

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.**

If you have sold or transferred all of your ordinary shares in Arcontech Group PLC, you should pass this document, together with the accompanying form of proxy and other documents enclosed herein, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

**ARCONTECH GROUP PLC  
NOTICE OF ANNUAL GENERAL MEETING  
Proposed consolidation of issued share capital**

**Notice of Annual General Meeting**

Notice of the annual general meeting which has been convened for 10.00am on 27 September 2016 at the offices of the Company at 1<sup>st</sup> Floor, 11-21 Paul Street, London EC2A 4JU is set out at pages 4 and 5 of this document.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon, so as to be received by the Company as soon as possible and in any event not later than 10.00am on 25 September 2016.

**ARCONTECH GROUP PLC**  
**(Incorporated and registered in England and Wales under company number 4062416)**

**Registered Office**

1<sup>st</sup> Floor  
11-21 Paul Street  
London  
EC2A 4JU

26 August 2016

To the Holders of Arcontech Group PLC Shares

Dear Shareholder,

**Notice of Annual General Meeting**

I am pleased to be writing to you with details of our annual general meeting (**AGM**) which we are holding at the Company's offices at 1<sup>st</sup> Floor, 11-21 Paul Street, London EC2A 4JU on 27 September 2016 at 10.00am. The formal notice of the AGM is set out at pages 4 to 5 of this document.

If you would like to vote on the resolutions but cannot attend the AGM, please fill in the proxy form enclosed with this notice and return it to the Company's registrars, Capita Asset Services PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, as soon as possible. They must receive it by not later than 10.00am on 25 September 2016.

Explanatory notes on all the business to be considered at this year's AGM can be found on pages 6 to 8.

**Consolidation of share capital**

In addition to the normal business of the AGM, you should note in particular the proposal by the Company to consolidate its share capital pursuant to resolution 6. The Board believes that the consolidation of share capital will result in a more appropriate number of shares in issue for a company of Arcontech's size and may also help to make the New Ordinary Shares more attractive to investors going forward.

As at 25 August 2016, the Company had 1,545,731,537 existing ordinary shares of £0.001 each (Existing Ordinary Shares) in issue. With shares of low denominations, small absolute movements in the share price can represent large percentage movements resulting in high volatility. The share consolidation is expected to assist in reducing the aforementioned volatility in the Company's share price and enable a more consistent valuation of the Company. The Board also believes that the bid/offer spread on shares priced at low absolute levels can be disproportionate to the share price and therefore to the detriment of shareholders.

Following the share consolidation, shareholders will still hold the same proportion of the Company's ordinary share capital as before the share consolidation. Other than a change in nominal value, the new ordinary shares will carry equivalent rights under the Articles of Association to the existing ordinary shares.

The Directors are proposing that every 125 Existing Ordinary Shares be consolidated into one new ordinary share of £0.125 each ("New Ordinary Shares"). Fractional entitlements will be dealt with as set out below.

Please also read the explanatory notes accompanying the notice carefully.

**Recommendation**

The board considers that all of the resolutions are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the board unanimously recommends that you vote in favour of all resolutions.

Yours Sincerely

**Richard Last**  
**Chairman**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Notice of AGM posted to Shareholders	26 August 2016
Latest time and date for receipt of Forms of Proxy	10.00am on 25 September 2016
Annual general meeting	10.00am on 27 September 2016
Record date for consolidation	5.00pm on 27 September 2016
Existing Ordinary Shares disabled in CREST and share register closed	5.00pm on 27 September 2016
Expected date on which New Ordinary Shares admitted to AIM	8.00 am on 28 September 2016
Expected date on which CREST accounts are to be credited	28 September 2016
Expected date by which definitive new share certificates are to be despatched	12 October 2016
ISIN of New Ordinary Shares	GB00BDBBJZ03

# Notice of the Annual General Meeting

## ARCONTECH GROUP PLC Company Number 4062416

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Arcontech Group PLC (the "**Company**") will be held at the Company's offices, 1<sup>st</sup> Floor, 11-21 Paul Street, London EC2A 4JU on 27 September 2016 at 10.00am to consider, and if thought fit, pass the Ordinary and Special Resolutions specified below:

