

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own independent advice from your stockbroker, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all of your discoverIE Group plc ordinary shares, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

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# Annual General Meeting

## Wednesday 19 August 2020

**Notice of Annual General Meeting and Chairman's explanatory letter**



15 July 2020

Dear Shareholder,

### **Annual General Meeting 2020**

I am pleased to write to you with the arrangements for the Annual General Meeting (the "Meeting") of discoverIE Group plc (the "Company") to be held at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH at 11.00am on Wednesday 19 August 2020.

You will find with this letter:

- The Notice of Meeting, setting out the resolutions to be proposed, together with explanatory notes.
- A copy of the Annual Report and Accounts of the Company for the year ended 31 March 2020, including the Group Financial Statements and the Directors' Remuneration Report 2020.
- A Form of Proxy.

### **Covid-19 arrangements**

The health and safety of all our employees and partners, as well as you as our shareholders, is a particular priority for the Company at this time. In light of the ongoing Covid-19 pandemic and the need to maintain that health and safety, regretfully we will not be able to hold our Annual General Meeting in the normal way.

It is our current intention that the proceedings of the Meeting will be restricted to formal business and that the Meeting will proceed with only such attendees, employees and support staff as is strictly required to run the Meeting and satisfy the quorum requirements. Shareholders (other than those forming the quorum, which will be facilitated by the Company) should not attempt to attend the Meeting in person as they will not be admitted.

### **Voting**

In light of these arrangements, you will not currently be able to attend and vote at the Meeting in person. This year each of the Resolutions to be put to the Meeting will be voted on by poll and not by show of hands. We encourage you to exercise your vote and therefore ask you to complete, sign and return the Form of Proxy (under which you should appoint the Chair of the meeting as your proxy) in accordance with the directions, as soon as possible and, in any event, so that it is received by 11.00am on Monday 17 August 2020 (or in the event of any adjournment, 48 hours (excluding non-working days) before the time of the adjourned meeting).

### **Questions**

Shareholders wishing to raise any questions they would have intended to ask at the Annual General Meeting are invited to do so by email to the following address: [companysecretary@discoverieplc.com](mailto:companysecretary@discoverieplc.com). Engagement with our shareholders is important to us and we will endeavour to respond to all questions submitted, either individually, or where we receive a number of questions on the same topic, on a themed basis.

### **Recommendation**

Your Directors believe that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and of its shareholders as a whole. They recommend that you vote in favour of these resolutions, as they intend to do in respect of their own beneficial holdings.

We will continue to closely monitor the situation and ask you to be aware that the arrangements for the Annual General Meeting may be subject to change. We will keep you updated with any necessary changes to the arrangements in due course.

Yours faithfully

Malcolm Diamond, MBE  
(Chairman)

discoverIE Group plc, 2 Chancellor Court,  
Occam Road, Surrey Research Park,  
Guildford, Surrey, GU2 7AH

Tel: +44(0)1483 544500

Registered office as above.  
Registered No: 2008246 England & Wales

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN of the Annual General Meeting (the "Meeting") of discoverIE Group plc (the "Company") to be held at the Company's offices, 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH on Wednesday 19 August 2020 at 11.00am to consider and, if thought fit, to pass the Resolutions set out below.

Resolutions 1 to 11 and 17, 19 and 20 will be proposed as Ordinary Resolutions while Resolutions 12 to 16 and 18 will be proposed as Special Resolutions.

