



APPLIED GRAPHENE MATERIALS

Notice of Annual General Meeting 2020

Applied Graphene Materials plc (the Company)
(incorporated in England and Wales
with registered number 08708426)

Tuesday 15 December 2020, 11 a.m.

IMPORTANT INFORMATION

Copies of the Annual Report and Financial Statements and Notice of Annual General Meeting will be posted to the Group's shareholders on 5 November 2020 and will be made available, along with this announcement, to view from that date on the Group's website at www.appliedgraphenematerials.com. Copies may be obtained from the Company Secretary at the registered office of the Company.

The 2020 Annual General Meeting (the Meeting) is to be held at 11 a.m. on Tuesday 15 December 2020 at the offices of Squire Patton Boggs (UK) LLP, being 6 Wellington Place, Leeds LS1 4AP.

In light of measures adopted by the UK Government to protect public health in response to the Covid-19 pandemic, and in line with guidance issued by The Chartered Governance Institute (ICSA), the Board of Directors of the Company is of the view that attendance at the Meeting by a shareholder, other than for the specific purpose of ensuring that the Meeting is quorate, is not essential for work purposes.

The Meeting will therefore be convened with the minimum necessary quorum (which will be fulfilled by Directors of the Company). Shareholders must not attend the Meeting in person and anyone that seeks to attend the Meeting will be refused entry. The business of the Meeting will be restricted to the purposes set out in the formal Notice of Meeting. There will be no additional presentations or opportunities for the Board of Directors to answer questions.

These steps are being taken to promote the health and wellbeing of the Company's shareholders and employees, but it remains important to the Board of Directors that your votes are counted at the Meeting. All shareholders are therefore strongly encouraged to submit their votes on the formal business to be transacted using the form of proxy enclosed with the Notice of Meeting.

The Chairman of the Meeting will propose that each resolution, as set out in the Notice of Meeting, is voted on via a poll. This means that each shareholder present in person (which shall only be such number of Directors as is sufficient to ensure that the Meeting is quorate) or by proxy will have one vote for each share held.

The Company will continue to monitor developments relating to Covid-19. If a situation should arise which necessitates that the arrangements for the Meeting be altered, shareholders will be notified promptly via an RNS announcement and the Company's website.

In normal circumstances, the Company's Annual General Meeting plays an important role in providing an opportunity for the Company's Directors to engage with shareholders. The Board of Directors would therefore like to thank all shareholders in advance for their co-operation with and understanding of the alternative arrangements that the Company has been required to implement this year.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2020 Annual General Meeting of the Company will be held at the offices of Squire Patton Boggs (UK) LLP, being 6 Wellington Place, Leeds LS1 4AP, on 15 December 2020 at 11 a.m. for the purposes set out below.

Ordinary resolutions

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive the financial statements of the Company for the financial year ended 31 July 2020 together with the Directors' report and the Auditors' report.
2. To approve the Directors' remuneration report for the year ended 31 July 2020.
3. To re-elect Sean Christie as a Director of the Company.
4. To re-elect David Blain as a Director of the Company.
5. To re-elect Karl Coleman as a Director of the Company.
6. To re-elect Bryan Dobson as a Director of the Company.
7. To re-elect Adrian Potts as a Director of the Company.
8. To re-elect Mike Townend as a Director of the Company.
9. To re-appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of the Meeting until the conclusion of the next Annual General Meeting of the Company at which financial statements are laid.
10. To authorise the Directors to determine the remuneration of the auditors of the Company.
11. That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the Act) to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company as follows:
 - (a) up to an aggregate nominal amount of £331,361.95; and
 - (b) comprising equity securities (as defined in Section 560(1) of the Act) up to a nominal aggregate amount of £662,723.89 (including within such amount any allotments or grants made under paragraph (a) above) in connection with or pursuant to an offer by way of a rights issue as follows:
 - (i) to holders of ordinary shareholders in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them on the record date for such allotment; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any other matter whatsoever.

