

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what action you should take, you should consult your stockbroker, bank manager, solicitor or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Group is speculative and may involve a high degree of risk.

If you have sold or transferred all of your Ordinary Shares in Elektron Technology plc, please pass this document and the 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. However, these documents should not be forwarded or sent within, into or from the United States, Australia, Canada, the Republic of South Africa, Japan, the People's Republic of China, or any other state or jurisdiction, where release, publication or distribution would be unlawful and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares you should retain this document and the accompanying Proxy Form, however, please also contact your bank, stockbroker or other agent through which the sale or transfer was effected immediately.

The Directors, whose names and functions appear on page 7, and the Company, each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Elektron Technology plc

(Registered in England and Wales with company number 00448274)

Sale of Elektron Technology UK Limited (which holds the Bulgin Business)

Payments to Directors

Change of name to Checkit plc

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from your Chairman, which is set out at Part II of this document and which contains a recommendation from certain members of the Board that you vote in favour of the Resolutions to be proposed at the General Meeting.

A Notice of a General Meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT at 11.00 a.m. on 3 September 2019 is set out at the end of this document.

Whether or not you propose to attend the General Meeting, please complete and submit the Proxy Form in accordance with the instructions printed thereon. The Proxy Form must be received by the Company's registrars, Link Asset Services, The Registry, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later 11.00 a.m. on 30 August 2019.

Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company for the purposes of the AIM Rules. N+1 Singer is acting exclusively for the Company in connection with this document, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the proposals in this document or any other matter referred to in this document. N+1 Singer has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by N+1 Singer as to any of the contents or completeness of this document.

This document contains forward looking statements relating to the Group's future prospects, plans, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "project", "expect", "potential", "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, changes or developments in technology or its application, project delivery risks, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set out in the Group's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Group speak only as of the date they are made. These forward-looking statements reflect the Group's judgement at the date of this document and are not intended to give any assurance as to future results. Except as required by the Financial Conduct Authority, the London Stock Exchange, the AIM Rules for Companies or applicable law, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Group's expectations about them or any changes in events, conditions or circumstances on which any such statement is based.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|---|--------------------------------|
| Posting of this document and Proxy Form to Shareholders | 31 July 2019 |
| Latest time and date for receipt of Proxy Forms (or CREST instructions) in respect of the General Meeting | 11.00 a.m. on 30 August 2019 |
| Time and Date of General Meeting | 11.00 a.m. on 3 September 2019 |
| Anticipated date of Completion | 24 September 2019 |

Notes:

1. Each of these times and dates are indicative only and are subject to change. If any of these times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a Regulatory Information Service.
2. All of the times in this document refer to London time unless otherwise stated.
3. Completion of the Proposed Transaction is conditional, among other matters, on the passing of Resolution 1 at the General Meeting and those other conditions set out in paragraph 6 of this document.

PART I

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

| | |
|---|---|
| “£” or “p” | United Kingdom pounds and pence sterling respectively |
| “2016 LTIP” | the long term incentive plan adopted by the Company in July 2016 |
| “A Ordinary Shareholders” | the holders of the A Ordinary Shares, being John Wilson and Andy Weatherstone |
| “A Ordinary Shares” | the 7,500 A Ordinary Shares in ETUK which have been issued to the A Ordinary Shareholders pursuant to the 2016 LTIP |
| “AIM” | the market of that name operated by the London Stock Exchange |
| “AIM Rules” | the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM |
| “Articles of ETUK” | the articles of association of ETUK, as in force as at the date of this document |
| “Board” or “Directors” | the directors of the Company as at the date of this document, whose names and functions are set out on page 7 of this document |
| “Bulgin” or “Bulgin Business” | the business, as described in paragraph 5, operated by ETUK and its US and Tunisian subsidiaries, Elektron Technology Corp and Elektron Tunisie SARL respectively |
| “certificated” or “in certificated form” | recorded on the relevant register of the share or security concerned as being held in certificated form (that is, not in CREST) |
| “Checkit” | the business known as “Checkit”, as described in paragraph 9 |
| “Company” or “Elektron” | Elektron Technology plc, a company incorporated in England and Wales with company number 00448274 |
| “Completion” | completion of the Proposed Transaction, in accordance with the terms of the SPA |
| “CREST” | the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time) |
| “CSOP” | Company Share Option Plan |
| “EBITDA” | earnings before interest, tax, depreciation and amortisation |
| “Equistone” | Equistone Partners Europe Limited |
| “ETUK” | Elektron Technology UK Limited, a member of the Group and owner of the Bulgin Business |

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| “Euroclear” | Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales with registered number 02878738 and the operator of CREST |
| “Executives” | Keith Daley, John Wilson and Andy Weatherstone |
| “General Meeting” | the General Meeting to be held at 11.00 a.m. on 3 September 2019 at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT |
| “Group” | Elektron Technology plc and its subsidiary undertakings |
| “HMRC” | Her Majesty’s Revenue and Customs |
| “IFRS” | International Financial Reporting Standards: A set of accounting standards developed by the International Accounting Standards Board |
| “Independent Board” (or “Independent Directors”) | those of the Directors who are not directly benefiting from the Proposed Transaction and who accordingly recommend that Shareholders vote in favour of Resolution 1, being Giovanni Ciuccio, Keith Daley and Ric Piper |
| “Independent Shareholders” | all Shareholders, other than Keith Daley, John Wilson and Andy Weatherstone |
| “London Stock Exchange” | London Stock Exchange plc |
| “N+1 Singer” | Nplus1 Singer Advisory LLP, the Company’s nominated adviser |
| “Next” | Next Control Systems Limited, which was acquired by the Company in May 2019 |
| “Notice” or “Notice of General Meeting” | notice of the General Meeting, which is set out in Part III of this document |
| “Ordinary Shares” | ordinary shares of nominal value 5p each in the capital of the Company |
| “Proposed Transaction” | the sale of the Bulgin Business by way of the sale of the entire issued share capital of ETUK to the Purchaser pursuant to the SPA |
| “Proxy Form” | the form of proxy which accompanies this document |
| “Purchaser” | Regatta Bidco Limited, a special purpose vehicle wholly-owned by Equistone, which has been incorporated for the purpose of the Proposed Transaction |
| “Registrars” | Link Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU |
| “Remuneration Committee” | the Remuneration Committee of the Company, comprising Giovanni Ciuccio (Chairman) and Ric Piper |
| “Resolutions” | the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting |
| “SaaS” | Software-as-a-Service |
| “Sellers” | the Company and the A Ordinary Shareholders |