## Resolutions

- 1** To receive and adopt the Financial Statements for the year ended 31 March 2020, together with the Reports of the Directors and the Auditor thereon (the "Annual Report and Accounts").
- 2** To approve the Directors' Remuneration Report as set out on pages 102 to 121 of the Company's Annual Report and Accounts for the year ended 31 March 2020.
- 3** To re-elect Malcolm Diamond as a Director.
- 4** To re-elect Nick Jefferies as a Director.
- 5** To re-elect Simon Gibbins as a Director.
- 6** To re-elect Bruce Thompson as a Director.
- 7** To re-elect Tracey Graham as a Director.
- 8** To elect Clive Watson as a Director
- 9** To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
- 10** To authorise the Directors to determine the remuneration of the Auditor.
- 11** That, in substitution for all existing unexercised authorities, the authority conferred on the Directors by Article 7.2 of the Company's Articles of Association be renewed (unless previously renewed, varied or revoked) for a period ending on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021 and, for that period, the Section 551 Amount is £1,490,931.
- 12** That, in addition and without prejudice to the authority renewed in Resolution 11 above, the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot or grant rights to subscribe for or to convert any security into shares in the Company comprising equity securities (as defined in Section 560 of the Companies Act 2006) in connection with a rights issue by the Company of ordinary shares up to an aggregate nominal amount of £1,490,931 provided that this authority shall expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021 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 after such expiry and the Board may allot shares or grant such rights in pursuance of those offers or agreements, as if this authority had not expired.

For the purpose of this Resolution a "rights issue" means an offer to:

  - (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, 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 or legal, regulatory or practical problems in, or under the laws of, any territory, or any other matter.
- 13** That, in substitution for all existing authorities, the authority conferred on the Directors by Article 7.3 of the Company's Articles of Association be renewed (unless previously renewed, varied or revoked) for a period ending on the earlier of the date of the Company's next Annual General Meeting or on 18 November 2021 and, for that period, the Section 561 Amount is £223,639.

- 14** That, in addition and without prejudice to the authority renewed in Resolution 13 above, the Directors be and are unconditionally authorised to exercise all the powers of the Company to allot or grant rights to subscribe for or to convert any security into shares in the Company comprising equity securities (as defined in Section 560 of the Companies Act 2006) for cash, and/or sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, provided that this authority shall be in connection with an acquisition by the Company or specified capital investment up to an aggregate nominal amount of £223,639, and provided that this authority shall expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021 save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Board may allot equity securities and sell treasury shares in pursuance of such an offer or agreement, as if the power conferred hereby had not expired.

For the purpose of this Resolution 'specified capital investment' means: one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

- 15** That, subject to the passing of Resolution 12 above, the Directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of the said Act) for cash pursuant to the authority conferred by Resolution 12 above as if sub-section (1) of Section 561 of the said Act did not apply to any such allotment provided that this power shall expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Board may allot equity securities and sell treasury shares in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

- 16** That, subject to the provisos hereto, the Company be and is hereby generally authorised to purchase any of its own ordinary shares of five pence each by a market purchase (as defined by Section 693(4) of the Companies Act 2006) provided always that this power shall:

- (a) be limited to a purchase or purchases up to an aggregate of 8,945,591 issued ordinary shares of five pence each of the Company, representing approximately 10 per cent. of the Company's issued share capital;
- (b) be limited to a purchase or purchases at a price per ordinary share (exclusive of dealing and other incidental costs and stamp duty) not below five pence and not above an amount equal to the higher of: (i) 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (ii) the price of the last independent trade and the highest current independent bid on the London Stock Exchange as stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation; and
- (c) unless renewed, varied or revoked by the Company in general meeting expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021 and the Company may make a purchase of its own shares in accordance with this authority after the expiry of the said time limit imposed above where the contract of purchase is concluded before such authority expires and the Company is hereby permitted to make a contract of purchase which would or might be executed wholly or partly after the authority shall have expired.

- 17** That, subject to the passing of Resolution 11, the Directors be and are hereby authorised:

- (a) to offer to any holder of ordinary shares in the Company, the right to elect to receive ordinary shares credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of all or any dividend on such terms as the Directors shall determine subject to the terms provided in the Company's Articles of Association, from time to time, for the period of three years from the date of the passing of this Resolution; and
- (b) for the purposes of any offer made pursuant to paragraph (a) of this Resolution, to capitalise such amount standing to the credit of any reserve or account of the Company as may be necessary and apply the same in paying up and allotting and issuing new ordinary shares in the Company to the ordinary shareholders who have, or are deemed to have, validly accepted such an offer in accordance with their respective entitlements.

