are not overall more favourable than the terms of Options granted to other employees and the number of Shares made available under any sub-plan shall be included in the plan limits referred to above.

# Appendix 2 – The Norcros plc 2020 Performance Share Plan (PSP)

## Status of the PSP

The PSP allows for the grant of options to acquire Shares subject to the satisfaction of performance conditions which are assessed over a three year period (“**Options**”). The PSP allows for both HMRC tax-advantaged options (granted in accordance with Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 4**”)) (“**TA Options**”) and HMRC non-tax advantaged options (“**NTA Options**”) to be granted which enables an element of the incentive to be delivered in a tax efficient manner.

## Eligibility

All employees (including executive directors) of the Company and any of its subsidiaries may be granted Options under the PSP. Eligible employees may only be granted a TA Option CSOP provided that they are not prohibited under the relevant legislation relating to HMRC company share option plans from being granted an Option by virtue of having, or having had, a material interest in the Company.

## Grant

The Committee will have absolute discretion to select the persons to whom Options may be granted and, subject to the limits set out below, in determining the number of Shares to be subject to each Option.

Options may be granted during the period of 42 days commencing on: (a) the date of adoption (b) the date of the preliminary announcement of the Company’s annual results or the announcement of its half-yearly results in any year; or (c) any other time fixed by the Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of Options.

If the grant of an Option on any of the above days would be prohibited by virtue of the Company’s share dealing policy, or any statute or regulation or order made pursuant to such statute, then such Option may be granted during the period of 42 days commencing immediately after the dealing day following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an Option.

## Plan Limits

On any date, no Option may be granted under the PSP if, as a result, the aggregate number of Shares issued or issuable pursuant to Options granted during the previous ten years under the DBP or any other discretionary employees’ share scheme adopted by the Company would exceed five per cent of the share capital of the Company in issue on that date.

On any date, no Option may be granted under the PSP if, as a result, the aggregate number of Shares issued or issuable pursuant to Options granted during the previous ten years under the PSP or any other employees’ share scheme adopted by the Company would exceed ten per cent of the share capital of the Company in issue on that date.

For the purposes of the limits set out above:

- where an Option takes the form of a right to acquire Shares from an employee benefit trust established by the Company, such Shares will only be counted as “issued or issuable” to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to the trust for the purposes of the PSP or any other employees’ share scheme operated by the Company.
- Options or other rights to acquire Shares which lapse or have been released do not count.

## Individual Limit

No employee may be granted an Option under the PSP if it would cause the aggregate market value of Shares which such employee may acquire pursuant to an Option granted to him under the PSP (ignoring Shares under a linked award) to exceed 100 per cent. of his/her base salary, unless the Committee determines that exceptional circumstances exist which justify a higher percentage, not exceeding 150 per cent. of base salary.

The number of Shares a TA Option may be granted over shall be limited so that the aggregate market value of the Shares subject to that TA Option and all other TA Options and any other tax-advantaged option granted pursuant

to any other Schedule 4 plan operated by the Company or any associated company held by an individual (calculated as at the date of grant of each option), shall not exceed £30,000 (or such other amount as may be permitted by HMRC from time to time).

### **Exercise Price**

No exercise price will be payable on the exercise of a NTA Option.

The exercise price per Share payable on the exercise of a TA Option will be than the greater of (i) the market value of a Share as at the date of grant and (ii) in the case of an option to subscribe for Shares, the nominal value of a Share. Market value for this purpose being the mid-market value for the dealing day prior to the date of grant.

### **Performance Target**

The exercise of Options will in normal circumstances be made conditional upon the achievement of an objective performance target set at the time of grant. Such performance target shall be measured over a performance period (determined by the Committee at the time of grant but which shall not be less than three years) ("**Performance Period**").

If events occur which cause the Committee, acting fairly and reasonably, to consider that a target is no longer appropriate, the Committee may waive, vary or amend the original performance target in such manner as it deems fit provided that any varied or amended target is not more or less difficult to achieve than the original performance target.

It should also be noted that a performance target, applying to an Option, may be measured over an abbreviated period less than the Performance Period in circumstances where an employee ceases to be an employee of the group before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant Performance Period.

