

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should immediately seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all of your ordinary shares in Cerillion plc, please pass this document together with the accompanying documents as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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# CERILLION PLC

*(incorporated and registered in England and Wales under company number 09472870)*

## Notice of the 2019 Annual General Meeting

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Notice of the Annual General Meeting of Cerillion plc to be held at 9th Floor, 107 Cheapside, London EC2V 6DN on Friday 8 February 2019 at 9am is set out on pages 5 to 8 of this document.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you propose to attend the Annual General Meeting, we request that you complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by Computershare Investor Services PLC at the address for delivery specified in the instructions by 9am on Wednesday 6 February 2019.



# CERILLION PLC

*(incorporated and registered in England and Wales under company number 09472870)*

Registered Office:  
25 Bedford Street  
London WC2E 9ES

15 January 2019

Dear Shareholder,

## Annual General Meeting 2019

I am pleased to be writing to you with details of this year's Annual General Meeting (the "AGM") of Cerillion plc (the "Company"), which we are holding at 9th Floor, 107 Cheapside, London EC2V 6DN on Friday 8 February 2019 at 9am. The formal notice of the AGM is set out on pages 5 to 8 of this document (the "Notice of AGM").

This document may also be accessed via the investors' section of our website, [www.cerillion.com](http://www.cerillion.com).

The resolutions proposed to be passed at the AGM are summarised below.

Resolutions 1 to 9 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.

Resolutions 10 to 12 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Resolution 1: Directors' Report and Accounts for the Year**

Under Resolution 1, the shareholders will be asked to receive and adopt the accounts and the reports of the Directors and auditors for the year ended 30 September 2018 (the "2018 Annual Report and Accounts"). A copy of the 2018 Annual Report and Accounts is enclosed.

### **Resolution 2: Directors' Remuneration Report**

The Directors are required to seek the separate approval of the shareholders for the Directors' Remuneration Report, which is contained within the 2018 Annual Report and Accounts. The Remuneration Committee, which assisted the Directors in the preparation of this report, has unanimously approved the report, and the Directors have also unanimously approved this report.

### **Resolution 3: Declaring a Final Dividend**

The Directors are recommending a final ordinary dividend of three pence (£0.03) per ordinary share, for the year ended 30 September 2018. If shareholders approve the recommended dividend, it will be paid on 11 February 2019 to shareholders on the register at the close of business on 4 January 2019.

### **Resolutions 4 and 5: Resignation and Re-election of Directors**

Under the articles of association, certain Directors offer themselves for re-election by rotation. Alan Howarth and Louis Hall will retire at the AGM and offer themselves for re-election.

Biographical details of each of the Directors are contained on pages 12 to 13 of the 2018 Annual Report and Accounts.

### **Resolution 6: Re-appointment of the Auditor**

The Company is required at each annual general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. Accordingly, Resolution 6 proposes the re-appointment of Grant Thornton UK LLP as the Company's auditors.

### **Resolution 7: Authority to Determine the Auditor's Remuneration**

It is normal practice for a Company's Directors to be authorised to fix the auditor's remuneration and shareholders' approval to do so is sought in Resolution 7.

#### **Resolution 8: Political Donations**

Neither the Company nor any of its subsidiaries have made any donations in the year ended 30 September 2018, and it is the Company's current policy not to do so. However, the Companies Act 2006 (the "Companies Act") defines political donations and expenditure very widely and, as a result, in certain circumstances, donations intended for charitable or similar purposes may now be regarded as political in nature.

In order to comply with these obligations and to avoid any inadvertent infringement of the Companies Act, the Directors consider it prudent to seek shareholders' approval for a general level of donation and/or expenditure. Resolution 8 seeks authority for the Company to make political donations or to incur political expenditure not exceeding £5,000 in total during the period from 8 February 2019, the date of the AGM, until the conclusion of the Annual General Meeting held in 2020, or, if earlier, 15 months after the date of the passing of this resolution.

