

## **THIS DOCUMENT IS IMPORTANT**

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice.

If you have sold or otherwise transferred all your Spectris plc shares, please send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the transfer was effected for transmission to the purchaser or transferee.

## **Letter from the Chairman to Ordinary Shareholders**

24 March 2011

## **Notice of Annual General Meeting To be held on 13 May 2011**

Dear Shareholder,

The annual general meeting of Spectris plc (the “Company”) will take place at Station Road, Egham, Surrey TW20 9NP on 13 May 2011 at 11.30 a.m. The notice of annual general meeting (the “AGM Notice”) is set out on page 5 of this document.

Each shareholder registered on the register of members of the Company at 6.00 p.m. on 11 May 2011 is entitled to vote on the resolutions numbered 1 to 16 contained in the AGM Notice (the “Resolutions”). If you would like to vote on the Resolutions but cannot come to the annual general meeting, please complete the proxy form sent to you with this document and return it to our registrars as soon as possible and in any event not later than 11.30 a.m. on 11 May 2011.

Resolutions 1 to 13 (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. Resolutions 14 to 16 (inclusive) 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.

Within the ordinary and special business (Resolutions 1 to 16) to be transacted at the annual general meeting of the Company to be held on 13 May 2011 the following items proposed by your Board require further explanation.

## **ORDINARY BUSINESS**

### **Resolutions 4, 5, 6, 7, 8, 9 and 10**

#### **Election of Directors**

The biographical details and other information, as required by the UK Corporate Governance Code (the “Code”), for the Directors of the Company who are proposed to be either elected or re-elected, as set out in Resolutions 4, 5, 6, 7, 8, 9 and 10, can be found on pages 34 and 35 of the annual report and accounts of the Company for the year ended 31 December 2010.

The Code requires the Board to set out the reasons why it believes that the non-executive Directors standing for election or re-election, Peter Chambré, Russell King and John Warren, should be elected or re-elected. Mr Chambré is chairman of Xellia Pharmaceuticals A/S and 7TM Pharma A/S, a non-executive director of BTG plc and an adviser to private equity company 3i plc. Mr Chambré was formerly chief executive officer of Cambridge Antibody Technology Group plc and prior to that was

chief operating officer of Celera Genomics Group and chief executive of Bepak plc. Until October 2009, Mr King was chief strategy officer of Anglo American PLC and between 2006 and 2009 was a non-executive director of Anglo Platinum Limited.

He previously spent over 20 years in senior roles at ICI, gaining worldwide experience in its fertiliser, petrochemical and paint businesses. Mr King is a non-executive director of Aggreko plc. Mr Warren is a former group finance director of WH Smith PLC and United Biscuits Plc and is currently a non-executive director of The Rank Group Plc, Bovis Homes Group PLC and Uniq plc. The experience of these Directors is of benefit to the Board in its deliberations.

Following formal evaluation, the Directors' performance continues to be effective and they continue to demonstrate commitment to their respective roles.

## **SPECIAL BUSINESS**

In addition to the ordinary business to be transacted at the annual general meeting, your Board is proposing the following four items of special business.

### **Resolution 13**

#### **Allotment of shares**

Under the Companies Act 2006 (the "2006 Act"), the Directors of the Company may generally only allot shares or grant rights over shares if authorised to do so by shareholders. In accordance with the current guidelines issued by the Association of British Insurers (the "ABI"), the Directors confirm their intention to seek an annual renewal of the authority granted at the last annual general meeting which expires on 18 May 2011. The renewed authority is to be limited to shares up to an aggregate nominal amount of £1,932,000 (being just less than one-third of the issued share capital of the Company (excluding treasury shares) on 15 March 2011, being the last practicable date prior to the publication of the AGM Notice. The Company held 9,054,399 shares in treasury at 15 March 2011, (being 7.81 per cent of the issued share capital of the Company (excluding treasury shares) on that date).