| | |
|---|---|
| “Shareholder” | a holder of Ordinary Shares |
| “SPA” | the conditional sale and purchase agreement made between (1) the Purchaser and (2) each of the Sellers dated 31 July 2019 |
| “Transaction Scheme” | the proposed bonus payments to the Executives, details of which are set out in paragraph 11 of this document |
| “TSA” | the transitional services agreement made between the Company and ETUK |
| “UK” | the United Kingdom of Great Britain and Northern Ireland |
| “uncertificated” or “in uncertificated form” | recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |

PART II

LETTER FROM THE CHAIRMAN

Elektron Technology plc

(Registered in England and Wales with company number 00448274)

Directors:

Keith Daley *(Executive Chairman)*
John Wilson *(Chief Executive Officer)*
Andy Weatherstone *(Chief Financial Officer)*
Giovanni Ciuccio *(Non-executive Director)*
Richard "Ric" Piper *(Non-executive Director)*

Registered Office:

Broers Building
21 JJ Thomson Avenue
Cambridge
CB3 0FA

31 July 2019

Dear Shareholder,

Proposed sale of the entire issued share capital of ETUK (which holds the Bulgin Business), approval of payments to Directors, change of name and Notice of General Meeting

1. Introduction

Elektron Technology plc (AIM: EKT), has announced today that the Company has entered into a conditional agreement for the sale of the entire issued share capital of ETUK (which holds the Bulgin Business) to the Purchaser. The consideration due to the Sellers under the SPA corresponds to an enterprise value for ETUK of £105 million on a debt-free, cash-free basis. The consideration due is subject to customary adjustments, as set out in paragraphs 6 and 14 below. The net proceeds due to the Company after deductions and expenses are expected to be approximately £94 million. The Proposed Transaction is intended to maximise value to Shareholders and will result in a major restructuring of the Group, as outlined below.

The Proposed Transaction would be a significant step in the ongoing rationalisation of the various businesses in the Group, leaving Checkit (including the recently acquired Next) as the main business. The Proposed Transaction, if approved, will realise more than £90 million, which compares with the Group's market capitalisation of c. £10 million on 31 July 2016. This demonstrates the exceptional period of success since that time for the Group.

Following Completion of the Transaction and the issuance of the Group's Interim Report for the six months to 31 July 2019 (currently expected to be announced in October 2019), the Board, subject to applicable Company law, currently expects to give Shareholders the opportunity to sell a proportion of their shares back to the Company by way of a tender offer. Further details of the proposed tender offer are set out in paragraph 7 below.

In addition, the Remuneration Committee has recommended to the Board that certain bonus and incentive payments be made to the Executives. These bonus payments comprise the Transaction Scheme, details of which are set out in paragraph 11 below. It should be noted that whilst there is no legal or regulatory requirement for these payments to be voted on and approved by Shareholders, the Remuneration Committee and the Board consider it a matter of good corporate governance that they ask Shareholders to consider and approve them, noting that those payments payable to John Wilson and Andy Weatherstone are integral to the Proposed Transaction.

Separately, the outstanding obligations payable to each of the A Ordinary Shareholders under the 2016 LTIP will be settled as part of the Proposed Transaction and the 2016 LTIP cancelled.

Finally, conditional upon the Proposed Transaction being approved, the Board would like to ask Shareholders to approve the change of name of the Company to "Checkit plc".

As the Proposed Transaction exceeds 75 per cent. under one or more of the class tests prescribed by the AIM Rules, it constitutes a disposal resulting in a fundamental change of business pursuant to Rule 15 of the AIM Rules. Accordingly, the Proposed Transaction is conditional upon the approval by Shareholders of the Resolution 1 as set out in the Notice of General Meeting.

The purpose of this document is to provide Shareholders with information on the Proposed Transaction and the Transaction Scheme and to explain why the Directors consider the Proposed Transaction and the Transaction Scheme to be in the best interests of the Group and the Shareholders as a whole and why those Directors entitled to vote and count in the quorum recommend that you vote in favour of the Resolutions to be proposed at the General Meeting to be held at 11.00 a.m. on 3 September 2019 at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT.

Shareholders should read this document in its entirety.

2. Background to and reasons for the Proposed Transaction

Bulgin is a designer and manufacturer of connectors, switches and bespoke applications (being products which are custom-developed for a specific customer application). Bulgin's product range includes ruggedised products used in harsh environments where a high level of ingress protection is required. Market launches of substantial newly-developed products, combined with iterative product development and bespoke solutions, are key to Bulgin's strategic offering.