- 18** That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

**19** That the Company and all companies that are its subsidiaries at any time during the period for which this Resolution is effective are generally and unconditionally authorised, in accordance with Section 366 of the Companies Act 2006, to:

- (a) make political donations to political parties or independent election candidates not exceeding £100,000 in aggregate for all such companies taken together;
- (b) make political donations to political organisations other than political parties not exceeding £100,000 in aggregate for all such companies taken together; and
- (c) incur political expenditure not exceeding £100,000 in aggregate for all such companies taken together,

during the period beginning on the date of this Resolution and ending at the conclusion of the Company's next Annual General Meeting or, if earlier, on 18 November 2021.

For the purposes of this Resolution, 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given to them in Part 14 CA 2006.

**20** That:

- (a) the 2020 Company Share Option Plan (the "2020 CSOP"), the principal terms of which are summarised in Appendix 1 below, and the rules of which are produced at the meeting and initialled by the Chairman of the meeting for the purposes of identification, be and are hereby approved;
- (b) the Directors be and are hereby authorised to make any amendments to the rules of the 2020 CSOP, including any amendments to comply with institutional investor guidelines or to take account of any statutory, fiscal or exchange requirements, as long as the overall limits contained in the 2020 CSOP continue to apply and do all other acts and things they may consider necessary, or expedient, to implement and operate the 2020 CSOP; and
- (c) the Directors be and are hereby authorised to establish further plans based on the 2020 CSOP but modified to take into account local tax, exchange control or securities laws in overseas territories provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation in the 2020 CSOP.

By Order of the Board

**Greg Davidson**

Company Secretary

Registered Office

2 Chancellor Court, Occam Road,

Surrey Research Park, Guildford, Surrey, GU2 7AH

15 July 2020

# Notes

- 1** A member of the Company entitled to attend, speak and vote at the Meeting convened by the Notice set out above may appoint a proxy to exercise all or any of his or her rights to attend, speak and vote at the Meeting on his/her behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. Due to the arrangements in place in light of the Covid-19 pandemic, neither you, nor any person you might appoint to vote on your behalf other than the Chairman of the Meeting will be able to attend the Meeting in person, you are therefore strongly encouraged to vote by proxy and to appoint the Chairman of the Meeting as your proxy.
- 2** To be valid, Forms of Proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 11.00am on Monday 17 August 2020 (or in the case of an adjournment, 48 hours (excluding non-working days) before the time fixed for holding the adjourned meeting), and must be accompanied by any power of attorney or other authority. The Form of Proxy for use at the Meeting is enclosed.
- 3** As an alternative to completing a hard-copy proxy form or using the CREST service (as outlined below), you can appoint a proxy electronically by email. To be valid, this electronic proxy appointment must be signed, dated\* and a scanned copy of the original sent by email to the Company's Registrars, Equiniti Limited, to ProxyVotes@equiniti.com, to be received by Equiniti no later than 11.00am on Monday 17 August 2020 (or in the case of an adjournment, 48 hours (excluding non-working days) before the time fixed for holding the adjourned meeting). Please note neither the Company nor Equiniti will accept any communication that is found to contain a computer virus.  
  
\* A scanned copy of any power of attorney or other authority (if any) under which the appointment is made must also be sent by email.
- 4** The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 5** 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 Wednesday 19 August 2020 and any adjournment(s) thereof by using the procedures described in the CREST Manual at [www.euroclear.com](http://www.euroclear.com). 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.
- 6** 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 Euroclear's specifications 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) no later than 11.00am on Monday 17 August 2020 (or in the case of an adjourned meeting, not less than 48 hours (excluding non-working days) before the time of the adjourned meeting). 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.
- 7** 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 apply therefore 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/her 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.
- 8** 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.
- 9** Each of the Resolutions to be put to the AGM will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting.

