

# AB DYNAMICS PLC

## NOTICE OF ANNUAL GENERAL MEETING

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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 should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser immediately. If you have sold or transferred all of your shares in AB Dynamics plc, please forward this document, together with the accompanying report and accounts and form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.**

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of AB Dynamics plc (the “**Company**”) will be held at 11.00 a.m. on Thursday 6 December 2018 at AB Dynamics plc, Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and resolutions 8 and 9 will be proposed as special resolutions.

### **ORDINARY RESOLUTIONS**

1. To receive and adopt the annual accounts of the Company for the year ended 31 August 2018, together with the reports of the directors of the Company (the “**Directors**”) and the auditors on those accounts.
2. To declare a final dividend of 2.20 pence per share, to be paid to all shareholders on the register of members as at 23 November 2018.
3. To re-appoint James Routh as a Director of the Company.
4. To re-elect Graham Dudley Eves, who retires by rotation, as a Director of the Company.
5. To re-elect Anthony Best, who retires by rotation, as a Director of the Company.
6. To re-appoint Crowe U.K. LLP as auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix the auditors’ remuneration.
7. That, in substitution for any previous authority but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities, the Directors from time to time be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the “**Act**”) to allot shares of the Company and/or grant rights to subscribe for, or convert any securities into, shares of the Company up to an aggregate nominal amount of £65,122 being approximately one-third of the current issued share capital of the Company provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this resolution (if earlier) except that the Directors may before the expiry of such period make an offer or agreement which would or might require shares to be allotted or rights granted after the expiry of such period and the Directors may allot shares or grant rights in pursuance of that offer or agreement as if this authority had not expired.

### **SPECIAL RESOLUTIONS**

8. That, subject to the passing of resolution 7 above, the Directors be empowered pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 7 above as if section 561 of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities as follows:
  - (a) the allotment of equity securities in connection with any offer by way of rights or an open offer of relevant equity securities where the equity securities respectively attributed to the interests of all

holders of relevant equity securities are proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or on account of either legal or practical problems arising in connection with the laws or requirements of any regulatory or other authority in any jurisdiction; and

- (b) otherwise than pursuant to paragraph (a) above, up to an aggregate nominal amount of £9,768 being approximately 5 per cent. of the current issued share capital of the Company,

provided that the powers conferred by this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on a date which is the earlier of 15 months from the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company (the "**Section 571 Period**") but so that the Company may at any time prior to the expiry of the Section 571 Period make an offer or agreement which would or might require equity securities to be allotted pursuant to these authorities after the expiry of the Section 571 Period and the Directors may allot equity securities in pursuance of such offer or agreement as if the authorities hereby conferred had not expired.

9. That, subject to the passing of resolution 7 above, the Directors be empowered pursuant to section 571 of the Act and in addition to any authority granted under resolution 8, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 7 above as if section 561 of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities as follows:

- (a) up to an aggregate nominal amount of £9,768 being approximately 5 per cent. of the current issued share capital of the Company; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment and which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue,

provided that the powers conferred by this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on a date which is the earlier of 15 months from the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company (the "**Section 571 Period**") but so that the Company may at any time prior to the expiry of the Section 571 Period make an offer or agreement which would or might require equity securities to be allotted pursuant to these authorities after the expiry of the Section 571 Period and the Directors may allot equity securities in pursuance of such offer or agreement as if the authorities hereby conferred had not expired.

By Order of the Board

**Robert Hart**  
Company Secretary

13 November 2018

Registered office:  
AB Dynamics plc  
Middleton Drive  
Bradford on Avon  
Wiltshire BA15 1GB

Registered number: 08393914

## Action to be Taken

Each shareholder is entitled to appoint one or more proxies to attend, speak and vote instead of that shareholder. A proxy need not be a shareholder.

Shareholders should kindly complete and return the enclosed form of proxy as soon as possible, whether or not they expect to be able to attend the Annual General Meeting. Return of a form of proxy will not prevent a shareholder from attending, speaking and voting in person at the meeting if that shareholder so wishes and is so entitled. If you are a CREST member you can submit your proxy electronically, through the CREST system by completing and transmitting a CREST proxy instruction as described in the Notes to this Circular and in the Form of Proxy.

## Recommendation

The Board is of the opinion that these proposals are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend all shareholders to vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings.

Explanatory notes in respect of the resolutions proposed are set out in the Appendix to this Notice.

## NOTES

1. Only holders of ordinary shares are entitled to attend and vote at the Annual General Meeting. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the meeting. A member 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 the relevant member. A proxy need not be a member of the Company.
2. A form of proxy is enclosed with this Notice and instructions for completion are shown on the form. To appoint a proxy, the form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be completed and deposited with the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by fax on 01252 719 232 or by scan and email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com), in each case so as to arrive no later than 11.00 a.m. on 4 December 2018, being 48 hours (ignoring any part of any day that is not a working day) before the start of the Annual General Meeting. Completion of a form of proxy (or any CREST Proxy Instruction, as described in paragraphs 5 to 8) will not preclude members attending and voting in person at the Annual General Meeting, should they so wish.
3. In the case of joint shareholders, the signature of the senior shareholder (seniority to be determined by the order in which the names stand in the register of members) shall be accepted to the exclusion of all other joint holders. The names of all joint shareholders should be stated at the top of the form.
4. In order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 11.00 a.m. on 4 December 2018, being 48 hours (ignoring any part of any day that is not a working day) before the start of the Annual General Meeting, or, in the event of any adjournment, 48 hours before the start of the adjourned meeting (ignoring any part of any day that is not a working day). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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.

