

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**

## **Thursday 29 July 2021**

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



16 June 2021

Dear Shareholder,

### **Annual General Meeting 2021**

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 The Technology Centre, Surrey Research Park, 40 Occam Rd, Guildford, GU2 7YG at 11.00am on Thursday 29 July 2021.

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 2021, including the Group Financial Statements and the Directors' Remuneration Report 2021.
- A Form of Proxy.

### **Recommendation**

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

### **Action to be taken**

You are requested to complete, sign and return the Form of Proxy, in accordance with the directions, as soon as possible and, in any event, so that it is received by 11.00am on Tuesday 27 July 2021 (or in the event of any adjournment, 48 hours (excluding non-working days) before the time of the adjourned meeting). Completion and return of the Form of Proxy will not prevent you from attending the Meeting and voting in person, should you wish to do so. Should you have any questions please contact Greg Davidson, Group General Counsel & Company Secretary, at [companysecretary@discoverIEplc.com](mailto:companysecretary@discoverIEplc.com).

We will continue to closely monitor the arrangements for our Meeting and ask you to be aware that the arrangements may be subject to change in the event of changes to the Government guidance in relation to the Covid-19 pandemic. We will keep you updated with any necessary changes to the arrangements in due course via our website and our market announcements.

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 Technology Centre, Surrey Research Park, 40 Occam Rd, Guildford, GU2 7YG on Thursday 29 July 2021 at 11.00am to consider and, if thought fit, to pass the Resolutions set out below.

Resolutions 1 to 12, 19 and 20 will be proposed as Ordinary Resolutions while Resolutions 13 to 18 will be proposed as Special Resolutions.

## Resolutions

- 1** To receive and adopt the Financial Statements for the year ended 31 March 2021, 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 94 to 118 of the Company's Annual Report and Accounts for the year ended 31 March 2021 (other than the part containing the Directors' Remuneration Policy).
- 3** To approve the Directors' Remuneration Policy contained within the Directors' Remuneration Report as set out on pages 101 to 109 of the Company's Annual Report and Accounts for the year ended 31 March 2021.
- 4** To re-elect Malcolm Diamond as a Director.
- 5** To re-elect Nick Jefferies as a Director.
- 6** To re-elect Simon Gibbins as a Director.
- 7** To re-elect Bruce Thompson as a Director.
- 8** To re-elect Tracey Graham as a Director.
- 9** To re-elect Clive Watson as a Director
- 10** 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.
- 11** To authorise the Directors to determine the remuneration of the Auditor.
- 12** 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 28 October 2022 and, for that period, the Section 551 Amount is £1,490,931.
- 13** That, in addition and without prejudice to the authority renewed in Resolution 12 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 28 October 2022 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 crediting of entitlements to rights or 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
- 14** That, subject to the passing of Resolution 12 above, 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 28 October 2022 and, for that period, the Section 561 Amount is £223,639.

**15** That, subject to the passing of Resolution 12 above, in addition and without prejudice to the authority renewed in Resolution 14 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 28 October 2022 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.

**16** That, subject to the passing of Resolution 13 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 13 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 28 October 2022 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.

**17** 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 Regulation (EU) 2016/1052 as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018; 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 28 October 2022 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.

**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 28 October 2022.

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 of the Companies Act 2006.

**20** That the rules of the discoverIE Group plc 2021 Long-Term Incentive Plan (the 2021 LTIP), the principal terms of which are summarised in Appendix 1 to this Notice, produced in draft to this meeting and, for the purposes of identification, initialled by the Chair of the meeting, be and are hereby approved and the Directors be authorised to:

- (a) make such modifications to the 2021 LTIP as they may consider appropriate to take account of the requirements of best practice and for the implementation of the 2021 LTIP and to adopt the 2021 LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the 2021 LTIP; and
- (b) establish further plans based on the 2021 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the 2021 LTIP.

By Order of the Board

**Greg Davidson**

Group General Counsel & Company Secretary  
Registered Office  
2 Chancellor Court, Occam Road,  
Surrey Research Park, Guildford, Surrey, GU2 7AH

16 June 2021

# 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.
- 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 Tuesday 27 July 2021 (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 Tuesday 27 July 2021 (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** Completion and return of a Form of Proxy (or the lodgement of a proxy form using the CREST Proxy Instruction) will not prevent a member from attending and voting in person should he or she wish to do so.
- 5** 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.
- 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 Thursday 29 July 2021 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.
- 7** 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 Tuesday 27 July 2021 (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.
- 8** 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.
- 9** 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.
- 10** Each of the Resolutions to be put to the Meeting 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.