The authority conferred by this resolution shall (unless previously revoked, varied or renewed) expire at the end of the Company's 2012 annual general meeting. However, the Company may make an offer or agreement prior to the expiry of this authority which would or might require relevant securities to be allotted after the expiry of this authority and in such a case the Directors will be permitted to allot securities pursuant to such offer or agreement as if this authority had not expired.

Other than in respect of the Company's obligations under its employee share schemes, the Directors have no present intention of issuing any shares under this authority, but they believe it to be in the best interests of the Company that they should continue to have this authority so that such allotments can take place to finance appropriate opportunities that may arise.

### **Resolution 14**

#### **Allotment of shares for cash**

Your Directors also generally require additional authority from shareholders to allot shares, grant rights over shares or sell treasury shares where they propose to do so for cash otherwise than to existing shareholders pro rata to their holdings. Circumstances may arise in which it would be in the best interests of the Company for the Directors to have the power to issue a limited number of shares or sell treasury shares for cash otherwise than to existing shareholders, to take advantage of business opportunities as these arise or to manage the Company's capital base more effectively.

Your Board proposes that the authority granted at the last annual general meeting be renewed, in accordance with ABI guidelines, to expire at the end of the Company's 2012 annual general meeting; thereby enabling the Directors to allot ordinary shares and sell treasury shares for cash free of statutory pre-emption rights up to an aggregate nominal amount of £312,500, which is equivalent to just less than 5 per cent of the issued share capital of the Company as at 15 March 2011

(being the last practicable date prior to the publication of the AGM Notice). The Directors confirm their intention that no more than 7.5 per cent of the issued ordinary share capital of the Company shall be allotted or re-sold (in the case of treasury shares) for cash on a non pre-emptive basis during any rolling three-year period.

## **Resolution 15**

### **Authority to purchase own shares**

The power given to the Company at the last annual general meeting to purchase its own shares expires on the date of the forthcoming annual general meeting. Your Directors continue to believe that it is in the best interests of the shareholders that the Company should be able to purchase its own shares in circumstances which, in the opinion of the Directors, should result in an improvement in earnings per share for the remaining shareholders.

Your Directors consider that it would be prudent to be able to act at short notice in making such purchases if it were in the best interests of the Company to do so having regard to other investment opportunities open to the Company. In reaching any decision to purchase ordinary shares, the Directors will take into account the Company's cash resources and capital requirements and the effect of any purchase on gearing levels and on earnings per share.

Any shares purchased under this authority may be cancelled or held as treasury shares. Companies may hold shares re-purchased as treasury shares with a view to a possible re-sale at a future date rather than having to cancel them. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively and provide the Company with additional flexibility in management of its capital base. Any transfers of treasury shares for the purposes of the Company's employee share schemes will be made within the recommended ten per cent anti-dilution limit set by the ABI.

Your Directors are seeking the authority to make market purchases of up to 11,593,000 ordinary shares, representing just under 10 per cent of the issued ordinary share capital of the Company (excluding treasury shares) on 15 March 2011 (being the last practicable date prior to the publication of the AGM Notice). The maximum price to be paid for an ordinary share of the Company on any occasion will be 105 per cent of the average of the middle market quotations for ordinary shares of the Company as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the purchase is made (exclusive of expenses). The minimum price to be paid for an ordinary share of the Company will be 5p (the nominal value of an ordinary share) (exclusive of expenses).

The authority conferred shall (unless previously revoked, varied or renewed) expire at the end of the Company's 2012 annual general meeting. However, if a contract for the purchase of ordinary shares is concluded before the expiry of this authority but the relevant purchase will or may be executed in whole or in part after the expiry of this authority, the Company is authorised to execute such purchase as if this authority had not expired.

The Company has no warrants outstanding and the total number of options to subscribe for equity shares outstanding on 15 March 2011 was 3,711,890, representing 3.20 per cent of the issued share capital of the Company (excluding treasury shares) on that date. If the full authority to buy back shares were to be used, the said outstanding options would represent 3.56 per cent of the issued share capital of the Company (excluding treasury shares) on that date.