Over the past six years, management has focused on improving profitability and generating organic growth, with an increasing proportion of sales from its higher value non-commoditised product offering. In addition, the business has undergone significant distributor and product rationalisation activity and investment in new product development. Its engineering expertise has been leveraged to introduce value add, product customisation capability to the offering. The strategic transformation of the Bulgin Business has been designed to focus on exploiting growth markets through innovative new products to unlock higher levels of sales and margin growth. Recent results demonstrate the continued successful execution of this strategy.

Simultaneously, the Board has executed a strategy of focusing on the two most promising opportunities, namely Checkit and Bulgin by divesting all of the Group's smaller businesses. This process is almost complete and a buyer is being sought for the last of the thirteen disposals, Elektron Eye Technology. As announced in 2018, Checkit has progressed from its start-up phase to scale-up and the Group announced the acquisition of Next in May 2019. This is a transformational deal for Checkit, immediately adding scale by increasing the size of the enlarged technology business approximately nine-fold and one which the Board believes will accelerate Checkit's path to profitability.

As a result of the development of both Bulgin and Checkit, the Board concluded that it is no longer appropriate to maintain a Group consisting of two businesses with very different activities namely manufacturing and SaaS. It had already received an approach from a third party, as announced on 5 February 2019, which valued Bulgin at a substantial premium to the then market capitalisation for the whole Group. As a consequence, the Board decided to place the Bulgin Business for sale assisted by Livingstone Partners LLP, an independent global mergers & acquisitions adviser, by undertaking a competitive bidding process for Bulgin, which has led to the Proposed Transaction.

3. Effect of the Proposed Transaction on the Group

Following the Proposed Transaction, it is estimated that the Group's net cash position will be approximately £94 million after taking account of the costs associated with the matters set out herein and initial restructuring costs but before deduction of the proposed return of capital by way of tender offer, as described below. Further details of expected costs are given in paragraph 14 below.

The Board has carefully considered the merits of the Proposed Transaction and has formed the view, based on its analysis, that the Proposed Transaction provides the Group with the most appropriate option in terms of (i) maximising the amount of cash that will be available for reinvestment or distribution to the Shareholders; (ii) giving the highest level of certainty for Shareholders; (iii) maximising the value received for the Group's trade and assets being disposed of and (iv) separating very different business activities.

4. Information on the Purchaser

The Purchaser is a special purpose vehicle which is wholly-owned by Equistone and which has been newly-incorporated for the purposes of the Proposed Transaction. Equistone (www.equistonepe.com) is an independent mid-market European private equity firm, which operates across France, Germany, Switzerland and the UK, investing as a strategic partner alongside management teams. In each of its markets, it looks for strong businesses with the potential to grow, supported by its capital and guided by its experience.

5. Information on Bulgin and its financial performance

Bulgin is widely-recognised as a provider of environmentally sealed connectors and critical components, with over 95 years' standing in the industry.

The recent financial performance of Bulgin was set out in the Group's preliminary results announcement released on 12 June 2019. Bulgin's orders and sales for the year ended 31 January 2019 were both at record levels of £32.0 million and £30.1 million respectively and c. 10 per cent. ahead of the previous year, benefitting from distribution sales growth, end user growth and new product introductions. For the year ended 31 January 2019, Bulgin reported EBITDA of £9.4 million and operating profit of £9.0 million.

As at 31 January 2019, the net book value of the net assets attributable to the Bulgin Business, excluding cash was £3 million.

6. Summary of the SPA

On 31 July 2019, the Purchaser and the Sellers entered into the SPA, pursuant to which the Sellers have conditionally agreed to sell the entire issued share capital of ETUK to the Purchaser for a total consideration of approximately £105 million (gross).

The consideration corresponds to an enterprise value of ETUK of £105 million on a debt-free, cash-free basis. After adjusting for net debt, debt-like items and working capital, this corresponds to total consideration for the shares in ETUK of £104.5 million, subject to customary post-closing adjustments.

The aggregate consideration is subject to adjustments in respect of working capital and net debt/cash and will be reduced by the expenses to be incurred in connection with the Proposed Transaction, which are detailed in paragraph 14 below. Accordingly, it is expected that the net proceeds receivable by the Company will be approximately £94 million.

The consideration due to John Wilson will take the form of both cash and £675,000 of consideration loan notes to be issued by the Purchaser (the "**Consideration Loan Notes**"). The intention is for the Consideration Loan Notes to be exchanged ultimately for shares in Regatta Topco Limited, being the top holding company in the Purchaser's group and loan notes issued by Regatta Midco Limited, being a wholly owned subsidiary of Regatta Topco Limited, through a series of put and call option arrangements which will be implemented immediately following Completion.

Completion of the SPA is subject to the satisfaction of a number of conditions, including:

- the passing of the Resolution numbered 1 as set out in the Notice of General Meeting (the "**Shareholder Approval Condition**"); and
- the Austrian competition authorities clearing the market concentrations arising as a result of the Proposed Transaction or the market concentrations otherwise being deemed to be cleared (the "**Antitrust Condition**").

In the event that the Shareholder Approval Condition is not satisfied by 31 October 2019 (or such other date as may be agreed between the parties), the SPA shall lapse. The General Meeting has accordingly been convened for 3 September 2019.

In the event that the Antitrust Condition is not satisfied by 31 October 2019, the Sellers and the Purchaser shall seek to agree a mutually acceptable solution in order to obtain satisfaction of the Antitrust Condition. In the absence of any such agreement, the SPA shall lapse. The Directors believe that the clearance from the Austrian antitrust authorities is expected to be received within the next four weeks. However, the Austrian competition authorities could require a longer period to complete their review.

The Board currently expects that Completion will occur on or around 24 September 2019.