#### **Resolution 9: Authority to Allot Shares**

This resolution is to renew the general authority to allot shares given to the Directors at the last Annual General Meeting. Paragraph 9(a) of the resolution will give the Board general authority to allot up to 9,837,828 ordinary shares of 0.5 pence each. This represents approximately one-third of the Company's issued ordinary share capital as at the date of this document. Paragraph 9(b) of the resolution will give the Directors authority to allot up to an additional 9,837,828 ordinary shares of 0.5 pence each in connection with a pre-emptive offer to existing shareholders by way of rights issue (with exclusions to deal with fractional entitlement to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems).

#### **Resolutions 10 and 11: Disapplication of Pre-emption Rights**

The Companies Act requires that equity securities that are to be allotted for cash must first be offered to existing shareholders on a pre-emptive basis in accordance with the requirements of section 561(1) of that Act. In accordance with normal practice, the Directors are proposing Resolutions 10 and 11 as special resolutions to disapply the provisions of section 561(1) in relation to certain share issues.

Resolution 10 will, if passed, empower the Directors to allot equity securities for cash (which includes the sale of any treasury shares) otherwise than in accordance with the statutory pre-emption requirements either (a) in connection with a rights issue, open offer, or other pro rata offer, or (b) otherwise up to a maximum nominal amount of £14,756.74, which represents approximately ten per cent. of the Company's issued ordinary share capital as at the date of this document.

Resolution 11 will, if passed, empower the Directors to allot equity securities for cash up to an aggregate nominal amount of £7,378.37 (which represents approximately five per cent. of the Company's issued ordinary share capital as at the date of this document). Such allotment will be used only for the purposes of financing (or refinancing, if the authority is 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 document.

The Directors intend to follow the provisions of the Statement of Principles issued by The Pre-emption Group (as updated in 2015) and not allot shares on a non-pre-emptive basis pursuant to the authorities in Resolutions 10 and 11:

- in excess of an amount equal to 5 per cent. of the total issued ordinary share capital of the Company (excluding treasury shares); or
- in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company (excluding treasury shares) within a three-year rolling period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment that is announced at the same time as the allotment or that has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

The authorities conferred by Resolutions 10 and 11 will expire at the conclusion of the Company's Annual General Meeting in 2020, or, if earlier, 15 months after the date of the passing of these resolutions. It is the Directors' intention to seek the renewal of this authority annually.

## **Resolution 12: Authority to Purchase Own Shares**

Resolution 12, which is being proposed as a special resolution, gives the Company authority to make on-market purchases of its own ordinary shares. The authority is limited to the maximum of 2,951,348 ordinary shares, representing approximately 10 per cent. of the Company's issued ordinary share capital as at the date of this document and details the minimum and maximum prices that can be paid. The authority will expire at the conclusion of the Annual General Meeting in 2020, or if earlier, 15 months after the date of the passing of the resolution.

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but consider it desirable to have the authority in place so as to provide flexibility in the management of the Company's capital resources. The authority will be exercised only if the Directors believe that the purchase would increase earnings per share and would be for the benefit of the shareholders generally. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

The Company has the option of holding shares purchased under the authority as treasury shares as an alternative to cancelling them. Treasury shares can be subsequently cancelled, sold for cash or used for the purposes of employee share schemes. No dividends are paid on shares that are held in treasury and no voting rights attach to treasury shares.

The Directors would consider holding as treasury shares any ordinary shares that the Company may repurchase pursuant to the authority proposed to be conferred by Resolution 12. The Directors believe that the ability to hold such shares as treasury shares will provide the Company with increased flexibility in managing its share capital.

As at the date of this document, there were the following outstanding options to subscribe for ordinary shares in the capital of the Company:

- 300,000 options under the Company's Long-Term Incentive Plan representing approximately 1.02 per cent. of the Company's issued share capital (excluding treasury shares); and
- 173,640 options under the Company's Save As You Earn scheme representing approximately 0.59 per cent. of the Company's issued share capital (excluding treasury shares).

