Norcros plc – Annual General Meeting

Date: 23 July 2019

Time: 11.00am

Location: The Mere Golf Resort & Spa, Chester Road, Mere, Knutsford, Cheshire WA16 6LJ

If any shareholder wishes to attend the AGM or has any questions for the Company please contact: **info@norcros.com**

Notice of Annual General Meeting

Notice is given that the 2019 Annual General Meeting of the Company will be held at 11.00 am on 23 July 2019 at The Mere Golf Resort & Spa, Chester Road, Mere, Knutsford, Cheshire WA16 6LJ, for the purpose of considering and, if thought fit, passing the resolutions set out below. Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolutions 12 to 15 (inclusive) will be proposed as special resolutions.

1. To receive the audited accounts and the auditor's and Directors' reports for the year ended 31 March 2019.
2. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 31 March 2019.
3. To declare a final dividend of 5.6p per ordinary share for the year ended 31 March 2019.
4. To elect Alison Littley as a Director.
5. To re-elect Martin Towers as a Director.
6. To re-elect David McKeith as a Director.
7. To re-elect Nick Kelsall as a Director.
8. To re-elect Shaun Smith as a Director.
9. To re-appoint PricewaterhouseCoopers LLP as auditor.
10. To authorise the Audit and Risk Committee of the Board of Directors to agree the remuneration of the auditor.
11. That the Directors are generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (Allotment Rights), but so that:

    (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £5,358,007 of which:

        (i) one half may be allotted or made the subject of Allotment Rights in any circumstances; and

        (ii) the other half may be allotted or made the subject of Allotment Rights pursuant to any rights issue (as referred to in the Financial Conduct Authority's Listing Rules) or pursuant to any arrangements made for the placing or underwriting or other allocation of any shares or other securities included in, but not taken up under, such rights issue;

    (b) this authority shall expire at the close of business on 30 September 2020 or, if earlier, on the conclusion of the Company's next Annual General Meeting;

    (c) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and the Directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired; and

    (d) all authorities vested in the Directors on the date of the notice of this Annual General Meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this meeting are revoked.

12. That, subject to the passing of resolution 11 in the notice of this Annual General Meeting (the Notice), the Directors are empowered pursuant to Sections 570 and 573 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 £401,850,

    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 are empowered pursuant to Sections 570 and 573 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:

    (a) limited to the allotment of equity securities up to an aggregate nominal value of £401,850; and

    (b) 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,

    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. That 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 in its capital provided that:

    (a) the maximum aggregate number of such shares that may be acquired under this authority is 8,037,011;

    (b) the minimum price (exclusive of expenses) that may be paid for such a share is its nominal value;

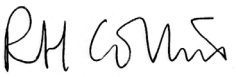
    (c) the maximum price (exclusive of expenses) that may be paid for such a share is the maximum price permitted under the Financial Conduct Authority's Listing Rules or, in the case of a tender offer (as referred to in those Rules), 5% above the average of the middle market quotations for an ordinary 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;

    (d) this authority shall expire at the close of business on 30 September 2020 or, if earlier, on the conclusion of the Company's next Annual General Meeting; and

    (e) 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.

By order of the Board



Richard H. Collins
Company Secretary
12 June 2019

Registered in England and Wales company number 3691883

Registered office:
Ladyfield House
Station Road
Wilmslow
Cheshire SK9 1BU

Notes

1. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons, in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.
2. The right of a member of the Company to attend and vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by close of business on 19 July 2019 in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
3. A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with Section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment.
4. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should he so wish. A member can appoint a proxy by:

   - logging on to www.signalshares.com and submitting a proxy appointment online by following the instructions. A member who has not previously done so will first need to register to use this facility (using the Investor Code detailed on the member's share certificate or otherwise available from the Company's registrar, Link Asset Services); or
   - submitting (if the member is a CREST member) a proxy appointment electronically by using the CREST voting service (in accordance with the notes below).

   A member who would prefer a paper proxy form may request one from the Company's registrar by calling the helpline number below. A paper proxy appointment form must be completed in accordance with the instructions that accompany it and must be delivered (together with any power of attorney or other authority under which it is signed, or a copy certified by a notary or in some other way approved by the Board) to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

   All proxy appointments must be received by no later than 11.00 am on 19 July 2019 to be valid. The Company's registrar, Link Asset Services, can be contacted on its helpline number by calling 0871 664 0391 (calls cost 12p per minute plus the relevant phone company's access charge). The number to call from outside the United Kingdom is +44 871 664 0391 and calls will be charged at the applicable international rate. Phone lines are open 9.00 am–5.30 pm (BST), Monday to Friday excluding public holidays in England and Wales.
5. Any person to whom this Notice is sent who is currently nominated by a member of the Company to enjoy information rights under Section 146 of the Companies Act 2006 (a nominated person) may have a right under an agreement between him and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
6. Voting on all resolutions will be conducted by way of a poll, rather than a show of hands. This is a more transparent method of voting as members' votes are counted according to the number of ordinary shares held. As soon as practicable following the meeting, the results of the voting at the meeting and the numbers of proxy votes cast for and against, together with the number of votes actively withheld in respect of, each of the resolutions will be announced via a Regulatory Information Service and will also be placed on the Company's website: www.norcros.com.
7. As at 12 June 2019 (being the latest practicable date prior to the printing of the Annual Report and Accounts 2019), (i) the Company's issued share capital consisted of 80,370,115 ordinary shares carrying one vote each and (ii) the total voting rights in the Company were 80,370,115.
8. Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with Section 319A of the Companies Act 2006, and subject to some exceptions, the Company must cause to be answered. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at www.norcros.com. A member may not use any electronic address provided by the Company in the Annual Report and Accounts 2019 or in any accompanying document or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.