The Board has taken specific advice on the structure of the Proposed Transaction and has been advised that the sale of the shares in ETUK pursuant to the SPA should qualify for Substantial Shareholding Exemption (as defined in the Taxation of Chargeable Gains Act 1992) and as such no taxation should arise.

Further details of the apportionment of the consideration between the Sellers and the form it takes is set out in paragraph 10.2 below.

Conditional upon Completion of the SPA, Elektron has also entered into the TSA by which Elektron shall continue to provide and receive from ETUK certain services. This is necessary to ensure a successful separation of the businesses.

7. Proposed return of cash to Shareholders by way of tender offer

Following Completion, it is estimated that the Group's net cash position will be approximately £94 million after taking account of the costs of the Proposed Transaction and the other matters set out herein, including those costs set out in paragraph 14 below.

Following both Completion and the issuance of the Group's Interim Report for the six months to 31 July 2019 (currently expected to be announced in October 2019), the Board, subject to applicable Company law, currently expects to return the significant majority of the cash by providing Shareholders the opportunity to sell a proportion of their shares back to the Company by carrying out a tender offer.

The Board currently expects the tender offer price to be 65p per Ordinary Share (which the Independent Board, having consulted with N+1 Singer, the Company's nominated adviser, considers to represent a fair valuation for the Group). However, as the share price of the Company at the time of making of the offer cannot currently be known, the Board reserves the right to alter this price if the share price of the Company following Completion does not perform as currently expected or, following consultation with Shareholders, a different price would be in the best interests of Shareholders as a whole.

The specific terms of the tender offer will be set out in a separate circular in due course and will be subject to Shareholder approval.

The Board intends to consult with Shareholders and further updates will be made, following completion of the Proposed Transaction, as appropriate.

8. Board composition following Completion

Following Completion, it is intended that John Wilson will remain with the Bulgin Business and will remain the CEO of ETUK.

He will also continue as a Director of the Company, but this will be in a non-executive capacity to ensure continuity and to enable the Group to benefit from his commercial and technical expertise. Keith Daley will remain as Executive Chairman and will take over the executive running of the Group alongside Andy Weatherstone as Chief Financial Officer.

It is intended that the composition of the Board will be reviewed following the proposed return of cash to shareholders.

9. Description of the business of the Group following Completion & proposed change of name

Following Completion, the Group's operations will comprise Checkit (incorporating Next, which has recently been acquired) and Elektron Eye Technology.

The Checkit Real-Time Operations Management System helps businesses where critical tasks, measurements and processes are essential for managing an efficient operation, but which are currently performed, recorded and monitored inadequately in almost all cases – wasting cost, placing revenues and growth at risk and denying managers visibility. Checkit supports customers by continuing to expand its

portfolio of capabilities and services which in turn enable customers to manage their businesses more effectively using its Work Management processes, Internet-of-Things technologies and data analytics.

As noted above, the Group recently completed the acquisition of Next. Like Checkit, Next enables management teams to connect with, monitor and control businesses to optimise productivity and profitability. Through its Tutela brand Next provides high-end service based temperature monitoring for healthcare and life sciences businesses within the UK. In addition, through its Next and Axon brands it provides data related Building Energy Management System (“BEMS”) services. Next has a major relationship with a leading retailer covering both of the foregoing areas.

As previously announced, Elektron Eye Technology is non-core and the Group will look to sell this business in due course.

The Board intends to use the retained portion of the sale proceeds from the Proposed Transaction (i.e. the balance of the consideration received, following the tender offer) to drive the future growth of Checkit, in combination with Next. Funds will be spent on new product development, organisational development, sales and marketing. The Board will also examine selectively potential acquisitions as a source of acquisitive growth. It should be noted that as a fast growing business that is in the early stages of its development, Checkit (including Next) is expected to be loss making in the current year.

It is the view of the Directors that the name Elektron would no longer be appropriate following the sale of Bulgin. Accordingly, the Directors propose changing the Company’s name to Checkit plc, subject to Shareholder approval. This will more appropriately reflect the focus of the Group and will have efficiency benefits by reducing the number of websites to be maintained. Should Shareholder approval be granted for the name change, the Group intends to change its ticker to CKT.L. The Company’s investor website www.elektron-technology.com will be transferred to www.checkit.net.

10. Cancellation of 2016 LTIP and satisfaction of outstanding obligations

10.1 Background and settlement of existing obligations

The 2016 LTIP was structured under the tax-advantaged Employee Shareholder Shares scheme.

Pursuant to the LTIP, the A Ordinary Shares have been issued to the A Ordinary Shareholders (being John Wilson and Andy Weatherstone). The A Ordinary Shares are subject to certain specific vesting conditions set out in the Articles of ETUK (being, in summary, achieving a share price in excess of 20p for 100 per cent. vesting and having £8 million in cash as at 31 January 2019, evidenced in the published 2019 annual audited accounts for the Group).

The A Ordinary Shares are currently scheduled to fully vest on 3 October 2019 or on completion of a “Sale Event” (as defined in the Articles of ETUK). The Proposed Transaction represents a substantial realisation of the underlying assets of the Group and is being treated as a “Sale Event” for the purposes of the Articles of ETUK.

As part of the Proposed Transaction, it has been necessary to agree a value for the A Ordinary Shares payable to the A Ordinary Shareholders by the Purchaser. The valuation mechanism for the A Ordinary Shares upon a Sale Event is set out in the Articles of ETUK, with reference to the volume weighted average price of an Ordinary Share for the 30 day period post Completion (the “**Post Completion VWAP**”). The Post Completion VWAP can only be used to determine the valuation of an Ordinary Share following Completion. As each of the Sellers and the Purchaser required certainty regarding the amount of the consideration receivable at the time of entering in to the SPA, the Independent Board determined that an alternative mechanism be used.