It is proposed that the initial Options granted pursuant to the PSP will be granted subject to targets relating to the Earnings Per Share performance of the Company's shares, more details of which can be found in the Remuneration Committee Report contained in pages 56 to of the Company's Annual Report and Accounts 2020

### **Dividends**

Until an Option has been exercised and the Shares have been transferred or issued to the participant, the participant shall have no entitlement to any dividends or other distributions payable by reference to a record date preceding the date of such transfer or issue.

On the exercise of an NTA Option the participant will receive a cash payment or additional Shares to reflect the value of any dividends or other cash distribution paid by the Company in respect of its Shares ("**Dividend Equivalents**"). The participant will only be entitled to receive Dividend Equivalents in respect of vested Shares acquired pursuant to an NTA Option.

Where Dividend Equivalents are or will be satisfied with newly issued Shares, such Shares that have been notionally added to an NTA Option shall be taken into account for the purposes of applying the plan limits set out above.

### **Exercise of Options**

An Option will normally be exercisable between the third and tenth years following its grant provided that any specified performance target has been satisfied and the participant is still an employee within the group. On the grant of an Option the Committee may specify a longer vesting period than three years. The Committee may also determine that the Shares acquired pursuant to an Option will be subject to a holding period which shall expire no later than the date falling on the fifth anniversary of the date of grant of the Option.

Options may not be exercised during any prohibited period specified by the Company's share dealing policy or any other statute or regulation or order made pursuant to such statute.

### **Leavers**

#### *NTA Options*

If a participant ceases employment with the group for any reason any NTA Options that they hold will lapse on the date falling one month following such cessation of employment unless the Committee has, prior to such date, determined that the NTA Option may be retained.



Where an NTA Option may be retained, if it has already vested then the participant has six months from the date they cease employment to exercise their NTA Option or, in the case of death, their personal representatives will have twelve months, following which it will lapse.

If the NTA Option has not vested it will vest either on the date of cessation or the normal vesting date, as determined by the Committee. The number of Shares in respect of which the NTA Option may be exercised will be such number as determined by the Committee taking into account the time that has elapsed since the grant date as compared to the normal vesting period and the extent to which any applicable performance targets have been satisfied. The participant will have six months from the vesting date to exercise their NTA Option, or in the case of death their personal representatives will have twelve months, following which it will lapse.

#### *TA Options*

If a participant ceases employment with the group by reason of injury, disability (evidenced to the satisfaction of the Committee), redundancy or retirement or upon the sale or transfer out of the group of the company or undertaking employing him then the participant may exercise any TA Option at any time during the six month period following the cessation of their employment, following which their TA Option will lapse. In the event of cessation of employment of the participant by reason of his death, his personal representatives will be entitled to exercise a TA Option within twelve months following the date of his death.

If a TA Option has not vested as at the date of cessation of employment the number of Shares in respect of which the TA Option may be exercised will be such number as determined by the Committee (acting fairly and reasonably) taking into account the time that has elapsed since the grant date as compared to the normal vesting period and the extent to which any applicable performance targets have been satisfied.

Where a participant ceases to be employed within the group for any reason not stated above, any TA Options he holds will lapse on the date falling one month following such cessation of employment unless the Committee has, prior to such date, determined that the TA Option may be retained. Where a TA Option may be retained the same treatment as applies for NTA Options will apply to the TA Option.

#### **Change of control**

In the event of a takeover, a scheme of arrangement being sanctioned by the court or voluntary winding up of the Company prior to the vesting of an Option, the Option will become capable of exercise early. If there is a demerger, dividend in specie, super dividend or other transaction that will adversely affect the value of an Option then the Committee may allow the Option to be exercised early.

The number of Shares in respect of which the Option may be exercised will be such number as is determined by the Committee taking into account the extent to which the performance targets have been satisfied at the date of the relevant corporate event and the time which has elapsed since the date of grant as compared to the vesting period.

Alternatively, Options may be exchanged for new equivalent options over shares in the acquiring company where appropriate. In such case any performance conditions will continue unless the Committee determines otherwise.

