

Notice of Annual General Meeting

NOTICE is hereby given that the 78th Annual General Meeting of Elecosoft plc (the “**Company**”) will be held at Brewers’ Hall, Aldermanbury Square, London EC2V 7HR on 17 May 2018 at 12 noon for the purpose of considering and, if thought fit, passing the following resolutions. Resolutions numbered 1 to 7 and 9 will be proposed as Ordinary Resolutions and resolutions numbered 8 and 10 will be proposed as Special Resolutions.

Ordinary business

1. To receive the financial statements for the year ended 31 December 2017, together with the reports of the Directors and Auditors on the accounts.
2. To declare a final dividend for the year ended 31 December 2017 of 0.4 pence per ordinary share as recommended by the Directors of the Company.
3. To re-elect David Dannhauser, by reason of appointment in his first year in office, as a Director of the Company.
4. To re-elect Simon Morgan, by reason of appointment in his first year in office, as a Director of the Company.
5. To re-elect John Ketteley, who retires by rotation, as a Director of the Company.
6. To re-elect Jonathan Hunter, who retires by rotation, as a Director of the Company.
7. To re-appoint Grant Thornton UK LLP as auditors of the Company (“**Auditors**”) and to authorise the Directors to determine their remuneration.

Special business

8. Purchase of the Company’s own shares

To authorise the Company unconditionally and generally for the purposes of section 701 of the Companies Act 2006 (the “**Act**”) to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares provided that:

- (a) the maximum number of Ordinary Shares authorised to be purchased is 7,744,070 (such ordinary shares representing approximately 10 per cent. of the Company’s issued ordinary capital as at the date of this notice of Annual General Meeting);
- (b) the minimum price which may be paid for any such Ordinary Share is 1 penny;
- (c) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105 per cent of the average middle market quotations for an Ordinary Share as derived from the London Stock Exchange plc’s daily official list for the 5 business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
- (d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 18 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

9. Directors’ authority to allot shares

To authorise the Directors generally and unconditionally, in substitution for all subsisting authorities to the extent unused, in accordance with section 551 of the Act to exercise all the powers of the Company to allot:

- (a) shares in the Company and/or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £258,135.67, being one-third of the issued share capital of the Company as at the date of this notice of annual general meeting; and in addition
- (b) equity securities of the Company (within the meaning of section 560 of the Act) in connection with an offer of such securities by way of a Rights Issue (as defined below) up to an aggregate nominal amount of £258,135.67, being one-third of the issued share capital of the Company as at the date of this notice of Annual General Meeting,

provided that this authority shall expire on the conclusion of the next Annual General Meeting of the Company but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

Notice of Annual General Meeting continued

“Rights Issue” means an offer of equity securities to holders of Ordinary Shares in the capital of the Company on the register on a record date fixed by the Directors in proportion as nearly as may be to the respective numbers of Ordinary Shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

10. Disapplication of pre-emption rights

Subject to and conditional on the passing of resolution 9 above, to empower the Directors, pursuant to section 570 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 9 and as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with an offer of such securities by way of a Rights Issue (as defined above); and
- (b) otherwise than pursuant to paragraph 10(a) above, up to an aggregate nominal amount of £38,720.35, being 5 per cent of the issued share capital of the Company as at the date of this notice of annual general meeting and shall expire at the conclusion of the next Annual General Meeting of the Company, 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 as if this power had not expired.

This power applies in relation to a sale of treasury shares as if all references in this resolution to an allotment included any such sale and in the first paragraph of this resolution the words “pursuant to the authority conferred by resolution 9” were omitted in relation to such sale.

By order of the Board

Andrew Courts FCCA
Company Secretary,
18 April 2018

Registered Office:

Elecosoft plc
66 Clifton Street
London
EC2A 4HB

Notes

Notes:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote on your behalf at a general meeting of the Company.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you must complete a separate Form of Proxy for each proxy or, if appointing multiple proxies electronically, follow the instructions given on the relevant electronic facility. Members can copy their original Form of Proxy, or additional Forms of Proxy can be obtained from Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling UK – 0871 664 0300 or from overseas by calling +44 (0) 371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9am and 5.30pm, Monday to Friday excluding public holidays in England and Wales.
4. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in paragraph 14 below) does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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.
6. To be valid any proxy form or other instrument appointing a proxy must be:
 - completed and signed; sent or delivered to Link Asset Services PXS, 34 Beckenham Road, Beckenham Kent BR3 4TU; and
 - received by Link Asset Services no later than 12 noon on 15 May 2018.
7. 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).
8. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
10. 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.
11. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service for the Annual General Meeting to be held at Brewers Hall, Aldermanbury Square, London EC2V 7HR on 17 May 2018 at 12 noon and any adjournment(s) thereof may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
13. 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 Company’s agent, Link Registrars Limited (CREST Participant ID: **RA10**), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
14. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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 takes) 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
15. 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.
16. Only those members entered on the register of members of the Company as at close of business on 15 May 2018 or, in the event that this meeting is adjourned, in the register of members as at close of business on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after close of business on 15 May 2018 or, in the event that this meeting is adjourned, in the register of members after the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
17. Any corporation 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.
18. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:
 - to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting to answer the question.
19. Copies of the directors’ service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the meeting.
20. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at <https://www.ir.elecosoft.com>.