This authority shall (unless previously varied as to duration, revoked or extended by the Company in general meeting) expire at the end of the next Annual General Meeting of the Company to be held in 2021 or, if earlier, at the close of business on the date falling 15 months after the passing of this Resolution 11, save that the Company may at any time before such expiry make offers or agreements which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after this authority expires and the Directors may allot shares or grant such rights in pursuance of any such offer or agreement as if this authority had not expired. These authorities are in substitution for all existing authorities under Section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

Special resolutions

To consider and, if thought fit, pass the following resolutions, which will be proposed as special resolutions:

12. That, subject to the passing of Resolution 11 above, but without prejudice to the exercise of any such power prior to the date of the passing of this Resolution 12, the Directors be generally empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash pursuant to the authority conferred by Resolution 11 and/or to sell ordinary shares (as defined in Section 560(1) of the Act) held by the Company as treasury shares for cash, as if Section 561 of the Act did not apply to such allotment or sale, provided that such authority shall be limited to:
 - (a) the allotment of equity securities in connection with or pursuant to an offer of, or invitation to acquire, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 11, by way of a rights issue only):
 - (i) to holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale; and
 - (ii) to holders of other equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities,

but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any other matter whatsoever; and

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Special resolutions continued

12. continued

- (b) the allotment of equity securities for cash and/or the sale of treasury shares in the case of the authority granted under paragraph (a) of Resolution 11 and/or in the case of any sale of treasury shares (and otherwise than under paragraph (a) of this Resolution 12) up to an aggregate nominal value equal to £49,704.29.

This authority shall (unless previously varied as to duration, revoked or extended by the Company in general meeting) expire at the end of the next Annual General Meeting of the Company to be held in 2021 or, if earlier, at the close of business on the date falling 15 months after the passing of this Resolution 12, save that the Company may at any time before such expiry make offers or agreements which would or might require equity securities to be allotted, or treasury shares to be sold, after this authority expires and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if this authority had not expired.

13. That, subject to the passing of Resolutions 11 and 12 above, the Directors be authorised in addition to any authority granted under Resolution 12 to allot equity securities (as defined in Section 560 of the Act) of the Company for cash under the authority conferred by Resolution 11 and/or to sell ordinary shares held by the Company as treasury shares for cash, as if Section 561 of the Act did not apply to such allotment or sale, provided that such authority shall be limited to:

- (a) the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value equal to £49,704.29; and
(b) used only for the purpose 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 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 this Notice.

This authority shall (unless previously varied as to duration, revoked or extended by the Company in general meeting) expire at the end of the next Annual General Meeting of the Company to be held in 2021 or, if earlier, at the close of business on the date falling 15 months after the passing of this Resolution 13, save that the Company may at any time before such expiry make offers or agreements which would or might require equity securities to be allotted, or treasury shares to be sold, after this authority expires and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if this authority had not expired.

14. That the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of £0.02 each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the number of such ordinary shares hereby authorised to be purchased by the Company shall not exceed 4,970,429;
(b) the minimum price (exclusive of expenses) which may be paid for any ordinary share shall be £0.02, being the nominal value of each ordinary share;
(c) the maximum price (exclusive of expenses) which may be paid for each ordinary share shall be the higher of:
(i) 105% of the average market value of an ordinary share in the Company for the five business days immediately preceding the day on which such share is contracted to be purchased; and
(ii) an amount equal to the higher of the price of the last independent trade of any ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

This authority shall (unless previously varied as to duration, revoked or extended by the Company in general meeting) expire at the end of the next Annual General Meeting of the Company to be held in 2021 or, if earlier, at the close of business on the date falling 15 months after the passing of this Resolution 14, save that the Company may, before the expiry of the authority granted by this Resolution 14, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board

David Blain
Company Secretary
5 November 2020

Registered office
The Wilton Centre
Redcar
Cleveland
TS10 4RF

NOTES RELATING TO NOTICE OF ANNUAL GENERAL MEETING AND PROXY APPOINTMENTS

Notice of Meeting notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

IMPORTANT NOTE REGARDING ATTENDANCE IN PERSON: In light of the Covid-19 pandemic shareholders and their proxies will not be allowed to attend the Meeting in person, other than for the specific purpose of ensuring that the Meeting is quorate, as to do so would be inconsistent with current Government guidelines relating to Covid-19 (as published as at the date of this circular), in particular the advice for people to avoid public gatherings, all non-essential travel and social contact. Any shareholder seeking to attend the Meeting in person will be refused entry. Accordingly, shareholders are urged to exercise their votes by submitting their proxy and appoint the Chairman of the Meeting as his or her proxy.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at 5 p.m. on 13 December 2020. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend at the Meeting.
2. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. 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 ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
5. You can vote either:
 - by logging on to www.signalshares.com and following the instructions;
 - by requesting a hard copy form of proxy directly from the registrars, on 0371 664 0391 if calling from the United Kingdom, or +44 (0) 371 664 0391 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent BR3 4ZF, not less than 48 hours before the time and date scheduled for the Meeting.

6. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
7. Whilst the return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) does not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so, in light of the Covid-19 pandemic situation, shareholders and their proxies will not be allowed to attend the Meeting other than for the specific purpose of ensuring that the Meeting is quorate.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.