## **Resolution 16**

### **Authority to hold meetings on 14 days' notice**

Both the 2006 Act and the articles of association of the Company permit general meetings (other than annual general meetings) of the Company to be held on 14 clear days' notice. However, the Companies (Shareholders' Rights) Regulations 2009 (the "Regulations") require that the notice period for general meetings is 21 days, unless the shareholders agree to a shorter notice period. According to the Regulations, companies may still hold general meetings (other than annual general meetings) on 14 days' notice provided electronic voting is made available to all members and that the preceding annual general meeting has approved the calling of general meetings on a 14 day notice period. Your Directors therefore request authority to hold general meetings in the forthcoming year on 14 days' notice ("Short Notice"), as they believe this gives greater flexibility and the ability for a faster response if an unexpected meeting is required. Such authority will be effective

until the Company's next annual general meeting when it is intended that a similar resolution will be proposed. It is intended that general meetings will not be called on Short Notice as a matter of routine but that Short Notice will be used only when the flexibility of using it is merited by the business of the meeting, the circumstances surrounding that business and where calling a general meeting on Short Notice is in the interests of the shareholders as a whole. Further, the Company will comply with the statutory conditions of electronic voting and prior annual general meeting approval set out above.

#### **RECOMMENDATION**

**Your Directors consider that the above proposals are in the best interests of the Company and its shareholders and unanimously recommend that you vote in favour of all the resolutions set out in the AGM Notice as they intend to do in respect of their own shareholdings.**

Yours faithfully

A handwritten signature in black ink, appearing to read 'J L M Hughes', with a large, stylized initial 'J'.

**J L M Hughes**

Chairman

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of Spectris plc (the “Company”) will be held at the Company’s offices at Station Road, Egham, Surrey TW20 9NP on Friday 13 May 2011 at 11.30 a.m. to consider and, if thought fit, pass the following resolutions:

### **ORDINARY BUSINESS**

1. To receive and consider the annual report and accounts of the Company for the year ended 31 December 2010 (the “2010 Report and Accounts”).
2. To approve the Directors’ Remuneration Report, as set out in the 2010 Report and Accounts.
3. To declare a final dividend of 20.9p per ordinary share for the year ended 31 December 2010, payable on 24 June 2011 to those shareholders on the Company’s register of members at the close of business on 3 June 2011.
4. To elect as a Director Mr R J King who retires under the terms of the articles of association of the Company (the “Articles of Association”).
5. To re-elect as a Director Mr P A Chambré who retires under the terms of the Articles of Association.
6. To re-elect as a Director Mr J L M Hughes who retires under the terms of the Articles of Association.
7. To re-elect as a Director Mr J E O’Higgins who retires under the terms of the Articles of Association.
8. To re-elect as a Director Mr J A Warren who retires under the terms of the Articles of Association.
9. To re-elect as a Director Mr C G Watson who retires under the terms of the Articles of Association.
10. To re-elect as a Director Mr J C Webster who retires under the terms of the Articles of Association.
11. To re-appoint KPMG Audit Plc as auditors of the Company.
12. To authorise the Directors to agree the remuneration of KPMG Audit Plc as auditors of the Company.

### **SPECIAL BUSINESS**

#### **Ordinary Resolution**

13. That in substitution for all existing authorities to the extent unused, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “2006 Act”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“Relevant Securities”) up to a maximum aggregate nominal amount of £1,932,000 for a period expiring (unless previously revoked, varied or renewed) at the end of the Company’s 2012 annual general meeting, but the Company may before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the Directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

#### **Special Resolutions**

14. That, subject to the passing of Resolution 13 above, and in place of all existing and unused powers, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the 2006 Act to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash, pursuant to the authority conferred by Resolution 13 above as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities:
  - (i) in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (or as nearly as practicable) to the respective numbers of ordinary shares held by them or, in the case of other equity securities, in proportion to the number of ordinary shares into which they would convert, or such other basis of allocation as the Directors consider to be fair and reasonable, but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems under the laws of any territory or the requirements of any regulatory authority or stock exchange in any territory or otherwise; and

(ii) otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £312,500,

and any such authority shall expire at the end of the Company's 2012 annual general meeting (save that the Company may, before the expiry of the power hereby conferred, make any offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired).