- 10** To be entitled to attend and vote at the Meeting or any adjournment thereof, and for the purposes of determining how many votes the member may cast, the Company specifies, pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (S.I. 2001/3755), that members must be entered in the Company's Register of Members at 6.30pm on Monday 17 August 2020 (or, in the event of any adjournment, excluding any part of a day that is not a working day, 6.30pm on the date which is two days before the time of the adjourned meeting). Changes to entries in the Register of Members after that time are disregarded in determining the rights of any person to attend and vote at the Meeting.
- 11** Pursuant to DTR 6.1.12 R (2) of the Disclosure and Transparency Rules as at 13 July 2020 (being the latest practicable business day prior to the publication of this Notice), the Company had in issue 89,455,915 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 13 July 2020 are 89,455,915.
- 12** 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. In the case of joint holders, 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).
- 13** The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company's registered office discoverIE Group plc, 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH and will also be available at the place where the AGM is being held and for electronic inspection by contacting Greg Davidson, the Company Secretary at [companysecretary@discoverieplc.com](mailto:companysecretary@discoverieplc.com) to and including the date of the Meeting and from 15 minutes before the Meeting until the end of the Meeting: (i) copies of the Executive Directors' service contracts; (ii) copies of the Non-Executive Directors' letters of appointment; and (iii) a copy of the 2020 Company Share Option Plan rules proposed to be adopted by Resolution 20.
- 14** Members who wish to communicate with the Company in relation to the running of the Meeting should either call Equiniti Limited at the registrar's helpline on 0371-384-2001 (the International Helpline is +44 (0) 121-415-7047), or write to the registrar by post at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by email to [ProxyVotes@equiniti.com](mailto:ProxyVotes@equiniti.com). No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of Annual General Meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated. However, as noted on page 2, shareholders wishing to raise any questions they would have intended to ask at the Annual General Meeting are invited to do so by email to the following address: [companysecretary@discoverieplc.com](mailto:companysecretary@discoverieplc.com).
- 15** Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that Section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's 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 Report and Accounts were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's 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 Companies Act 2006 to publish on a website.
- 16** Any shareholder 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 (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.
- 17** A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found at [www.discoverIEplc.com](http://www.discoverIEplc.com). The results of the Meeting will be announced to the London Stock Exchange as soon as practicable following the Meeting, and will be published on the Company's website, as above.

# Explanatory notes

## **Resolution 1: accounts**

In accordance with the Companies Act 2006 (the "Act"), the Directors must present to the Meeting the Financial Statements of discoverIE Group plc (the "Company") for the year ended 31 March 2020, together with the Reports of the Directors and the Auditor thereon and the Directors' Remuneration Report with the associated Auditor's Report. These are contained in the Company's Annual Report and Accounts.

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

The Directors' Remuneration Report is set out on pages 102 to 121 of the Annual Report and Accounts and provides details of both Executive Directors' and Non-Executive Directors' remuneration for the year ended 31 March 2020 in accordance with the Directors' Remuneration Policy, which was approved for a three year period at the 2018 Annual General Meeting. This is an advisory vote by shareholders and the Directors' entitlement to remuneration received or receivable for the year ended 31 March 2020 is not conditional on it.

The Company's external auditor, PricewaterhouseCoopers LLP, has audited those parts of the Annual Report and Accounts on remuneration that are required to be audited and their report can be found on pages 126 to 137 of the Annual Report and Accounts.

## **Resolutions 3 to 8 (inclusive): re-election and election of Directors**

The Company has adopted the provisions of the 2018 UK Corporate Governance Code regarding the annual election of Directors and therefore each of the existing Directors of the Company are required to stand for re-election at the Annual General Meeting.

Biographical details for each Director can be found on pages 72 and 73 of the Annual Report and Accounts and on the Company's website [www.discoverIEplc.com](http://www.discoverIEplc.com).

Details of Board activity during the year and the Board Evaluation process can be found in the Corporate Governance Report on pages 76 to 89 of the Annual Report and Accounts. Having considered the skills and experience and the performance of, and contribution made by, each Director, and the independence of each Non-Executive Director, the Board is satisfied that all Directors continue to be effective and continue to demonstrate a great deal of commitment to their roles and that their respective skills complement each other to enhance the overall operation of the Board of Directors. Through their ongoing consideration of strategic, operation, financial and risk matters, and by providing appropriate challenge to management, the Board considers that all Directors continue to make an important contribution to the long-term sustainable success of the Company. As such, the Board unanimously recommends their re-election.

## **Resolutions 9 and 10: re-appointment and remuneration of auditor**

The Company is required to appoint an external auditor at each general meeting at which accounts are laid before the Company, to hold office from the conclusion of that general meeting until the conclusion of the next general meeting. The Board recommends the re-appointment of the current auditor, PricewaterhouseCoopers LLP, who was appointed for the first time at the 2018 Annual General Meeting following a competitive tender process.