NOTES RELATING TO NOTICE OF ANNUAL GENERAL MEETING AND PROXY APPOINTMENTS CONTINUED

Notice of Meeting notes continued

9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must 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 issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to mean 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.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.
11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. As at 3 November 2020 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 49,704,292 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 3 November 2020 are 49,704,292.
13. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with auditors of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
14. Any shareholder or his or her proxy attending the Meeting has the right to ask questions. However, in light of the Covid-19 pandemic, shareholders are urged to appoint the Chairman of the Meeting as his or her proxy as given the Covid-19 situation, shareholders and their proxies will not be allowed to attend the Meeting in person, other than for the specific purpose of ensuring that the Meeting is quorate.
15. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.appliedgraphenematerials.com.

Documents available for inspection

16. In normal circumstances copies of the service contracts of the Executive Directors of the Company and copies of the letters of appointment of the Non-Executive Directors of the Company would be available for inspection at the registered office of the Company during usual business hours on any weekday (except weekends and public holidays) until the date of the Meeting and at the place of the Meeting for a period of at least 15 minutes prior to and during the Meeting. However, in light of the ongoing Covid-19 pandemic and the arrangements for this year's Meeting, please contact the Company Secretary at investors@appliedgraphenematerials.com in order that alternative arrangements can be made.

EXPLANATORY NOTES TO THE RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY

The resolutions to be proposed at the Annual General Meeting to be held on 15 December 2020 at 11 a.m. are set out in the Notice of Annual General Meeting. The following notes provide brief explanations of the resolutions being put to shareholders.

Ordinary resolutions

Resolutions 1 to 11 are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

Resolution 1 – Laying of financial statements

The Directors are required to present to shareholders at the Annual General Meeting the audited financial statements of the Company and the reports of the Directors and auditors for the financial year ended 31 July 2020.

Resolution 2 – Directors' remuneration report

The report on Directors' remuneration, which can be found on pages 45 to 50 of the Company's Annual Report and Financial Statements gives details of the Directors' remuneration for the financial year ended 31 July 2020. The Directors' remuneration report has been approved by the Board. This vote is advisory in nature and therefore not binding on the Company.

Resolutions 3 to 8 – Re-election of Directors

Each of Sean Christie, David Blain, Karl Coleman, Bryan Dobson, Adrian Potts and Mike Townsend are retiring and seek re-appointment at the Annual General Meeting.

Having considered the performance of and contribution made by the Directors standing for re-appointment, the Board remains satisfied that the performance of each of them continues to be effective and demonstrate commitment to the role and as such the Board recommends their re-appointment. Biographies of all Directors appear on pages 36 and 37 of the Company's Annual Report and Financial Statements and on the Company's website at www.appliedgraphenematerials.com. It is the Board's view that the Directors' biographies illustrate why each Director's contribution is, and continues to be, important to the Company's long term sustainable success.

Resolution 9 – Appointment of auditors

The Companies Act 2006 requires that auditors be appointed at each general meeting at which financial statements are laid to hold office until the next such meeting. RSM UK Audit LLP have indicated their willingness to stand for re-appointment as auditors of the Company until the conclusion of the next Annual General Meeting. The Company's Audit Committee keeps under review the independence and objectivity of the external auditors and further information can be found in the Annual Report and Financial Statements on page 44. After considering the relevant information, the Audit Committee has recommended to the Board that RSM UK Audit LLP be re-appointed as auditors.

Resolution 10 – Authorising and fixing the remuneration of the auditors

It is normal practice for shareholders to resolve at the Annual General Meeting that the Directors decide on the level of remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited financial statements of the Company.

Resolution 11 – Authority to allot shares

The purpose of Resolution 11 is to give the Directors authority to allot shares in place of the existing authority approved at the 2019 Annual General Meeting of the Company, which expires at the end of the 2020 Annual General Meeting.

The authority in paragraph (a) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to an aggregate nominal value of £331,361.95, which is equivalent to approximately one-third (33.33%) of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 3 November 2020, the latest practicable date prior to publication of this Notice.

The authority in paragraph (b) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a fully pre-emptive rights issue up to a nominal value of £662,723.89, which is equivalent to approximately two-thirds (66.67%) of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 3 November 2020, the latest practicable date prior to publication of this Notice (such amount to be reduced by the amount of any relevant securities issued by the authority conferred by paragraph (a) of Resolution 11). This is in line with the Investment Association's Share Capital Management Guidelines issued in July 2016 (the Guidelines).