Notes continued

9. It is possible that, pursuant to members' requests made in accordance with Section 527 of the Companies Act 2006, the Company will be required to publish on a website a statement in accordance with Section 528 of that Act setting out any matter that the members concerned propose to raise at the meeting relating to the audit of the Company's latest audited accounts. The Company cannot require the member concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditor by the time it makes the statement available on the website. The business that may be dealt with at the meeting includes any such statement.

10. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in the CREST voting service section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a CREST proxy appointment instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (Euroclear) and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Link Asset Services (ID RA10), as the Company's issuer's agent, by 11.00 am on 19 July 2019. After this time, any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) Link Asset Services is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances, the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

11. The Company takes all reasonable precautions to ensure that no viruses are present in any electronic communication which it sends but does not accept responsibility for any loss or damage arising from the opening or use of any email or attachment sent by the Company. The Company recommends that members subject all emails and attachments to virus checking procedures prior to opening or use. Any electronic communication received by the Company or Link Asset Services (including the lodgement of an electronic proxy appointment) which is found to contain any virus will not be accepted.

12. Copies of Directors' service contracts and letters of appointment will be available for inspection at the registered office of the Company during normal business hours each business day and at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

13. Information regarding this meeting, including information required by Section 311A of the Companies Act 2006, is available at www.norcros.com.

Fair processing notice

Norcros will only process your information for the purpose of managing AGM voting and analysis of voting patterns (not how individuals cast their votes). This data will only be retained for 14 months before being deleted. For more information on how we look after your personal data please see our privacy policy at www.norcros.com.

Explanatory notes

The Annual General Meeting of the Company will take place at 11.00 am on 23 July 2019 at The Mere Golf Resort & Spa, Chester Road, Mere, Knutsford, Cheshire WA16 6LJ. The notice convening that meeting, together with the resolutions to be proposed, appears on pages 111 to 114 of the Annual Report and Accounts 2019. The Directors recommend all shareholders to vote in favour of all of the resolutions to be proposed, as the Directors intend to do so in respect of their own shares (save in respect of those matters in which they are interested), and consider that they are in the best interests of the Company and the shareholders as a whole.

Explanatory notes in relation to the resolutions appear below. For the purposes of these notes, reference to 12 June 2019 in relation to the Company's issued share capital is a reference to the latest practicable date prior to the publication of the Annual Report and Accounts 2019.

Resolution 1

Report and accounts

For each financial year, the Directors are required to present the audited accounts, the auditor's report and the Directors' Report to shareholders at a general meeting. In line with best practice, shareholders are invited to vote on the receipt of the annual report and accounts for the financial year ended 31 March 2019 (the Annual Report and Accounts 2019).

Resolution 2

Approval of the Directors' Remuneration Report

In accordance with the Companies Act 2006, shareholders are invited to approve the Directors' Remuneration Report for the financial year ended 31 March 2019. The vote on this resolution is advisory only and the Directors' entitlement to remuneration is not conditional on it being passed.

The Directors' Remuneration Report is set out in full on pages 48 to 64 of the Annual Report and Accounts 2019. For the purposes of this resolution, the Directors' Remuneration Report does not include the Directors' Remuneration Policy which is set out on pages 50 to 56 of the Annual Report and Accounts 2019.

The Companies Act 2006 requires the Directors' Remuneration Policy to be put to shareholders for approval annually unless the approved policy remains unchanged, in which case it need only be put to shareholders for approval at least every three years. The Company is not proposing any changes to the Directors' Remuneration Policy approved at the Annual General Meeting in 2017.

Resolution 3

Dividend

The payment of the final dividend requires the approval of shareholders in general meeting. If the meeting approves resolution 3, the final dividend of 5.6p per ordinary share will be paid on 2 August 2019 to ordinary shareholders who are on the register of members at the close of business on 21 June 2019.

Resolutions 4 to 8

Election and re-election of Directors

Resolutions 4 to 8 relate to the retirement and election or re-election of the Company's Directors. The Company's Articles of Association require a Director who has been appointed by the Board of Directors to retire at the Annual General Meeting next following his or her appointment. Alison Littley was appointed as a Director with effect from 1 May 2019. Consequently, she will retire from office at the Annual General Meeting and intends to stand for election by the shareholders for the first time.

