

Norcros plc Special Resolutions 2018

12. That, subject to the passing of resolution 11 in the notice of this Annual General Meeting (the Notice), the Directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 11 in the Notice or by way of a sale of treasury shares as if Section 561 of that Act did not apply to any such allotment, provided that this power is limited to:
- (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's Listing Rules) or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
 - (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of £400,976, and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 11 in the Notice, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the power had not expired.
13. That, subject to the passing of resolution 11 in the notice of this Annual General Meeting (the Notice) and, in addition to the power contained in resolution 12 set out in the Notice, the Directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 11 in the Notice or by way of sale of treasury shares as if Section 561 of that Act did not apply to any such allotment, provided that this power is:
- (c) limited to the allotment of equity securities up to an aggregate nominal value of £400,976; and
 - (d) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the Notice of this meeting, and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 11 in the Notice save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the power had not expired.
14. The Company is generally and unconditionally authorised pursuant to Section 701 of the Companies Act 2006 to make market purchases (as defined in Section 693 of that Act) of ordinary shares of £0.10 in its capital provided that:
- (e) the maximum aggregate number of such shares that may be acquired under this authority is 8,019,528;
 - (f) the minimum price (exclusive of expenses) that may be paid for such a share is its nominal value;
 - (g) the maximum price (exclusive of expenses) that may be paid for such a share is the maximum price permitted under the Financial Conduct Authority's Listing Rules or, in the case of a tender offer (as referred to in those Rules), 5% above the average of the middle market quotations for an ordinary share (as derived from the Daily Official List of London Stock Exchange plc) for the five business days immediately preceding the date on which the terms of the tender offer are announced;
 - (h) this authority shall expire 15 months after the passing of this resolution or, if earlier, on the conclusion of the Company's next Annual General Meeting; and
 - (i) before such expiry, the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry and the Company may purchase shares pursuant to any such contract as if the authority had not expired.
15. That any general meeting of the Company that is not an Annual General Meeting may be convened by not less than 14 clear days' notice.

Resolutions 12 and 13

Disapplication of pre-emption rights for “customary” 5% and disapplication of pre-emption rights in relation to acquisitions and specified capital investments

The Directors are currently empowered, subject to certain limitations, to issue securities of the Company for cash without first offering them to existing shareholders in proportion to their existing shareholdings. That authority will expire on 27 October 2018 or, if earlier at the conclusion of the next Annual General Meeting of the Company and, in accordance with best practice, resolutions 12 and 13 (which will be proposed as special resolutions) seek to renew the Directors’ authority to disapply pre-emption rights as referenced below.

Other than in connection with a rights or other similar issue or where, for example, difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements, the authority contained in resolution 12 will be limited to an aggregate nominal value of £400,976. This aggregate nominal amount equates to approximately 5% of the issued ordinary share capital of the Company as at 12 June 2018 (being the latest practicable date prior to the publication of this notice of Annual General Meeting). Resolution 12 follows guidance from the Pre-Emption Group’s revised Statement of Principles, published on 12 March 2015, and adopts the Pre-Emption Group’s template wording that was published on 5 May 2016.

In line with the revised Statement of Principles, the Directors are also seeking a power, pursuant to resolution 13, to issue up to an additional 5% of its issued ordinary share capital for cash without pre-emption rights applying. In accordance with the revised Statement of Principles, and the Pre-Emption Group’s template wording issued on 5 May 2016, the Company will only allot shares with a nominal value of up to £400,976 (representing 5% of issued ordinary share capital) pursuant to resolution 13 where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

This renewed authority will remain in force until 15 months after the passing of resolution 13 or, if earlier, at the conclusion of the next Annual General Meeting in 2019.

In accordance with the Statement of Principles (which is supported by The Investment Association and the Pensions and Lifetime Savings Association), the Board confirms its intention that no more than 7.5% of the issued share capital will be issued for cash on a non-pre-emptive basis pursuant to resolutions 12 and 13 during any rolling three-year period.

Resolution 14

Authority to purchase own shares

This resolution, which will be proposed as a special resolution, is a resolution which the Company proposes to seek on an annual basis, in line with other listed companies in the UK, to give the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to an aggregate maximum of 8,019,528 ordinary shares which have an aggregate nominal value of £801,952.80 (representing approximately 10% of the aggregate nominal value of the issued ordinary share capital of the Company as at 12 June 2018 (being the latest practicable date prior to the publication of the Annual Report and Accounts 2018)) and sets minimum and maximum prices. The renewed authority will remain in force until 15 months after the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting in 2019.

The Directors have no present intention of exercising the authority to purchase the Company’s ordinary shares, but will keep the matter under review, taking into account other investment opportunities. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would promote the success of the Company and be in the best interests of its shareholders generally. To the extent that any shares so purchased are held in treasury (see below), earnings per share will be enhanced until such time, if any, as such shares are resold or transferred out of treasury.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange. If any shares are purchased, they will be either cancelled or held in treasury. Any such decision will be made by the Directors at the time of purchase on the basis of the shareholders’ best interests. Shares held in treasury can be cancelled, sold for cash or, in appropriate circumstances, used to meet obligations under employee share schemes. Any shares held in treasury would not be eligible to vote nor would any dividend be paid on any such shares. If any ordinary shares purchased pursuant to this authority are not held by the Company as treasury shares, then such shares would be immediately cancelled, in which event the number of ordinary shares in issue would be reduced.

The Directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares gives the Company the ability to re-issue them quickly and cost effectively and provides the Company with additional flexibility in the management of its capital base.

As at 12 June 2018 (being the latest practicable date prior to the publication of the Annual Report and Accounts 2018), there were options over approximately 4.9 million ordinary shares in the capital of the Company, which represent, in aggregate, approximately 6.11% of the Company’s issued ordinary share capital. If the authority to purchase the Company’s ordinary shares was exercised in full, these options would represent approximately 6.79% of the Company’s issued ordinary share capital. As at 12 June 2018 (being the latest practicable date prior to the publication of the Annual Report and Accounts 2018), the Company did not hold any shares in treasury.

Resolution 15

Notice of general meeting

This special resolution is required in order to preserve the ability of the Company to convene general meetings (other than Annual General Meetings) of the Company on not less than 14 clear days’ notice, rather than on not less than the 21 days’ notice which would otherwise be required. In order to preserve this ability, the Company’s shareholders must have approved the calling of such meetings on not less than 14 clear days’ notice. Resolution 15 seeks such approval.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole.

The approval will be effective until the Company’s next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic proxy submission under the Companies (Shareholders’ Rights) Regulations 2009 before it can call a general meeting on such notice.