If the authority to purchase the Company's shares proposed to be conferred by Resolution 12 were to be exercised in full, these options would represent (in aggregate) approximately 1.78 per cent. of the Company's issued ordinary share capital (excluding treasury shares).

## ***Entitlement to Attend and Vote***

To have the right to attend and vote at the meeting (and also for the purposes of calculating how many votes a person may cast) a person must have their name entered on the register of members no later than 9am on 6 February 2019. Changes to entries on the register after this time will be disregarded in determining the rights of any person to attend or vote at the meeting.

## ***Appointing a Proxy***

You are requested (whether or not you intend to be present at the AGM) to appoint a proxy. Appointment of a proxy will not prevent you from attending, speaking and voting in person at the AGM, should you wish to do so.

If you are unable to attend the AGM, but would like to vote on the resolutions please appoint a proxy. To appoint a proxy you should complete the proxy form sent to you with this document and return it (together with any power of attorney or other authority under which it is signed, or a certified copy of such document) to our registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE (the "Registrar").

The proxy form should be returned as soon as possible and in any event so as to be received by our Registrar by 9am on 6 February 2019.

## *Documents Available for Inspection*

Copies of the following documents will be available for inspection during business hours on any weekday (public holidays excepted) at the registered office of the Company and at the offices of Orrick, Herrington & Sutcliffe (UK) LLP at 107 Cheapside, London EC2V 6DN from the date of this document until the conclusion of the AGM and at 9th Floor, 107 Cheapside, London EC2V 6DN from 15 minutes before the AGM until it ends:

- (a) copies of the Executive Directors' service contracts; and
- (b) copies of the letters of appointment of the Non-executive Directors.

## *Recommendation*

The Directors consider that all the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of each of these resolutions, as each of the Directors intends to do in respect of his own beneficial holding of shares in the Company, which amount, in aggregate, to 12,085,352 ordinary shares, representing approximately 40.95 per cent. of the issued share capital of the Company.

Yours faithfully,

Alan Howarth  
Chairman

# CERILLION PLC

*(incorporated and registered in England and Wales with company number 09472870)*

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Cerillion plc (the "Company") will be held at 9th Floor, 107 Cheapside, London EC2V 6DN on Friday 8 February 2019 at 9am to consider and, if thought fit, pass the resolutions below. Resolutions 10 to 12 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### *Ordinary Resolutions*

1. To receive and adopt the Directors' report and the audited accounts for the year ended 30 September 2018, together with the report of the auditors.
2. To approve the Directors' Remuneration Report for the year ended 30 September 2018 set out in pages 14 to 16 of the Directors' report and the audited accounts for the year ended 30 September 2018.
3. To declare a final dividend of three pence (£0.03) per ordinary share for the period ended 30 September 2018.
4. To re-elect Alan Howarth as a Director of the Company who has retired and offered himself for re-election.
5. To re-elect Louis Hall as a Director of the Company who has retired and offered himself for re-election.
6. To re-appoint Grant Thornton UK LLP as auditor of the Company in accordance with section 489 of the Companies Act 2006 to hold office until the conclusion of the Annual General Meeting of the Company in 2020.
7. To authorise the Directors to determine the remuneration of the auditor of the Company.
8. That in accordance with section 366 of the Companies Act 2006 (the "Act"), the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised:
  - (a) to make political donations to political parties or independent election candidates;
  - (b) to make political donations to political organisations other than political parties; and/or
  - (c) incur political expenditure in a total aggregate amount not exceeding £5,000,

provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2020 or on 8 May 2020, whichever is the earlier. For the purposes of this resolution the terms 'political donation', 'political parties', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Act.