Further, it is recommended that the Directors, acting through the Audit and Risk Committee, be authorised to determine the auditor's remuneration.

## **Resolution 11: authority to allot**

The Act requires that, to allot unissued shares, the Directors must receive authority from shareholders. The Company's Articles of Association give a general authority to the Directors to allot unissued shares, which is subject to renewal by shareholders. This Resolution will allow the Directors to issue new shares up to a total nominal value of £1,490,931 (the Section 551 Amount) which represents approximately one-third of the Company's issued share capital (calculated exclusive of any treasury shares). This authority will expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021. As at 13 July 2020, the Company did not hold any treasury shares within the meaning of Section 724(5) of the Companies Act 2006.

The Directors have no present intention of exercising this authority but, as in previous years, consider it desirable that they should have the flexibility to issue new shares from time to time to enable the Company to act in the best interests of shareholders, when opportunities arise. However, they will contemplate using this authority to take advantage of targeted acquisitions that help deliver the Company's strategy.

## **Resolutions 12 and 15: additional authorities to allot shares and disapplication of statutory pre-emption rights in connection with a rights issue**

These Resolutions authorise the Directors to allot, in addition to the authority referred to in Resolution 11, up to a further nominal amount of £1,490,931 in connection with a pre-emptive offer to existing shareholders by way of a rights issue, without the need to comply with the strict requirements of the statutory pre-emption provisions. This is in accordance with guidance on directors' powers to allot shares published by the Investment Association.



The guidance states that Investment Association members would support resolutions authorising the allotment of an additional one-third of the issued ordinary share capital provided that the additional authority can only be used for fully pre-emptive rights issues. In accordance with the Investment Association guidance, in the event that the general and additional authorities were used and:

- the number of ordinary shares in issue is thereby increased, in aggregate, by more than one-third; and
- in the case of any issue being in whole or part by way of a fully pre-emptive rights issue, where the monetary proceeds exceed one-third (or such lesser relevant proportion) of the pre-issue market capitalisation of the Company,

all members of the Board who wish to remain in office will stand for re-election at the next Annual General Meeting of the Company following the decision to make the issue in question.

While the Directors have no present intention to make use of these authorities (which will expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021), as in previous years, they intend to take advantage of the flexibility conferred by these authorities and will contemplate using them for targeted acquisitions that help deliver the Company's strategy.

### **Resolution 13: disapplication of statutory pre-emption rights**

The Act requires that, subject to certain exceptions, before directors of a company can issue any new shares (including the sale of treasury shares) for cash, the new shares must first be offered to existing members of the Company in proportion to the number of shares which they hold at the time of the offer.

The Company's Articles of Association give a general authority to the Directors so that this statutory pre-emption requirement does not apply to allotments of shares or the sale of treasury shares for cash up to a specific amount, which is subject to renewal by shareholders.

In addition to and without prejudice to the authority in Resolution 12, this Resolution would allow the Directors to allot shares or sell treasury shares for cash only pursuant to the authority conferred by Resolution 11 up to a nominal value of £223,639 (the Section 561 Amount) which is approximately five per cent. of the Company's issued share capital (calculated inclusive of treasury shares).

This means that the rights of existing shareholders are protected. If a share issue is not a rights issue, the proportionate interest of existing shareholders could not, without their agreement, be reduced by more than five per cent. by the issue of new shares or the sale of treasury shares for cash to new shareholders. Such authority would expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021. Again, the Directors have no present intention of exercising this authority but, as in previous years, consider it desirable that they should have the flexibility to act in the best interests of shareholders when opportunities arise. They will contemplate using the authorities to take advantage of targeted acquisitions that help deliver the Company's strategy.