- 11** 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 Tuesday 27 July 2021 (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.
- 12** Pursuant to DTR 6.1.12 R (2) of the Disclosure and Transparency Rules as at 11 June 2021 (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 11 June 2021 are 89,455,915.
- 13** 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).
- 14** The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the offices of the Company's legal advisers White & Case LLP, 5 Old Broad Street, London, EC2N 1DW and will also be available at the place where the Meeting is being held, up 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 2021 Long-Term Incentive Plan rules proposed to be adopted by Resolution 20.
- 15** 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. 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.
- 16** 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.
- 17** 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.
- 18** 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 2021, 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.

## Resolutions 2 and 3: approval of the Directors' Remuneration Report and new Policy

The Company is seeking shareholders' approval of the Directors' remuneration report (the Directors' Remuneration Report) and new Directors' remuneration policy (the Directors' Remuneration Policy) under Resolutions 2 and 3 respectively.

The Directors are required to prepare the Directors' Remuneration Report which is set out on pages 94 to 118 of the Annual Report and Accounts. The Directors' Remuneration Report comprises an annual report detailing the remuneration of the directors and a statement by the Chair of the Remuneration Committee. The Company is required to seek Shareholders' approval in respect of the contents of this report on an annual basis. The vote is an advisory one, and no entitlement of a Director to remuneration is conditional on it. The Company's auditor, PricewaterhouseCoopers LLP, has audited those parts of the Directors' Remuneration Report that are required to be audited.

Shareholders are separately asked to approve the new Directors' Remuneration Policy which is set out on pages 101 to 109 of the Annual Report and Accounts.

It is intended that this will take effect immediately after the Meeting and will replace the existing policy that was approved by Shareholders in July 2018. It is anticipated that the Directors' Remuneration Policy will be in force for three years although we will closely monitor regulatory changes and market trends and, if necessary, the Company may present a revised policy within that three-year period.

The Directors' Remuneration Policy has been developed taking into account the principles of the UK Corporate Governance Code and the views of our major shareholders.

## Resolutions 4 to 9 (inclusive): re-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 70 and 71 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 74 to 84 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 10 and 11: 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 12: 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 28 October 2022. As at 11 June 2021, the Company did not hold any treasury shares within the meaning of Section 724(5) of the Act.

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, the Directors will contemplate using this authority to take advantage of targeted acquisitions that help deliver the Company's strategy.

## **Resolutions 13 and 16: 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 12, 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.

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 28 October 2022), 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: 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 13, this Resolution would allow the Directors to allot shares or sell treasury shares for cash only pursuant to the authority conferred by Resolution 12 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 28 October 2022. 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 15: additional disapplication of statutory pre-emption rights**

In addition to the authority conferred by Resolution 14, the authority conferred by Resolution 15 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 14 and 15 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 28 October 2022. The additional authority conferred by Resolution 15 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 17: 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 17 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 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 Act places restrictions on companies from making political donations or political expenditure. Those expressions are widely defined in the Act 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 Act, 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 28 October 2022.

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 2021 Long-Term Incentive Plan**

The Company's existing long-term incentive arrangement for the Company's Executive Directors and other selected senior management is the DiscoverIE plc 2018 Renewed Long-Term Incentive Plan (the 2018 LTIP). Since its approval by shareholders in July 2018, the 2018 LTIP has provided for annual share-based awards ordinarily vesting following a three-year performance period subject to the participant's continued service and the extent to which performance criteria are met over the performance period.

The Remuneration Committee has concluded that shareholder authority should be sought under Resolution 20 for a new arrangement, the discoverIE Group plc 2021 Long-Term Incentive Plan (the "2021 LTIP").

The terms of the 2021 LTIP have been designed to align to latest best practice expectations and the long-term incentive aspects of the new Directors' Remuneration Policy proposed for approval under Resolution 3, as referred to above.

A summary of the principal terms of the 2021 LTIP is set out in Appendix 1 to this Notice.

The 2018 LTIP will be closed to further awards prior to adoption of the 2021 LTIP and therefore ahead of the expiry of its five-year life that would have otherwise expired in July 2023.

## Appendix 1

### Summary of the main features of the discoverIE Group plc 2021 Long-Term Incentive Plan (the “2021 LTIP”)

#### Operation and eligibility

The Remuneration Committee will supervise the operation of the 2021 LTIP (LTIP). Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the LTIP at the discretion of the Remuneration Committee.

#### Grant of awards

The Remuneration Committee may grant awards to acquire Ordinary Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

The Remuneration Committee may grant awards within six weeks of the adoption of the LTIP. Thereafter, the Remuneration Committee may grant awards within six weeks following the Company's announcement of its results for any period. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the case of recruitment).

An award may not be granted more than 10 years after the date on which the LTIP is adopted.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

#### Individual limit

An employee may not receive awards in relation to any financial year in respect of Ordinary Shares having a market value in excess of 175 per cent. of their annual base salary in that financial year.

Market value for such purposes shall be based on the market value of Ordinary Shares on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period).