### Ordinary Business

That the following resolutions be considered as Ordinary Resolutions:

1. **THAT** the audited financial statements of the Company for the financial year ended 30 June 2016 together with the reports on those financial statements of (i) the directors of the Company (the "**Directors**") and (ii) the auditors of the Company (the "**Auditors**") be received and adopted.
2. **THAT** Nexia Smith & Williamson be reappointed as Auditors to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company, and that the Directors be authorised to determine their remuneration.
3. **THAT** Michael Levy, who retires by rotation under Article 106 of the Company's articles of association and, who being eligible, offers himself to be re-elected as Director, be re-elected a director of the Company.

### Special Business

That the following resolution be considered as an Ordinary Resolution:

4. **THAT** in accordance with section 551 of the Companies Act 2006 ("**2006 Act**"), the Directors of the Company ("**Directors**") be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £600,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the day falling fifteen months after the passing of this resolution or at the conclusion of the annual general meeting of the Company to be held in the calendar year 2016 (whichever is earlier) save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.

THAT the following resolutions be considered as Special Resolutions:

5. **THAT** subject to the passing of the resolution 4 above and in accordance with section 570 of the 2006 Act, the directors of the Company ("**Directors**") be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 4, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:
  - 5.1 be limited to the allotment of equity securities up to an aggregate nominal amount of £600,000; and
  - 5.2 expire on the day falling fifteen months after the passing of this resolution or at the conclusion of the annual general meeting of the Company to be held in the calendar year 2017 (whichever is earlier) (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

## Notice of the Annual General Meeting (continued)

6. **THAT**, all of the ordinary shares of £0.001p each be consolidated into ordinary shares of £0.125 each on the basis of 125 ordinary shares of £0.001 each (each an "**Existing Ordinary Share**") for one ordinary share of £0.125 each (each a "**New Ordinary Share**"), at such time and date (if any) as the board of directors of the Company ("**Board**") may, in its absolute discretion, determine, with such New Ordinary Shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares as set out in the Company's articles of association for the time being, provided that if, as a result of such consolidation of shares, fractions of shares become attributable to members, the Board may on behalf of those members deal with the fractions as it thinks fit, including (without limitation) in the ways prescribed in the Company's articles of association or, at the absolute discretion of the Board, by not allotting such fractions and aggregating the same and consolidating them into New Ordinary Shares and those New Ordinary Shares being retained or (if such arrangements can be made) sold for the benefit of the Company. For the purposes of implementing the provisions of this resolution the Board may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to such fractions and generally may make all arrangements which appear to them to be necessary or appropriate for the settlement and disposal of fractional entitlements.

By Order of the Board

Michael Levy  
Secretary

26 August 2016

Registered Office:  
1<sup>st</sup> Floor  
11-21 Paul Street  
London  
EC2A 4JU

# Notice of the Annual General Meeting (continued)

## EXPLANATORY NOTES TO EACH RESOLUTION

The following notes give an explanation of the proposed resolutions

### Ordinary Resolutions

Resolutions 1 to 4 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

### Report and Accounts (Resolution 1)

The directors of the Company must present the accounts to the meeting.

### Reappointment and Remuneration of Auditors (Resolution 2)

Resolution 2 proposes the reappointment of Nexia Smith & Williamson as Auditors of the Company and authorises the directors of the Company to fix their remuneration.

### Re-election of Director (Resolution 3)

The Company's articles of association require that any Director who was elected, or last re-elected, a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation, subject to re-election by a simple majority of the members. Michael Levy is offering himself for re-election pursuant to the Company's articles of association.

### Authority to Allot Shares (Resolution 4)

Directors may only allot shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting ("AGM") is due to expire at the conclusion of this year's AGM. Therefore, this resolution seeks to grant a new authority to allow authority to allow the directors of the Company to allot shares until the conclusion of the next AGM or until 15 months from the date of this meeting, whichever is the earlier. The maximum amount of shares which the Directors would be able to allot without further authority from shareholders is 600,000,000. It is expected that this amount will be sufficient for the day to day running of the Company.