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the 2006 Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred by Resolution 13" were omitted.

15. That pursuant to Article 5 of the Articles of Association, the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of any of its ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes of its employee share schemes, provided that:
- (a) the maximum number of ordinary shares which may be purchased is 11,593,000 (representing just under 10 per cent of the issued share capital of the Company (excluding treasury shares) at 15 March 2011);
  - (b) the minimum price which may be paid for each ordinary share is 5p (which amount shall be exclusive of expenses, if any);
  - (c) the maximum price which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotation for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased (which amount shall be exclusive of expenses, if any);
  - (d) unless previously renewed, revoked or varied, this authority shall expire at the end of the Company's 2012 annual general meeting; and
  - (e) under this authority the Company may make a contract to purchase ordinary shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.
16. That the period of notice required for general meetings of the Company (other than annual general meetings) shall not be less than 14 clear days' notice.

BY ORDER OF THE BOARD



**R J Stephens FCIS**  
Secretary

Registered Office:  
Station Road, Egham  
Surrey TW20 9NP

24 March 2011

## NOTES

1. Approval of an ordinary resolution requires that a simple majority of votes cast be in favour of the resolution. Approval of a special resolution requires that a majority of at least three-quarters of votes cast be in favour of the resolution.
2. The Company hereby gives notice that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of holders of the ordinary shares of the Company no later than 6.00 p.m. on Wednesday, 11 May 2011 or, if the meeting is adjourned, shareholders must be entered on the Company's register of members not later than 6.00 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend and vote at the meeting or adjourned meeting.
3. In accordance with section 319A of the 2006 Act, all members of the Company and their proxies have the right to ask questions at the meeting. It would be helpful if you could state your name before you ask a question. The Company must cause to be answered any question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
4. Under section 338 and section 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 31 March 2011, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
5. A member is entitled to appoint another person (who need not be a member of the Company) as his proxy to exercise all or any of his rights to attend to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. All proxies must be submitted at the office of the registrars not later than 48 hours before the time of the meeting. Completion of a form of proxy will not preclude a member attending and voting in person at the meeting. If you require additional forms of proxy, please contact the registrars of the Company on 0871 384 2586. Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. An Equiniti overseas helpline number is also available on +44 121 415 7047. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on 13 May 2011 and any adjournment(s) thereof 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("Euroclear") and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the AGM Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular 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(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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)

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.

7. Any person to whom this notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a "Nominated Person") may have a right under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
8. The statement of the rights of members in relation to the appointment of proxies in note 5 above does not apply to Nominated Persons. The rights described in note 5 can only be exercised by members of the Company.



9. A corporate shareholder is entitled to appoint one or more corporate representatives who may exercise on its behalf all of the same powers the relevant corporate shareholder could exercise if it were an individual provided they do not do so in relation to the same shares.
10. The register of interests of the Directors and their families in the share capital of the Company, copies of the Directors' service contracts and Directors' deeds of indemnity and copies of the terms and conditions of appointment of non-executive Directors, will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and English public holidays excepted) up to and including the date of the annual general meeting and at the place of the annual general meeting for at least 15 minutes prior to and during the annual general meeting.
11. As at 15 March 2011 (being the last practicable date prior to the publication of this notice) the Company's issued share capital comprised 115,950,724 ordinary shares (excluding treasury shares). Each ordinary share (other than a treasury share) carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 115,950,724. As at 15 March 2011, the Company held 9,054,399 ordinary shares as treasury shares.
12. A copy of this notice and other information required by section 311A of the 2006 Act can be found on the Company's website: [www.spectris.com](http://www.spectris.com)
13. Under section 527 of the 2006 Act, members 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 accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.
14. Shareholders are advised that they may not use any electronic address (within the meaning of section 333(4) of the 2006 Act) provided in the AGM Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.