Accordingly, the Independent Board has followed the pricing mechanism set out in the Articles of ETUK so far as possible, but instead of using the currently-unknowable Post Completion VWAP, it has determined that a price of 65 pence should be used for the purposes of the mechanism (that is, $(A+B+C) \times 1,000$, where A is 65p, B is 10 pence and C is nil (being the amount of cash distributions paid to Shareholders during a period)) to determine the fixed consideration. The Independent Board has consulted with N+1 Singer, the Company’s nominated adviser, and considers that the price of 65 pence per share reflects a fair valuation for the Group.

The use of this pricing mechanism for a Sale Event is an integral part of the Proposed Transaction as it is the mechanism by which the consideration for the A Ordinary Shares has been calculated. Accordingly, by approving the Proposed Transaction pursuant to Resolution 1, Shareholders will also be approving the Sale Event and the use of this method as set out in this section.

It should be noted that should the Proposed Transaction have taken place after the vesting date as per the Articles of ETUK, John Wilson and Andy Weatherstone would have met all the vesting hurdles and thus any further uplift in price appreciation. The acquisition of the A Ordinary Shares pursuant to the SPA as described herein will settle and extinguish the existing obligations of the Group under the 2016 LTIP.

It should be noted that if Resolution 1 is not approved and the Proposed Transaction does not go ahead, the 2016 LTIP will not be cancelled and the matters set out in this paragraph will not take effect. Accordingly, the A Ordinary Shares will vest as usual in accordance with the terms of the 2016 LTIP.

10.2 **Apportionment of consideration between the Sellers under the SPA**

The consideration payable by the Purchaser to the Sellers pursuant to the SPA corresponds to an enterprise value of £105 million on a debt-free, cash-free basis. After adjusting for net debt, debt-like items and working capital, this corresponds to total consideration for the shares in ETUK of £104.5 million, subject to customary post-closing adjustments payable to the Company. The gross proceeds will be apportioned between the Company (the owner of the Ordinary Shares) and John Wilson and Andy Weatherstone (the owners of the A Ordinary shares) as follows:

| <i>Seller</i> | <i>Cash</i> | <i>Loan notes (convertible into equity in members of the Purchaser's group)</i> | <i>Total</i> |
|-------------------|------------------|---|------------------|
| Company | £100.875m | – | £100.875m |
| John Wilson | £2.075m | £0.675m | £2.750m |
| Andy Weatherstone | £1.375m | – | £1.375m |
| TOTALS | <u>£104.325m</u> | <u>£0.675m</u> | <u>£105.000m</u> |

As more particularly described in paragraph 6 above, the consideration due to John Wilson pursuant to the SPA will be part cash and part loan notes, the intention as regards the latter being that they ultimately be converted into equity of certain entities in the Purchaser's group.

The LTIP liability to the Group immediately prior to the issuance of this circular was approximately £3 million.

10.3 **Limited tax gross-up**

Payments to John Wilson and Andy Weatherstone in respect of the 2016 LTIP are generally expected to be subject to capital gains tax. As it has not been possible to fully comply with the valuation mechanism for the A Ordinary Shares prescribed by the ETUK Articles, the Company has agreed to provide a gross up of any additional tax obligations that may arise in respect of the difference between the sum actually received by the A Ordinary Shareholders and the sum they would otherwise have received if the mechanism prescribed by the Articles of ETUK had been followed. The rate used for grossing up will be 27 per cent. calculated by deducting the Capital Gains tax rate from the sum of Income Tax and National Insurance percentage rates due on payments.

11. **The Transaction Scheme**

11.1 **Background**

Following the receipt of an unsolicited approach during financial year 2019 it was clear to the Board that there remained significant value in the Group which was not reflected in its share price. In addition

the significant growth potential of Checkit was being overshadowed by the larger Bulgin business. As a consequence the Board considered that the Group's two main underlying businesses, Bulgin and Checkit, should be separated and thus engaged in a competitive bidding process for Bulgin.

From the Remuneration Committee's perspective, this created a situation that needed to take account of the following:

- the 2016 LTIP was due to mature in short order and retention of the Executives remained central to the ongoing profitability of Bulgin and the scale-up of Checkit;
- a new LTIP could not be adopted as the structure of the business in the medium term was unknown and the Group was in a close period;
- a successful divestiture within the Group would require an enormous effort and stretch for the Executives;
- some of the Executives would be required to depart with the Bulgin Business being sold as well as underpinning the value of the Proposed Transaction by committing their own funds as part of the new management's equity package, giving operational warranties and providing restrictive covenants to the buyer;
- other Executives would need to remain with the Group in order to oversee the necessary post transaction restructuring;
- all Executives would need to be particularly driven by having an appropriate scheme in place to deliver a successful result.

Any new scheme to be put in place would need to ensure that:

- the Group is successful in delivering the Bulgin Business to the Purchaser;
- the Group post Completion has the team in place to ensure successful transition of the remaining Group without Bulgin;
- all the stakeholders' interests are considered to ensure a deliverable transaction could be put to Shareholders; and
- potential conflicts of interest are carefully managed particularly for management departing with the business.

Against this background, the Remuneration Committee, having consulted with independent remuneration consultants H2 Glenfern, structured the Transaction Scheme to take account of the deliverability of the Proposed Transaction, the investment requirement of John Wilson and the overall impact of the Proposed Transaction on their future roles and remuneration. Further considerations have been noted in paragraph 12 below.

The Remuneration Committee welcomes the fact that it remains with the Shareholders to approve the Transaction Scheme and it is for this reason that Shareholders are being asked to consider and, if thought fit, approve the Resolutions.