Passing Resolution 11 will ensure that the Directors continue to have flexibility to act in the best interests of the shareholders, when opportunities arise, by issuing new shares.

The authorities sought in paragraphs (a) and (b) of Resolution 11 are without prejudice to previous allotments made under such existing authorities.

If the resolution is passed, the authorities in paragraphs (a) and (b) will expire on the earlier of the conclusion of the next Annual General Meeting of the Company in 2021 and close of business on the date falling 15 months after the passing of Resolution 11.

At 3 November 2020, the Company did not hold any shares in treasury.

EXPLANATORY NOTES TO THE RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY CONTINUED

Special resolutions

Resolutions 12 to 14 are proposed as special resolutions. These resolutions will be passed if not less than 75% of the votes are cast in favour of them.

Resolutions 12 and 13 – Disapplication of pre-emption rights

The purpose of Resolution 12 is to give the Directors the power to allot equity securities or sell treasury shares for cash otherwise than to existing shareholders pro rata to their holdings. The power granted at the 2019 Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 12 will be proposed as a special resolution to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of £49,704.29 (being approximately 5% of the Company's issued ordinary share capital as at 3 November 2020, the latest practicable date prior to publication of this Notice). If given, this authority will expire at the same time as the authority to allot shares given pursuant to Resolution 11.

The figure of 5% reflects the Guidelines. Save in respect of employee share schemes and any dividend alternatives, the Directors have no current plans to utilise the authority sought by Resolutions 12 and 13, although they consider these authorities appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise. The Directors will have due regard to the Guidelines and the Statement of Principles on Disapplying Pre-emption Rights published by the Pre-emption Group (the Principles) in relation to any exercise of the authorities given pursuant to Resolutions 12 and 13; in particular they do not intend to allot shares for cash on a non-pre-emptive basis pursuant to this power in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company (excluding any treasury shares) in any rolling three year period without prior consultation with shareholders.

Resolution 13 gives the Directors additional power, in certain limited circumstances, to allot equity securities for cash without first being required to offer such shares to the existing shareholders in proportion to their existing shareholdings. The disapplication of pre-emption rights in respect of a further 5% of the Company's issued share capital, in addition to the authority proposed to be granted pursuant to Resolution 12, reflects the Guidelines and the Principles. The power will be limited to the allotment of equity securities for cash up to an aggregate nominal value of £49,704.29 (being 5% of the Company's issued ordinary share capital as at 3 November 2020, the latest practicable date prior to publication of this Notice) provided that the authority can only be used in connection with the financing or refinancing of an acquisition or specified capital investment (within the meaning of the Principles), and which is announced contemporaneously with the allotment or has taken place in the preceding six month period and is disclosed in the announcement of the allotment. As stated above, the Directors will have due regard to the Guidelines and the Principles in relation to any exercise of this power. If given, this authority will expire at the same time as the authority to allot shares given pursuant to Resolution 11 and the authority to disapply pre-emption rights given pursuant to Resolution 12.

Resolution 14 – Purchase of the Company's own shares

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review. The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits.

The Act permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the Company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the Company's employees' share schemes.

Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

If the Directors exercise the authority conferred by Resolution 14, they may consider holding those shares in treasury, rather than cancelling them. The Directors believe that holding shares in treasury would provide the Company with greater flexibility in the management of its share capital. The Directors will also consider using the treasury shares to satisfy share options/awards under the Company's employees' share schemes.

The maximum number of shares which may be purchased under the proposed authority will be 4,970,429 ordinary shares representing approximately 10% of the issued ordinary share capital of the Company at 3 November 2020 (being the latest practicable date prior to the publication of this Notice). The price paid for ordinary shares will not be less than the nominal value. The price paid will not be more than the higher of 5% above the average market value of the Company's ordinary shares for the five business days immediately preceding the day on which the ordinary shares are contracted to be purchased and an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

As at 3 November 2020 (being the latest practicable date prior to the publication of this Notice), the Company did not hold any ordinary shares in treasury and there were no warrants over the Company's ordinary shares outstanding. As at 3 November 2020 (being the latest practicable date prior to the publication of this Notice), there were 3,778,129 options to subscribe over the Company's ordinary shares outstanding. The proportion of issued share capital that they represented at that time was 7.6% and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 8.45%.

Resolution 14 will be proposed as a special resolution to provide the Company with the necessary authority. If the resolution is passed, the authority will expire on the earlier of the conclusion of the next Annual General Meeting of the Company in 2021 and close of business on the date falling 15 months after the passing of Resolution 14.