### **Resolution 14: additional disapplication of statutory pre-emption rights**

In addition to the authority conferred by Resolution 13, the authority conferred by Resolution 14 allows the Directors to allot shares or sell treasury shares for cash on a non pre-emptive basis up to a nominal value of £223,639, being approximately five per cent. of the Company's issued share capital (calculated inclusive of treasury shares). Together, Resolutions 13 and 14 will allow the Directors to allot shares or sell treasury shares for cash on a non pre-emptive basis up to a nominal value of £447,278, being approximately ten per cent. of the Company's issued share capital (calculated inclusive of treasury shares). Such authority would expire on the earlier of the date of the Company's next Annual General Meeting or 18 November 2021. The additional authority conferred by Resolution 14 reflects the Pre-Emption Group's 2015 Statement of Principles for the disapplication of pre-emption rights (the "Statement of Principles"). The Directors will have due regard to the Statement of Principles in relation to any exercise of this power, in particular to the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this Resolution which exceeds 7.5 per cent. of the Company's issued share capital in any rolling three-year period. The Directors confirm that they intend to use this power only in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles from time to time) which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

### **Resolution 16: purchase of own shares by the Company**

The Act requires that a company must be authorised by its shareholders for it to purchase its own shares. The Company's Articles of Association contain a provision allowing the Directors to purchase the Company's own shares, subject to the prior authority of the shareholders having been obtained. This Resolution seeks authority for the Company to make market purchases of its own shares within the limits set out.

The Directors are of the opinion that it would be advantageous for the Company to be in a position to purchase its own shares through the London Stock Exchange should market conditions and price justify that action. The proposed authority would enable the Company to purchase up to a maximum of 8,945,591 ordinary shares of five pence each in the capital of the Company with a stated upper limit on the price payable, which reflects the requirements of the Listing Rules (which represents approximately 10 per cent. of the Company's share capital). Purchases would only be made after the most careful consideration, where the Directors believed that an increase in earnings or net assets per share would result and where purchases were, in the opinion of the Directors, in the best interests of the Company and its shareholders. The Directors consider that it is prudent to obtain the proposed authority, although they do not currently intend to exercise it.

The Act permits companies to hold any shares acquired by way of market purchases in treasury rather than having to cancel them. The Company would consider holding any of its own shares purchased under the authority granted by Resolution 16 as treasury shares. This would give the Company the ability to re-issue treasury shares, as and when required, quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends would be paid on shares while held in treasury and no voting rights would attach to those shares.

### **Resolution 17: scrip dividends**

Resolution 17 is proposed in order to authorise the Directors to offer scrip dividends, subject to the passing of Resolution 11 (authority to allot shares). The Board considers it prudent to ensure that it has maximum flexibility available to it for any future payment of dividends. In particular, the introduction of a scrip dividend programme would allow the Company greater flexibility in managing its capital resources by retaining cash within the business.

Under the Company's Articles of Association, the Board may, if authorised by an Ordinary Resolution of the Company, offer any holders of any particular class of shares the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the Ordinary Resolution.

Prior to introducing any scrip dividend programme, shareholders would be sent full details of the terms and conditions and instructions on how to participate.

In line with investor protection guidelines, and as permitted by the Company's Articles of Association, the authority contained in this Resolution is sought for three years. Unless circumstances change, the Company intends to seek an extension of this authority before it expires.

### **Resolution 18: notice period for general meetings**

Due to changes in the law made by the implementation of the Companies (Shareholders' Rights) Regulations 2009, listed companies must call general meetings (other than an annual general meeting) on at least 21 clear days' notice unless the company:

- (a) has obtained shareholder approval for the holding of general meetings on 14 clear days' notice by passing an appropriate resolution at its most recent annual general meeting; and
- (b) offers the facility for shareholders to vote by electronic means accessible to all shareholders.

To enable the Company to continue to utilise the shorter notice period of 14 clear days for calling such general meetings, shareholders are being asked to approve this Resolution. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. If granted, this authority will be effective until the Company's next Annual General Meeting. This is the same authority which was sought and granted at previous Annual General Meetings.

### **Resolution 19: authority to make political donations**

The Company does not currently make donations to political organisations or incur political expenditure, as those expressions are commonly understood, and has no intention of doing so or using the authority of Resolution 19 to do so.

The Companies Act 2006 places restrictions on companies from making political donations or political expenditure. Those expressions are widely defined in the Companies Act 2006 and could potentially cover spending on organisations concerned with policy review and law reform, or representation of the business community, which the Company and its subsidiaries might wish to support.