9. That the Directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise, and to delegate to any duly constituted committee of the Directors, all the powers of the Company to allot shares in the Company (the "Shares") and grant rights to subscribe for, or to convert any security into, Shares (the "Rights"):
  - (a) up to an aggregate maximum nominal amount of £49,189.14; and
  - (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £49,189.14 in connection with an offer by way of a rights issue (as defined in the Listing Rules issued by the Financial Conduct Authority pursuant to Part VI of the Financial Services and Markets Act 2000 (as amended)):
    - (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such Shares; and
    - (ii) to holders of other 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 deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or any stock exchange,

provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on 8 May 2020 save that the Company may before such expiry make offers or agreements that would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors may allot Shares and grant Rights in pursuance of any such offers or agreements as if the authority conferred hereby had not expired and all unexercised authorities previously granted to the Directors to allot Shares or grant Rights be and are hereby revoked.

## *Special Resolutions*

10. That if the Resolution numbered 9 in the notice of the Annual General Meeting is passed, the Directors are empowered in accordance with section 570 and section 573 of the Companies Act 2006 (the "Act") to, and to delegate to any duly constituted committee of the Directors the power to, allot equity securities (as defined in section 560 of the Act) for cash, either pursuant to the authority conferred by such resolution or by way of a sale of treasury shares, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with any rights issue or open offer (as referred to in the Listing Rules published by the Financial Conduct Authority) or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of the ordinary shares on the register on any fixed record date in accordance with the rights attached to such class, subject in each case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or any stock exchange; and
- (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £14,756.74,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 8 May 2020) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

11. That if the Resolution numbered 9 in the notice of the Annual General Meeting is passed and in addition to any power contained in the Resolution numbered 10 in the notice of the Annual General Meeting, the Directors are empowered in accordance with section 570 and section 573 of the Companies Act 2006 (the "Act") to, and to delegate to any duly constituted committee of the Directors the power to, allot equity securities (as defined in the Act) for cash under the authority given by such resolution 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 any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £7,378.37; 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 Board of the Company determines 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,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 8 May 2020) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

12. That the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 0.5 pence each in the capital of the Company in such terms and in such manner as the Directors of the Company shall determine, provided that:
- (a) the maximum aggregate number of ordinary shares that may be purchased is 2,951,348 (representing approximately ten per cent. of the Company's issued ordinary share capital);
  - (b) the minimum price (excluding expenses) that may be paid for such ordinary shares is 0.5 pence per ordinary share;
  - (c) the maximum price (excluding expenses) that may be paid for an ordinary share shall not be more than five per cent. above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix of the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased;
  - (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the conclusion of the Annual General Meeting in 2020, or on 8 May 2020, whichever is the earlier; and
  - (e) the Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority that will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By Order of the Board

**Oliver Gilchrist**

*Company Secretary*

Registered Office: 23 Bedford Street, London WC2E 9ES

Registered in England and Wales company number 09472870

15 January 2019

## Notes

1. Only those members on the register of members as at 9am on 6 February 2019 (or, in the event of any adjournment, at 6pm on the day that is two working days before the date fixed for the adjourned meeting) will be entitled to attend or vote at the meeting and they may only vote in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 9am on 6 February 2019 will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member entitled to attend the meeting is entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and 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 member. A member wishing to appoint more than one proxy should contact the Company's registrars, Computershare Investor Services PLC. A proxy need not be a member of the Company. Appointing a proxy will not prevent a member from attending and voting at the meeting in person.
3. A form of proxy for use in relation to the meeting is enclosed. To be valid, the form of proxy and any power of attorney or other authority under which it is signed (or a duly certified copy of such power or authority) must be deposited with the Company's registrars, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS13 8AE not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.
4. As at 15 January 2019 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 29,513,486 ordinary shares of 0.5 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company as at 15 January 2019 was 29,513,486. No ordinary shares are held by the Company in treasury.
5. A corporation that is a member of the Company may authorise a person or persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company provided that they do not do so in relation to the same shares.