The Company's Articles of Association also require certain Directors to retire from office at intervals, and that at each Annual General Meeting one third of eligible Directors must retire from office by rotation. Notwithstanding the provisions of the Articles of Association, the Board has determined that each of the remaining Directors shall also retire from office at the 2019 Annual General Meeting in line with best practice recommendations of the UK Corporate Governance Code. Each of the Directors intends to stand for re-election by the shareholders, with the exception of Jo Hallas, who will step down from the Board at the conclusion of the meeting.

The Board confirms that, following formal performance evaluation of all of the Directors (other than Alison Littley), each of the Directors standing for election or re-election continues to be an effective member of the Board, to make a positive contribution and to demonstrate commitment to his or her role. The Board believes that the considerable and wide-ranging experience of the Directors will continue to be invaluable to the Company. Brief biographical details of all of the Directors standing for election or re-election can be found on pages 36 and 37 of the Annual Report and Accounts 2019.

Resolutions 9 and 10

Re-appointment and remuneration of auditor

The Company is required to appoint an auditor at each general meeting before which accounts are laid, to hold office until the end of the next such meeting. The Audit and Risk Committee has reviewed PricewaterhouseCoopers LLP's performance as auditor of the Company during the year and has recommended to the Board that it be re-appointed. The Audit and Risk Committee has also confirmed to the Board that its recommendation is free from third-party influence and that no restrictive contractual provisions have been imposed on the Company limiting its choice of auditor. PricewaterhouseCoopers LLP has indicated that it is willing to continue as the Company's auditor for another year. Accordingly, the Directors propose the re-appointment of PricewaterhouseCoopers LLP. Resolution 10 follows best practice in giving authority to the Audit and Risk Committee to determine the remuneration of the Company's auditor.

Resolution 11

Authority to allot shares

Most listed companies renew their directors' authority to issue shares at each annual general meeting. Such an authority was granted by the Company's shareholders last year and is due to expire at the conclusion of the 2019 Annual General Meeting. In accordance with best practice, this resolution seeks to renew the Directors' authority to allot shares.

Resolution 11, if passed, will renew the Directors' authority to allot shares in the capital of the Company up to a maximum aggregate nominal value of £5,358,007. This represents approximately two thirds of the Company's issued ordinary share capital as at 12 June 2019 and is within the limits prescribed by The Investment Association. Of this amount, ordinary shares up to an aggregate nominal value of £2,679,003 (which represents approximately one third of the Company's issued ordinary share capital as at 12 June 2019) can only be allotted pursuant to a rights issue.

As at 12 June 2019, the Company did not hold any shares in the Company in treasury. The renewed authority will, if passed, remain in force until the close of business on 30 September 2020 or, if earlier, the conclusion of the Company's next Annual General Meeting.

The Directors have no present intention of exercising this authority. The purpose of giving the Directors this authority is to maintain the Company's flexibility to take advantage of any appropriate opportunities that may arise.

Resolutions 12 and 13

Disapplication of pre-emption rights

The Directors are currently empowered, subject to certain limitations, to issue shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. That power will expire at the conclusion of the 2019 Annual General Meeting and, in accordance with best practice, resolutions 12 and 13 (which will be proposed as special resolutions) seek to renew the Directors' power to disapply pre-emption rights as referenced below and in line with the Statement of Principles published by the Pre-Emption Group in March 2015.

Other than in connection with a rights issue or other similar issue, the power contained in resolution 12 will be limited to ordinary shares up to a maximum aggregate nominal value of £401,850. This amount equates to approximately 5% of the issued ordinary share capital of the Company as at 12 June 2019.

In line with the Pre-Emption Group's Statement of Principles, the Directors are also seeking (at resolution 13) a power to issue up to an additional 5% of the Company's issued ordinary share capital for cash without pre-emption rights applying. In accordance with those Principles, the Company will only allot shares up to a maximum aggregate nominal value of £401,850 (representing 5% of the issued ordinary share capital of the Company as at 12 June 2019) on a non-pre-emptive basis under this power 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, if passed, remain in force until the close of business on 30 September 2020 or, if earlier, the conclusion of the Company's next Annual General Meeting.

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 Company's issued share capital will be issued for cash on a non-pre-emptive basis during any rolling three-year period, without prior consultation with shareholders. This limit excludes any ordinary shares issued pursuant to a general disapplication of pre-emption rights in connection with an acquisition or specified capital investment.

Resolution 14

Authority to purchase own shares

This resolution, which will be proposed as a special resolution, is to give the Company the flexibility 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 8,037,011 ordinary shares which represent approximately 10% of the Company's issued ordinary share capital as at 12 June 2019 and sets minimum and maximum prices. The renewed authority will, if passed, remain in force until the close of business on 30 September 2020 or, if earlier, the conclusion of the Company's next Annual General Meeting.

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 2019, there were options over approximately 3.9 million ordinary shares in the capital of the Company, which represent approximately 4.9% 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 5.4% of the Company's issued ordinary share capital. As at 12 June 2019, the Company did not hold any shares in treasury.

Resolution 15

Notice of general meetings

This special resolution is required to preserve the ability of the Company to convene general meetings (other than Annual General Meetings) 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 do so, the Company's shareholders must approve the calling of such meetings on shorter 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.