To allow the Company and its subsidiaries to do so and to avoid the possibility of inadvertently breaching the Companies Act 2006, the Company is seeking to allow the Company and its subsidiaries to make donations up to a limit of £100,000 and incur expenditure up to a limit of £100,000.

This authority is sought for a period of one year, until the date of the next Annual General Meeting or, if earlier, on 18 November 2021.

Any political donation or political expenditure made or incurred under the authority of this Resolution will be disclosed in next year's annual report and accounts.

### **Resolution 20: approval of 2020 Company Share Option Plan**

The 2010 Company Share Option Plan (the "2010 CSOP") was adopted by the Company on 18 June 2010. The 2010 CSOP has a life of 10 years and, therefore, no further options can be granted under the 2010 CSOP after 18 June 2020.

The Directors are of the opinion that it would be in the best interests of the Company to implement the 2020 CSOP, which will operate on substantially the same terms of the 2010 CSOP, as the 2010 CSOP has operated successfully for the last ten years.

The proposed 2020 CSOP will provide scope for the grant of market value options to selected employees.

Options granted under the 2020 CSOP will ordinarily become exercisable three years from the date of grant, subject to continued employment and to the extent to which any applicable performance conditions are satisfied. The 2020 CSOP will have the facility to grant both HMRC tax advantaged options and non-tax advantaged options.

A brief summary of the main provisions of the 2020 CSOP is set out in Appendix 1 to this Notice.

## Appendix 1

### Summary of the main features of the discoverIE Group plc 2020 Company Share Option Plan (the “2020 CSOP”)

The main features of the 2020 CSOP, which will operate over ordinary shares in the Company (“Shares”), are set out below:

#### **a. Operation**

The Remuneration Committee (the “Committee”) supervises the operation of the 2020 CSOP.

The 2020 CSOP is comprised of Part A and Part B.

Part A has been designed to comply with Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 (“Schedule 4”), and the 2020 CSOP therefore enables the Company to grant tax advantaged options over Shares to UK resident employees and eligible directors.

Part B allows the Company to grant non-tax advantaged options over Shares to any current or former employee or director of the Company or a member of the Company’s group (a “Group Company”).

#### **b. Eligible employees**

In relation to Part A, any employee or full-time director (i.e. one who is required to work at least 25 hours per week exclusive of meal breaks) of a Group Company may be selected by the Committee to participate in the 2020 CSOP. (Non-Executive Directors are not eligible to participate in Part A of the 2020 CSOP).

In relation to Part B, any current or former employee or director of a Group Company may be selected by the Company to participate.

#### **c. Grant of options**

Options may only be granted during: (i) the period of 42 days following the date of approval of the 2020 CSOP by the shareholders of the Company; (ii) the period of 42 days following the end of a period when the Company is restricted under the Market Abuse Regulation from granting options; or (iii) any other period in which the Committee has decided options should be granted due to exceptional circumstances.

No options will be granted when the Company is restricted: (i) by law; (ii) under the Market Abuse Regulation; or (iii) by any rule on an investment exchange on which Shares are listed, or any other non-statutory rule that binds the Company or with which the Directors have resolved to comply (including any share dealing code). Options may also not be granted before the date the 2020 CSOP is adopted or after the tenth anniversary of the date the 2020 CSOP is adopted, from granting options.

Options are personal to a participant and are not transferable.

#### **d. Individual limits**

In relation to Part A, the maximum level of options (being the aggregate market value of Shares subject to the option at the date of grant) which can be granted to a participant is currently limited to £30,000.

There is no individual limit in relation to options granted under Part B.

#### **e. Company anti-dilution limit**

No option may be granted under the 2020 CSOP if, as a result, the aggregate number of Shares issued and issuable under options granted under the 2020 CSOP and awards or options granted under any other employees’ share plan adopted by the Company in general meeting would in any period of ten years exceed 10 per cent of the issued ordinary share capital of the Company.