#### **Malus and Clawback**

Options shall be subject to the Malus and Clawback Policy operated by the Company which provides that the Company may forfeit or withhold all or part of any share incentives granted to employees prior to their vesting/exercise and may recover sums already paid on the occurrence of any event of the following kind:

- Material misstatement in accounting records
- Gross misconduct
- Calculation error
- Corporate failure

Participants will be provided with a copy of the Malus and Clawback Policy and it will be a condition of the vesting of an Option that they have signed and returned to the Company an acceptance notice pursuant to which they irrevocably agree that their Option will be subject to such policy.

Where an event specified in the Malus and Clawback Policy occurs the Committee may reduce down the number of Shares that an Option may be exercised to give effect to the provisions of the Malus and Clawback Policy.

#### **Other Option terms**

Options may be satisfied using newly issued Shares or existing Shares.

Options are not capable of transfer or assignment (other than on death).

Until Options are exercised, participants have no voting or other rights in relation to the Shares subject to those Options.

Shares allotted pursuant to the exercise of an Option will rank pari passu in all respects with the Shares already in issue. Shares transferred on the exercise of an Option shall be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise. For so long as the Company's Shares are listed on the Official List, the Company will apply for any Shares issued following exercise of any Options to be admitted to the Official List as soon as practicable after allotment.

Benefits obtained under the PSP are not pensionable.

The Committee have the discretion to override any formulaic outcomes resulting from the application of any provision of the PSP or any performance conditions.

### **Adjustment of Options**

The number of Shares under Option and their exercise price may be adjusted by the Committee in the event of any variation of the share capital of the Company (except that a TA Option may not be adjusted in the event of a demerger of the Company and any adjustment of a TA Option must result in the market value of the Shares subject to the adjusted option and the exercise price of the adjusted option being substantially the same as the market value and exercise price prior to the adjustment).

### **Administration and Amendment**

The PSP is administered by the Committee. The Committee may amend the provisions of the PSP. However, the rules of the PSP which relate to:

- the persons to whom Shares are provided under the PSP;
- the limits on the number of Shares which may be issued under the PSP;
- the maximum entitlement of any participant;
- the basis for determining a participant's entitlement to Shares or Options; and
- the basis for determining the adjustment of any Option granted under the PSP following any increase or variation in the share capital of the Company

cannot be amended to the material advantage of any participant without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the PSP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any group company.

No amendments may be made to the PSP which would result in the provisions of the plan that relate to TA Options ceasing to qualify as a Schedule 4 plan.

### **Termination**

The PSP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further Options can be granted under the PSP after such termination. Termination shall not affect the outstanding rights of existing participants.

### **Overseas employees**

The Company may adopt a sub-plan to the PSP or amend the terms of an Option so as to grant Options to overseas employees on different terms which take account of relevant overseas tax, securities or exchange control laws provided that the Options are not overall more favourable than the terms of Options granted to other employees and the number of Shares made available under any sub-plan shall be included in the plan limits referred to above.

## Appendix 3 – Auditor’s Statement of Circumstances

PricewaterhouseCoopers LLP makes the following statement as departing auditor, pursuant to Section 519 of the Companies Act 2006.

The Directors  
Norcros plc  
Ladyfield House  
Station Road  
Wilmslow  
Cheshire  
SK9 1BU

23 June 2020

Dear Ladies and Gentlemen,

### **Statement of Reasons connected with ceasing to hold office as Auditors**

In accordance with Section 519 of the Companies Act 2006 (the “Act”), we set out below the reasons connected with PricewaterhouseCoopers LLP, registered auditor number C001004062, ceasing to hold office as auditors of Norcros plc, registered no: 3691883 (the “Company”) effective from 30 July 2020.

The reason we are not standing for reappointment as auditors at the AGM is that the Company undertook a competitive tender for the audit and decided to appoint an alternative auditor.

There are no reasons for and no other matters connected with our ceasing to hold office as auditors of the Company that we consider need to be brought to the attention of the Company’s members or creditors.

Yours faithfully,

PricewaterhouseCoopers LLP