11.2 **Bonus payments to Directors**

Pursuant to the Transaction Scheme, it is proposed that the following payments are made to John Wilson, Andy Weatherstone and Keith Daley:

(a) *Incentive payment to John Wilson*

As part of the Proposed Transaction, and given the importance of John Wilson's role both in the Proposed Transaction and under the existing and future ownership of Bulgin, it has been agreed between the Company, Equistone and John Wilson that he will receive a payment from the Company of £1.105 million gross (£586,000 net of Income tax and National Insurance) on Completion in consideration for agreeing to (i) leave the Group (at Equistone's sole request) (ii) accept £675,000 in loan notes (convertible into equity of certain members of the Purchaser's group) as part of the consideration for his A Ordinary Shares (see paragraph 10.2 above); and (iii) lead Bulgin as Chief Executive Officer under the new ownership.

No further amounts are payable to John other than his salary and other contractual monthly payments and benefits (including payments under the CSOP) which are due up until the date of Completion whether in respect of annual performance bonuses or severance or otherwise. The market value options granted in 2016 will be terminated.

This payment is to be put to Shareholders pursuant to Resolution 1 as part of the overall Proposed Transaction.

(b) *Incentive payment to Andy Weatherstone*

Andy Weatherstone will remain with the Group post Completion. As part of the Proposed Transaction, it is proposed that Andy will receive a completion bonus of £250,000 (with no further annual bonus payable in 2019/20 financial year) and it has been agreed between the Company, Equistone and Andy that he will be required to amend his current employment contract such that he will perform his current role within the Group whilst still providing support to Bulgin pursuant to the TSA, which may require up to 50 per cent. of his time for a period of up to 12 months following Completion. In consideration for providing such support as required, the Company will make a payment of £215,000 to Andy Weatherstone (the “**TSA Benefit**”). The above sums will be payable upon Completion. The TSA Benefit may be clawed back by the Company in certain circumstances, including where the service has not been provided by Andy Weatherstone under the terms of the agreement.

These payments are to be put to Shareholders pursuant to Resolution 1 as part of the overall Proposed Transaction.

(c) *Incentive payments to Keith Daley*

Keith Daley has been responsible for negotiating and structuring the Proposed Transaction. It has been noted that Keith does not participate in the LTIP. As part of the Transaction Scheme, the Remuneration Committee proposes the following bonus payments:

- (i) A completion bonus and price enhancement bonus (determined on a sliding scale depending on the level of disposal above a minimum amount of proceeds received). At an offer value of £105 million, this amounts to a maximum of £725,000 (the “**Total Bonus**”).

Keith Daley’s continued involvement in the Group remains pivotal over the next 12 months to integrate Next, adjust the corporate structure, organise human resources and set overall group strategy. The following ensures the retention of Keith during this period of immense change particularly as no long term incentive has been put in place yet:

- (ii) A retention bonus of £200,000 payable in 12 monthly tranches each of £16,667, starting the first full month post Completion; and
- (iii) A reorganisation bonus of £200,000 payable on successful completion of to be agreed specific operational and system targets and the disposal of Elektron Eye Technology.

These payments are to be put to Shareholders pursuant to Resolution 2.

12. Further considerations

The Remuneration Committee recognises that whilst the actual and potential value of these awards are significant, such value needs to be considered in the context of the exceptional return achieved by Shareholders since the adoption of the 2016 LTIP. The total value return is above £80 million as at close of business on the day prior to the publication of this circular (being a cumulative annual growth rate (“CAGR”) of 113 per cent.). The total award to the Executive equates to 6.8 per cent. of total proceeds. The settlement and extinguishment of the 2016 LTIP and the award of the bonuses pursuant to the Transaction Scheme has permitted the Remuneration Committee to present the Proposed Transaction as a deliverable opportunity to Shareholders where each of the underlying stakeholders’ interests were duly considered.

13. Related Party Transaction

The Transaction Scheme proposed for John Wilson, Andy Weatherstone (in respect of Resolution 1) and Keith Daley (in respect of Resolution 2) as Executive Directors together constitute a related party transaction

pursuant to Rule 13 of the AIM Rules. The Company's Senior Independent Director (Ric Piper) and the Chair of the Remuneration Committee (Giovanni Ciuccio), having consulted with N+1 Singer the Company's Nominated Adviser, consider that the terms of the Transaction Scheme are fair and reasonable insofar as its Shareholders are concerned.

14. Costs of the Proposed Transaction and estimated net proceeds

14.1 Total amount payable to the Executive Directors pursuant to the Transaction Scheme and other payments

The total amounts payable by the Company to the Executive Directors pursuant to the proposed Transaction Scheme (but before any payments due under the CSOP (see paragraph 14.2 below)), together with other related payments is set out below.

| | <i>£m</i> |
|--|--------------|
| Extinguishment of 2016 LTIP Obligations (see paragraph 10.1) | 4.125 |
| John Wilson and Andrew Weatherstone Transaction Scheme payments (see paragraph 11.2) | 1.570 |
| Keith Daley Transaction Scheme payments (see paragraph 11.2) | 1.125 |
| ESTIMATED TOTAL AMOUNT PAYABLE TO EXECUTIVE DIRECTORS | 6.820 |
| Group National Insurance Cost | 0.372 |
| TOTAL COST TO GROUP | 7.192 |

The total estimated amount payable represents around 6.8 per cent. of the gross proceeds of the Proposed Transaction. The Independent Board, Remuneration Committee and Board regard this as an appropriate reward in aggregate given the excellent performance of the Group over the past few years that has culminated in the Proposed Transaction.