6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**Euroclear**”) specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID 7RA36) by the latest time for the receipt of proxy appointments specified in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the powers as a member provided that no more than one corporate representative exercises powers over the same share.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. As at 12 November 2018 (being the last business day prior to the publication of this Notice), the Company’s issued ordinary share capital consisted of 19,536,534 ordinary shares of 1 pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 12 November 2018 were 19,536,534.
12. A copy of this Notice, and other information required by section 311A of the Act, can be found at [www.abdynamics.com](http://www.abdynamics.com).
13. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice or in any related documents (including the Chairman’s letter and form of proxy) to communicate with the Company for any purposes other than those expressly stated.
14. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company’s registrars) may process your personal data for the purposes of compiling and updating the Company’s records, fulfilling its legal obligations and processing the shareholder rights you exercise.

## **APPENDIX: EXPLANATORY NOTES ON THE RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING**

### **Resolution 1 – Annual report and accounts**

The Directors must present the annual audited accounts of the Company and the Directors' and Auditors' Reports for the year ended 31 August 2018 ("**2018 Annual Report**") to shareholders at the meeting. You are voting to receive the 2018 Annual Report. Detailed information is contained within the 2018 Annual Report.

### **Resolution 2 – Declaration of dividend**

Final dividends must be approved by shareholders but cannot exceed the amount recommended by the Directors. The Directors propose a final dividend of 2.20 pence per ordinary share. If approved, the dividend is expected to be paid to shareholders on the register of members as of 23 November 2018. An interim dividend of 1.465 pence per share was paid during the year, making a total dividend distribution for the year of 3.665 pence per ordinary share.

### **Resolution 3 – Appointment of James Routh**

Under the Company's Articles of Association, a Director appointed by the Board shall hold office only until the next following Annual General Meeting when he shall retire and be eligible for re-appointment. Accordingly, since Dr Routh was appointed as a Director on 1 October 2018 he is required to retire and Dr Routh is willing to stand for re-appointment. Biographical details of Mr Routh can be found [www.abdynamics.com](http://www.abdynamics.com)

### **Resolution 4 – Reappointment of Graham Dudley Eves**

Under the Company's Articles of Association, one third of the Directors are required to retire from office by rotation each year. Mr Graham Dudley Eves is required to retire by rotation and is willing to stand for reappointment as a Director. Biographical details of Mr Eves can be found [www.abdynamics.com](http://www.abdynamics.com)

### **Resolution 5 – Reappointment of Anthony Best**

Under the Company's Articles of Association, one third of the Directors are required to retire from office by rotation each year. Mr Anthony Best is required to retire by rotation and is willing to stand for reappointment as a Director. Biographical details of Mr Best can be found [www.abdynamics.com](http://www.abdynamics.com)

### **Resolution 6 – Reappointment of auditors and auditors' remuneration**

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. Crowe U.K. LLP have expressed their willingness to continue as auditors to the Company. This resolution proposes the appointment and, in accordance with standard practice, gives authority to the directors to determine the remuneration to be paid to the auditors.

### **Resolution 7 – Directors' authority to allot shares**

Under the Act, the Directors of a company may only allot unissued shares in the capital of the company or grant rights to subscribe for, or convert any security into, shares in the company if they are authorised to do so by the shareholders at a general meeting or by the company's articles of association.

This resolution gives Directors' authority to allot shares in the Company up to an aggregate nominal amount of £65,122 representing approximately one-third of the Company's issued ordinary share capital as at 12 November 2018 (being the last business day prior to the publication of this Notice). This authority will expire at the conclusion of the next Annual General Meeting to be held in 2019.

The Directors do not have any present intention of exercising these authorities but consider it desirable that they should have the flexibility to allot shares, or grant rights to subscribe for, or convert any security into shares, if circumstances arise where it may be advantageous for the Company to do so.

### **Resolution 8 – Partial disapplication of pre-emption rights**

This resolution will, if approved, renew the Directors' authority to allot equity securities (as defined in the Act) for cash and otherwise than to existing shareholders pro rata to their holdings. This authority, which will expire at the conclusion of the Annual General Meeting of the Company to be held in 2019, is limited to the allotment of (a) equity securities in connection with a rights issue and (b) equity securities up to an aggregate nominal amount of £9,768 representing approximately 5 per cent of the Company's issued ordinary share capital as at 12 November 2018 (being the last business day prior to the publication of this Notice).

The Directors have no present intention to use this authority but consider that the proposed disapplication of pre-emption rights is desirable to give the Company the ability to issue a limited number of shares for cash to third parties, where to do so would be of benefit to the Company.

### **Resolution 9 – Partial disapplication of pre-emption rights**

This resolution will, if approved, extend the Directors' authority to allot equity securities (as defined in the Act) for cash and otherwise than to existing shareholders pro rata to their holdings if the proceeds are used for the financing (or refinancing) of an acquisition or other capital investment. This authority, which will expire at the conclusion of the Annual General Meeting of the Company to be held in 2019, is limited to the allotment of equity securities up to an aggregate nominal amount of £9,768 representing approximately 5 per cent of the Company's issued ordinary share capital as at 12 November 2018 (being the last business day prior to the publication of this Notice).

The Directors have no present intention to use this authority but consider that the proposed disapplication of pre-emption rights is desirable to give the Company the ability to issue a limited number of shares for cash to third parties, where to do so would be of benefit to the Company.