No option may be granted under the 2020 CSOP if, as a result, the aggregate number of Shares issued and issuable under options granted under the 2020 CSOP and awards or options granted under any other discretionary employees’ share plan adopted by the Company in general meeting would in any period of ten years exceed 5 per cent of the issued ordinary share capital of the Company.

If the Company uses treasury shares to satisfy its obligations under its employee share plan arrangements, they will be included for the purposes of these limits.

#### **f. Conditions attaching to options**

Normally, options will become exercisable no earlier than three years from the date of grant. An option will only become exercisable if the performance conditions that apply to the option (if any) have been met and any other conditions, determined at the date of grant of the relevant option, have also been met.

#### **g. Satisfaction of options**

Exercised options can be satisfied by the transfer (including a transfer out of treasury) or issue of the number of Shares in respect of which the option has been exercised. It is expected that options will generally be satisfied by the transfer of Shares from the discoverIE Group plc Employee Benefit Trust. Where any newly issued Shares are allotted on exercise, an application will be made for the admission of new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange Group plc’s markets for listed securities. Shares issued on the exercise of options will not rank for dividends payable by reference to a record date falling before the date on which the Shares are acquired, but will otherwise rank *pari passu* with existing Shares.

#### **h. Cessation of employment with the Group**

If a participant leaves employment with the Group before three years have elapsed from the grant of an option because of: (i) his or her injury, disability, retirement or redundancy; (ii) the business in which he or she is employed is sold; (iii) the business or part of the business in which he or she is employed is transferred to another company that is not a Group Company; (iv) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employments) Regulations 2006; or (v) another reason as determined by the Committee, the participant shall retain his or option but on a reduced basis to take account of the amount of time that has passed since the date of grant of the option and the date of cessation of employment. The retained option will remain subject to the terms of the 2020 CSOP and the option certificate under which it was granted.

If a participant leaves for any reason other than those listed above, his or her option lapses unless the Committee decides otherwise.

The extent to which the option eventually becomes exercisable (i.e. the number of Shares that can be acquired) will be determined by reference to the extent to which the performance conditions have been met over the performance period.

Special provisions apply in the event of a takeover or restructuring of the Company or other similar event. Options will become exercisable for a limited time and to the extent to which the performance conditions have been met. The Committee has discretion to take into account the proportion of time that has elapsed since the date of grant of the option on the date of the relevant event.

#### **i. Adjustment of options**

On a variation of the capital of the Company: (i) the number of Shares subject to an option; (ii) the exercise price; and/or (iii) the description of Shares that may be acquired on exercise, can be adjusted in such manner as the Committee determines. Any adjustment must secure that the total market value of the Shares under the option and/or the exercise price is substantially the same as it was before the adjustment, and, for options granted under Part A, the requirements of Schedule 4 continue to be met.

#### **j. Duration of the 2020 CSOP**

The Committee may not grant options under the 2020 CSOP more than 10 years after its adoption.

#### **k. Amendments**

No alteration may be made to the rules of the 2020 CSOP to the advantage of participants, without the prior approval of shareholders in general meeting, relating to: (i) the persons to whom, or for whom, options are provided; (ii) the limitations on the number or amount of options subject to the 2020 CSOP; (iii) the maximum entitlement for any one participant; or (iv) the basis for determining a participant's entitlement to, and the terms of, options to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of Shares or reduction of capital or any other variation of capital. However, the requirement to obtain shareholder approval does not apply to minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the Company or another Group Company.

No alteration or addition shall be made to the 2020 CSOP that would abrogate or adversely affect the subsisting rights of a participant unless it is made with his or her written consent or is required in order that the 2020 CSOP qualifies or continues to qualify under Schedule 4.

#### **l. Cash alternatives**

The Committee may elect to satisfy the exercise of an option granted under Part B with a cash payment, rather than in Shares. The amount paid (subject to deduction of tax or similar liabilities) will be equal to the aggregate market value per Share on the exercise date less the aggregate exercise price.

#### **m. General**

Options granted and Shares acquired pursuant to the 2020 CSOP are not pensionable.

#### **Note:**

This is a summary of the main features of the 2020 CSOP, but is not a part of it and does not affect the interpretation of its rules. Copies of the rules of the 2020 CSOP will be available for inspection, as noted previously.



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