Since the inception of the LTIP on 28 July 2016 until the close of business on the day prior to the issuance of this circular, the share price has increased by 833 per cent.¹ representing an increase of shareholder value of £80 million.

It should be noted that the value of the LTIP liability to the Group immediately prior to the issuance of this circular was approximately £3 million.

14.2 Other transaction costs

Adviser and other fees to third parties are estimated to amount to approximately £2.1 million and retention bonuses payable on Completion to certain senior managers of Bulgin amount to £0.4 million (£0.45 million inclusive of employer's national insurance).

14.3 Initial restructuring costs following disposal

These are estimated to amount to £0.75 million and include the cost of relocation of Checkit and Elektron Eye Technology's manufacturing operation's from Bulgin's site in West Molesey, installation of new IT systems, infrastructure and other related separation costs.

14.4 CSOP options and stock appreciation rights

The Company currently has outstanding a number of CSOP options and stock appreciation rights. A summary of these as they relate to John Wilson, Andy Weatherstone and Bulgin employees is set out below.

¹ Based upon the closing price of 49 pence per Ordinary Share as at 30 July 2019 (being the day prior to the date of this circular) and 5.25 pence per Ordinary Share at 28 July 2016

| | <i>Number of shares</i> | <i>Exercise price (p)</i> |
|----------------------------------|-----------------------------|-------------------------------|
| <i>CSOP</i> | | |
| John Wilson | 175,000 | 16.87 |
| Andy Weatherstone | 571,425 | 5.25 |
| Bulgin employees | 1,113,000 | 8.00-16.87 |
| CSOP total | <u>1,859,425</u> | <u>5.25-16.87</u> |
| <i>Stock appreciation rights</i> | <u>230,000</u> | <u>8.00</u> |
| Total | <u><u>2,089,425</u></u> | <u><u>5.25-16.87</u></u> |

The exercise of CSOP options and stock appreciation rights are determined by the rules of the relevant schemes.

John Wilson and Bulgin employees, as good leavers of the Group, will be able to exercise CSOP options within six months of leaving the Group. The stock appreciation rights will be payable on Completion and amount to £131,100.

Given that Andy Weatherstone will remain with the Group, he will be able to exercise his CSOP options under the existing terms of the scheme, which will become exercisable from 30 July 2019.

14.5 **Estimated net proceeds**

The estimated net proceeds of the Proposed Transaction receivable by the Company amount to c. £94 million, after taking into account the following expenses relating to the Proposed Transaction:

| | <i>£m</i> |
|---|---------------------|
| Gross proceeds | 105.00 |
| Estimated adjustment in respect of working capital and other such items | (0.52) |
| Deal costs | (2.11) |
| Payments to Executive Directors | (7.19) |
| Retention bonuses to Bulgin senior management (including stock appreciation rights) | <u>(0.59)</u> |
| Sub total | 94.59 |
| Separation and restructuring costs | <u>(0.75)</u> |
| Net Proceeds | <u><u>93.84</u></u> |

15. **General Meeting**

Set out in Part III of this document is a notice convening the General Meeting to be held at 11.00 a.m. on 3 September 2019 at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT at which the Resolutions will be proposed for the purposes of approving the matters set out below. Resolutions 1 and 2 will each be proposed as ordinary resolutions and will require a simple majority of the votes cast for them to be passed. Resolution 3 will be proposed as a special resolution and will require a majority of not less than 75 per cent. of the votes cast at the meeting.

Resolution 1: To approve the Proposed Transaction, comprising a fundamental change of business pursuant to AIM Rule 15 and the bonus payments to each of John Wilson and Andrew Weatherstone described therein.

Only the Independent Shareholders plus Keith Daley shall be entitled to vote in respect of this resolution.

Resolution 2: Conditional upon the passing of Resolution 1, to approve the bonus payments to Keith Daley as set out therein.

Only the Independent Shareholders shall be entitled to vote in respect of this resolution.

Resolution 3: Conditional upon the passing of Resolution 1, to change the name of the Company to Checkit plc.

16. Importance of the vote

Your attention is drawn to the fact that the Proposed Transaction is conditional, *inter alia*, on Resolution 1 being passed by Shareholders at the General Meeting. Shareholders are asked to consider and, if thought fit, vote in favour of the Resolutions in order for the Proposed Transaction to proceed.

If Shareholders do not approve the Proposed Transaction at the General Meeting, the Proposed Transaction will be unable to proceed.

17. Irrevocable commitments

The Company has received irrevocable commitments to vote in favour of Resolutions from Shareholders who hold Ordinary Shares carrying voting rights representing, in aggregate, approximately 52.96 per cent. of the total number of Ordinary Shares in issue as at the date of this document. The irrevocable commitments received reflect the voting preferences of the Shareholders giving such commitments and the fact that only certain Shareholders may vote on certain of the Resolutions (see paragraph 15 above and the Notice of General Meeting). Accordingly, the irrevocable commitments received are as follows:

| <i>Resolution number</i> | <i>Aggregate percentage of total voting rights of the Company in issue for which irrevocable commitments have been received</i> |
|--------------------------|---|
| 1 | 51.54% |
| 2 | 29.07% |
| 3 | 52.96% |

18. Recommendations and irrevocable undertakings

The Independent Board considers that the Proposed Transaction and the Transaction Scheme are in the best interests of the Group and its Shareholders as a whole and that the terms are fair and reasonable. Accordingly, those members of the Independent Board who are entitled in each case to vote and count in the quorum unanimously recommend that you vote in favour of the Resolutions as they have irrevocably undertaken to do in respect of their own legal and beneficial shareholdings representing, as at the date of this document, 13.1 per cent. of the total number of Ordinary Shares in issue as at the date of this document.