### Special Resolutions

Resolutions 5 and 6 are proposed as special resolutions. This means that for the resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolutions.

### Disapplication of Pre-emption Rights (Resolution 5)

Under the requirements of the 2006 Act, if directors of the Company wish to allot any of the unissued shares, they must first offer them to existing shareholders on a pro-rata basis in proportion to their shareholdings. There may be occasions however where the directors will need the flexibility to finance business opportunities through the issue of shares without a pre-emptive offer to existing shareholders. This resolution asks shareholders to waive the pre-emption rights on shares issued up to a maximum aggregate number of shares of 600,000,000. As with resolution 4, this authority will expire at the next AGM or within 15 months of the date of this meeting, whichever is earlier.

### Consolidation of Share Capital (Resolution 6)

### Background

As at 25 August 2016, the Company had 1,545,731,537 ordinary shares of £0.001 each ("**Existing Ordinary Shares**") in issue. The share consolidation is based on every 125 Existing Ordinary Shares being consolidated into one new ordinary share of £0.125 (a "**New Ordinary Share**") with the intention that, following the share

## **Notice of the Annual General Meeting (continued)**

consolidation, the number of shares in issue will be more appropriate for a company of the Company's size and more manageable from a corporate governance perspective.

### **Effect of the Share Consolidation**

The Company's articles of association require that any variation of the rights attaching to Existing Ordinary Shares will require the approval of 75% of Shareholders voting at the Annual General Meeting on a resolution and therefore this will be put as a special resolution to the meeting.

Resolution 6 grants the Board authority to deal with fractional entitlements in one of two ways:-

1. to issue a minimal number of additional Existing Ordinary Shares prior to the record date for the share consolidation so that the aggregate nominal value of the Existing Ordinary Share capital of the Company is exactly divisible by 125. Where the number of Existing Ordinary Shares held by a shareholder is not an exact multiple of the number of shares to be consolidated into New Ordinary Shares, the Company's articles of association permit the directors of the Company to issue to each shareholder the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to be effective immediately prior to the consolidation) and the amount required to pay up such shares shall be appropriated at the board's discretion from the sums standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account; or
2. by aggregating all of the fractional entitlements and consolidating those into New Ordinary Shares and then selling those for the benefit of the Company.

Following the share consolidation, the shareholders will still hold the same proportion of the Company's ordinary share capital as before the Share Consolidation (save in respect of the minimal number of Existing Ordinary Shares to be allotted to make the number of Existing Ordinary Shares exactly divisible by 125). Other than a change in nominal value, the New Ordinary Shares will carry equivalent rights under the Company's articles of association to the Existing Ordinary Shares.

### **Admission and Dealings**

Existing share certificates will cease to be valid following the share consolidation. New share certificates are expected to be issued by 12 October 2016.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares. Subject to the shareholder approval of resolution 6, it is expected that admission will become effective and that dealings in the New Ordinary Shares on AIM will commence on 28 September 2016.

Shareholders who hold their Existing Ordinary Shares in uncertificated form are expected to have their CREST accounts credited with the New Ordinary Shares on 28 September 2016.

## Notice of the Annual General Meeting (continued)

### Notes:

1. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members registered in the register of members of the Company at the close of business two days before the meeting or any adjournment thereof, shall be entitled to attend, speak or vote at the meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the relevant register of securities later than this shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the 2006 Act, can be found at the Company's website [www.arcontech.com](http://www.arcontech.com), including information on the number of shares and voting rights.
3. Any member who is entitled to attend and vote at this meeting is entitled to appoint one or more persons as proxies to attend, speak and vote on their behalf at the meeting or any adjournment of it. A proxy need not be a member of the Company. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form.
4. A form of proxy is provided with this notice. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holders name and number of shares in relation to which they authorised to act as your proxy. Please also indicate if the proxy is one of multiple instructions being given.
5. All forms must be signed and should be returned together in the same envelope. To be valid, a form of proxy together with any power of attorney or other authority under which it is executed or a copy thereof certified notarially or in accordance with the Power of Attorney Act 1971 or as the Directors shall accept must be lodged at the Company's registrars – Capita Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, so as to arrive not later than 48 hours before the start of the meeting. Completion of the form of proxy will not affect the right of a member to attend, speak and vote at the meeting.
6. The register of Directors' share interests will be available for inspection at the meeting convened by this notice, as will the Directors' service contracts.
7. Any corporate entity which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
8. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which their names stand on the register of members of the Company.
9. 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 being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information; or (ii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. As at 6:00pm on 25 August 2016 (being the latest practicable date prior to publication of this Notice), the Company's issued share capital comprised 1,545,731,537 ordinary shares of £0.001 each, carrying one vote each. Therefore, the total number of voting rights in the Company as at 6:00pm on 25 August 2016 (being the latest practicable date prior to publication of this Notice) is 1,545,731,537.