#### Extent of vesting

The extent of vesting of awards for Executive Directors will be subject to performance conditions set by the Remuneration Committee. Performance conditions may also apply in the case of awards to others but need not do so.

The Remuneration Committee may vary performance conditions applying to any award after it is granted if an event occurs which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Remuneration Committee acts fairly and reasonably in making the alteration and, in the case of awards to the Company's Executive Directors, the amended performance conditions are not materially more or less challenging than the original conditions would have been but for the event in question.

#### Vesting of awards

Awards shall ordinarily vest on such normal vesting date specified for the award or, if later, when the Remuneration Committee determines the extent to which any performance conditions and/or additional conditions have been satisfied.

The normal vesting date in respect of awards to Executive Directors shall not be earlier than the third anniversary of the grant of the award.

Where awards are granted in the form of options, once exercisable these will then remain exercisable up until the tenth anniversary of grant (or such shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier. Shorter exercise periods shall apply in the case of “good leavers” and/or vesting of awards in connection with corporate events (see below).

## **Leaving employment**

As a general rule, an award will lapse upon a participant's termination of employment within the Group.

However, if a participant ceases to be an employee of the Group because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their award will normally vest on the normal timetable. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions/additional conditions (in each case, if any) have, in the opinion of the Remuneration Committee, been satisfied over the original performance measurement period, and (ii) as a general rule pro-rating of the award to reflect the period spent in service relative to the normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

Alternatively, in such "good leaver" circumstances specified above (including in the case of a discretionary good leaver), the Remuneration Committee can decide that the participant's award will vest when they leave, subject to: (i) the performance conditions/additional conditions measured at that time; and (ii) ordinarily pro-rating as described above (including the Remuneration Committee's discretion as described above in respect of pro-ration).

Any holding periods applicable to awards will normally continue to apply to a good leaver's awards, although the Remuneration Committee may choose to relax this requirement in compassionate cases.

The right to exercise already vested but unexercised awards shall be retained for a short period except in the case of misconduct.

## **Corporate events**

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions/additional conditions (in each case, if any) have been satisfied at that time; and (ii) pro-rating of the awards to reflect the period elapsed into the award's normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company.

In the event of a demerger, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of the Ordinary Shares to a material extent, the Remuneration Committee may decide that awards shall vest early or be adjusted on such basis as considered appropriate. The Remuneration Committee will also retain the ability to require awards to be rolled-over into new equivalent awards granted by an acquiring company if that is considered appropriate.

## **Holding periods**

The terms of the LTIP include that Executive Directors will ordinarily be required to retain their net of tax number of vested Ordinary Shares (if any) delivered under the LTIP (or the full number of the vested Ordinary Shares whilst held under an unexercised nil (or nominal) cost option award, where relevant) until the fifth anniversary of the grant of the award.

## **Dividend equivalents**

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) on or shortly following the vesting/exercise of their awards of an amount equivalent to the dividends that would have been paid on the award's number of vested Ordinary Shares between the time (or part of the time) when the awards were granted and the time when they vest (or where an award is structured as an option and subject to a holding period, the date of expiry of the holding period or if earlier the exercise of such award). This amount may assume the reinvestment of dividends. Alternatively, participants may have their awards increased as if dividends were paid on the Ordinary Shares subject to their award and then assumed to be reinvested in further Ordinary Shares.

## **Override**

Notwithstanding any other provision of the LTIP, and irrespective of whether any performance condition attached to an award has been satisfied, the Committee retains discretion under the LTIP to adjust (up or down) the level of vesting that would otherwise result (for example, that would otherwise result by reference to formulaic outcomes alone) and/or impose any additional condition to an award. Such discretion would only be used in exceptional circumstances and for example may include regard to corporate and personal performance.

## **Malus and clawback**

The Remuneration Committee may apply the LTIP's malus and clawback provisions if, at any point prior to the second anniversary of the date of vesting of an award, it is discovered that there has been a material misstatement of the Company's financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, material reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

## **Participants' rights**

Awards will not confer any shareholder rights until the awards have vested or the options have been exercised, as relevant, and the participants have received their Ordinary Shares.

## **Rights attaching to Ordinary Shares**

Any Ordinary Shares allotted will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

## **Variation of capital**

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Ordinary Shares, the Remuneration Committee may make such adjustment as it considers appropriate to the number of Ordinary Shares subject to an award and/or the exercise price payable (if any).

## **Overall limits**

The LTIP may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the LTIP and any other (executive or otherwise) share incentive plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of such limit unless institutional investor guidelines cease to require them to count.

## **Amendments**

The Remuneration Committee may, at any time, amend the LTIP in any respect, provided that the prior approval of Shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of Shareholders will not, however, apply to any minor alteration made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award amended in line with its terms.

## **Overseas plans**

The shareholder resolution to approve the LTIP will allow the Board to establish further plans for overseas territories, any such plan to be similar to the LTIP, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Plans.







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