As only certain Directors who are also Shareholders can vote on certain of the Resolutions (see paragraph 15 above and the Notice of General Meeting), the irrevocable commitments received from Directors in respect of each Resolution are as follows:

| <i>Resolution number</i> | <i>Aggregate percentage of total voting rights of the Company in issue for which irrevocable commitments from Directors have been received</i> |
|--------------------------|--|
| 1 | 11.68% |
| 2 | 0.01% |
| 3 | 13.1% |

19. Action to be taken in connection with the General Meeting

You will find enclosed with this document a Proxy Form for use at the General Meeting. Whether you intend to be present at the General Meeting or not, you are asked to complete the Proxy Form in accordance with the instructions printed on it and to return it to Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, **so as to be received by no later than 11.00 a.m. on 30 August 2019.**

Shareholders who hold their Ordinary Shares in uncertificated form through may use the CREST electronic proxy appointment service. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message must be properly authenticated and contain the information required for such instructions as described in the CREST Manual. The message must be transmitted so as to be received by the Company's registrars, Link Asset Services (CREST participant ID: RA10), **by no later than 11.00 a.m. on 30 August 2019.**

The completion and return of the Proxy Form or appointment of a proxy via CREST will not preclude you from attending the General Meeting and voting in person if you wish to do so.

If the Proxy Form is not returned or the CREST proxy instructions not submitted by 11.00 a.m. on 30 August 2019, your vote will not count.

Yours faithfully

Keith Daley

Executive Chairman

PART III

Elektron Technology plc

(Registered in England and Wales with company number 00448274)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Elektron Technology plc (the “**Company**”) will be held on 3 September 2019 at 11.00 a.m. at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom. The business of the meeting will be to consider and, if thought appropriate, to pass the following ordinary and special resolutions:

RESOLUTION 1 (ORDINARY RESOLUTION)

THAT:

for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange, the sale of the entire issued share capital of Elektron Technology UK Limited to Elektron Bidco Limited pursuant to the conditional share purchase agreement made between the Company, Elektron Bidco Limited, Andrew Weatherstone and John Wilson dated 31 July 2019, as described in the circular to shareholders dated the same date (the “**Circular**”) be and is hereby approved and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete the Proposed Transaction (as defined in the Circular), and the following payments shall be made to directors under the Transaction Scheme (as defined in the Circular) payable on Completion (as defined in the Circular):

- (a) £1,105,000 to John Wilson; and
- (b) £465,000 to Andrew Weatherstone.

Only the Independent Shareholders plus Keith Daley shall be entitled to vote in respect of this resolution;

RESOLUTION 2 (ORDINARY RESOLUTION)

THAT, conditional upon the passing of Resolution 1:

The following payments shall be made to Keith Daley under the Transaction Scheme:

- (a) a Total Bonus (as described in the Circular) of a maximum of £725,000 payable on Completion;
- (b) a retention bonus of £200,000 be payable in 12 monthly tranches of £16,667, starting the first full month post Completion; and
- (c) a reorganisation bonus of £200,000 payable on successful completion of specific operational and system targets and the disposal of Elektron Eye Technology.

Only the Independent Shareholders shall be entitled to vote in respect of this resolution;

RESOLUTION 3 (SPECIAL RESOLUTION)

THAT, conditional upon the passing of Resolution 1, the name of the Company be changed to Checkit plc.

BY ORDER OF THE BOARD

Andy Weatherstone
Company Secretary

Registered Office:
Broers Building
21 JJ Thomson Avenue
Cambridge
CB3 0FA

31 July 2019

Explanatory Notes to the Notice of General Meeting:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at close of business on 30 August 2019 (or in the event that this meeting is adjourned, on the register of members at close of business on the day which is two days preceding the date fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. The notes to the form of proxy explain how to direct your proxy on how to vote on each resolution or how to withhold their vote. To be valid, the form of proxy and any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) must be duly completed, executed and deposited with Link Asset Services at The Registry, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or completed online at www.signalshares.com by following the instructions on screen to submit it, in each case by 30 August 2019. In the case of a member that is a corporation, the form of proxy must be executed under its common seal or signed on its behalf by an officer, attorney or other person duly authorised by
3. A shareholder is entitled to appoint one or more proxies 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 shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
4. The appointment of a proxy will not preclude a shareholder from attending in person at the meeting and voting if he or she wishes to do so.

Appointment of proxy using the accompanying proxy form

5. A proxy form is enclosed. To appoint more than one proxy, please photocopy the form. Please state each proxy's name and the number of shares in relation to which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy form is one of multiple forms being returned. All proxy forms must be signed and should be returned together in the same envelope. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
6. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the offices of the Company's registrars, Link Asset Services at The Registry, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU (the "**Registrars**") so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).

Appointment of proxy through CREST

7. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Link Asset Services (CREST participant ID: RA10), no later than 48 hours before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Changing proxy instructions

11. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment

received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

Termination of proxy appointments

12. In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

Joint shareholders

13. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

Corporate representatives

14. A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting: (i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised.

Issued shares and total voting rights

15. As at the date of this notice of general meeting, the Company's issued share capital comprised 186,100,851 ordinary shares of 5 pence each fully paid. The Company does not hold any shares in treasury. Each ordinary share the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice of general meeting is 186,100,851.

Communication

16. Shareholders who have general queries about the meeting should contact Link Asset Services on 0871 664 0300. Calls cost 12 pence per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday–Friday excluding public holidays in England and Wales.
17. You may not use any electronic address provided in this notice of general meeting or in any related documents (including the accompanying proxy form) to communicate with the Company for any purposes other than those expressly stated.