**ARCONTECH GROUP PLC**

I/We \_\_\_\_\_ of \_\_\_\_\_

being (a) member(s) of the above-named Company hereby appoint the Chairman of the meeting OR (Note 3)

(Name of Proxy) .....

as my/our proxy to vote for me/us on my/our behalf at the annual general meeting to be held on 27 September 2016 at 10.00am and at any adjournment thereof.

Dated ..... 2016 Signature(s).....

	For	Against	Withheld
1. Ordinary resolution - To receive and adopt the Report of the Directors and the Audited Financial Statements of the Company for the year ended 30 June 2016			
2. Ordinary resolution - To reappoint Nexia Smith & Williamson as Auditors of the Company and to authorise the Directors to fix their remuneration			
3. Ordinary resolution - To re-elect Michael Levy as a Director			
4. Ordinary resolution - Directors' authority to allot shares			
5. Special resolution - Disapplication of pre-emption rights			
6. Special Resolution – Consolidation of share capital			

**Notes**

1. Please indicate with an "X" in the appropriate boxes how you wish your proxy to vote. Unless otherwise directed the proxy will vote or abstain as he or she thinks fit.
2. If you do not indicate how you wish your proxy to vote, your proxy will exercise his/her discretion as to whether, and if so how, he/she votes. Your proxy may also vote or abstain from voting as he/she thinks fit on any other business which may properly come before the meeting including on any permissible amendment to the resolutions set out in the notice of meeting.
3. You are entitled to appoint a proxy or proxies, who need not be a member of the Company or the Chairman, to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. If you wish to appoint someone else other than the Chairman as proxy please delete the words "the Chairman of the meeting" and insert the name of the person whom you wish to appoint in the space provided. The Chairman of the meeting will act as your proxy, whether or not such deletion is made, if no other name is inserted.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, copy this form as many times as needed and indicate on each form how many shares are allocated to each proxy appointment.
5. In the case of joint registered holders the signature of one holder on the form of proxy will be accepted by the vote of the senior who tenders a vote whether in person or by proxy to the exclusion of the votes of any joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holdings.
6. In the case of a corporation the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or a duly authorised officer of the corporation.
7. Any alteration made to the form of proxy should be initialled.
8. To change your proxy instructions simply submit a new proxy appointment. Note that the cut-off time for receipt of proxy appointments (see below) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time shall be disregarded. You may contact the Company Secretary of Arcontech Group PLC, 1<sup>st</sup> Floor, 11-21 Paul Street, London EC2A 4JU to obtain another proxy

form. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. To revoke a proxy instruction you will need to inform the Company by sending a hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars – Capita Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by the cut-off time stated below. In the case of a member which is a corporation, the revocation must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included in the revocation notice.

9. This form of proxy should be signed and dated.
10. Completion and return of the form of proxy will not affect the right of a member to attend and vote at the meeting.
11. We have included on the proxy form the ability for a vote to be withheld. A vote withheld is not a vote in law and will not be counted towards the calculation of the proportions of votes "for" or "against".

To be effective, this form of proxy, together with any power of attorney or any other authority (if any) under which it is executed, or a copy of such power of attorney or other authority, certified notarially, must be lodged at the Company's registrars – Capita Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, not later than the close of business two days before the holding of the meeting or adjourned meeting at which it is to be used.