

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, auditor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your ordinary shares in Microgen plc, please send this document, together with the accompanying form of proxy and annual report, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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7 April 2015

## **microgen plc**

Dear Shareholder

### **ANNUAL GENERAL MEETING**

Set out in this letter, on pages 4 to 6, is a formal notice of the Annual General Meeting of Microgen plc to be held on Monday 18 May 2015 at 9.00 am at Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ. The purpose of this letter is for the Board to explain to you the resolutions numbered 4 and 5 which are proposed in the notice of Annual General Meeting as ordinary business, as well as explaining resolutions 8 to 11 which are proposed in such notice as special business.

#### **Re-election of Directors (Resolutions 4 and 5)**

The Articles of Association of the Company require that certain Directors shall retire by rotation at annual general meetings of the Company and stand for re-election. As indicated in the Company's 2014 Annual Report, Philip Wood and Peter Bertram are retiring by rotation this year. If re-elected, Peter Bertram intends to retire from the Board at the Annual General Meeting to be held in 2016 as he shall have completed nine years' service as a non-executive director.

The Board recommends the re-appointment of Mr Philip Wood, who was appointed Group Finance Director on 2 January 2007. The Board considers that Mr Wood, a Chartered Accountant, continues to make an effective contribution to the Board and recommends his re-appointment at the Annual General Meeting. The Board has asked Mr Wood to continue in office and accordingly the Board recommends his re-appointment at the forthcoming Annual General Meeting under Resolution 4.

The Board also recommends the re-appointment of Mr Peter Bertram who was first appointed as a non-executive director on 3 October 2006 and then Chairman of the Audit Committee on 1 May 2007. On 19 April 2011, Mr Bertram was appointed as the senior independent non-executive director of the Company. Mr Bertram is a Fellow of the Institute of Chartered Accountants in England and Wales and is also Chairman of Phoenix IT Group plc and Ten Alps plc. The Board believes that Mr Bertram continues to be an effective and independent member of the Board and demonstrates commitment to his role as a non-executive director and in his capacity as senior independent non-executive director and as Chairman of the Audit Committee. The Board recommends his re-appointment at the forthcoming Annual General Meeting under Resolution 5.

#### **Allotment of Securities (Resolution 8)**

The Association of British Insurers ('ABI') guidelines state that ABI members will permit, and treat as routine, a request for authorisation to allot up to one-third of the existing issued share capital of the Company, together with the number of shares required to be allotted in respect of share incentive schemes.

Accordingly, under Resolution 8, the Directors are seeking authority to allot ordinary shares and other equity securities up to an aggregate nominal amount of £1,243,511 without the prior consent of Shareholders in order to replace the authority given at the general meeting of the Company held on 18 March 2015 ("General Meeting"). This is equivalent to one-third of the issued ordinary share capital of the Company as at 2 April 2015.

The Company has no present intention of allotting new shares (other than in connection with the Company's share incentive schemes). The Directors consider it desirable to have sufficient authority in place, as permitted by corporate governance guidelines, to respond to market developments and to enable allotments to take place in a timely manner, should such a situation arise.

The authority sought in Resolution 8 will be proposed as an ordinary resolution and will expire at the conclusion of the next Annual General Meeting in 2016 or on 31 May 2016, whichever is the earlier.

#### **Disapplication of Pre-emption Rights (Resolution 9)**

A special resolution is proposed to grant the Directors a new authority to allot equity securities for cash without first being required to offer such securities to existing Shareholders in proportion to their existing shareholdings, other than by way of a rights issue or in connection with a pre-emptive offer, up to an aggregate nominal amount of £186,527, being equal to 5 per cent. of the issued ordinary share capital of the Company as at 2 April 2015 and amounting to 2,901,526 ordinary shares. This Resolution complies with the ABI and Pre-emption Group guidelines.

In line with the Pre-emption Group's Statement of Principles, the Directors do not intend to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company within a rolling three-year period without prior consultation with Shareholders. The authority sought in Resolution 9 is to replace the authority given at the General Meeting and will expire at the conclusion of the next Annual General Meeting in 2016 or on 31 May 2016, whichever is the earlier.

#### **Purchase of Own Shares (Resolution 10)**

It is proposed that the existing authority to enable the Company to make purchases of its own shares should be renewed until the next Annual General Meeting in 2016. The special resolution proposed would enable the Company to make purchases on the London Stock Exchange limited to 5,803,052 shares (equivalent to 10 per cent. of its issued share capital as at 2 April 2015), at, or between, the minimum and maximum prices specified in Resolution 10. Any shares purchased by the Company pursuant to this Resolution may be immediately cancelled or held in treasury. Under the Companies Act 2006, the Company is allowed to hold its own shares in treasury following a buy-back, instead of cancelling them. Such shares may be resold for cash or used to satisfy share options but all rights attaching to them, including voting rights and any right to receive dividends are suspended whilst they are held in treasury. However, it should not be assumed that the Board will exercise any or all of this proposed authorisation. This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company and its overall financial position. The Directors would exercise the proposed authority to purchase ordinary shares only if they considered it to be in the best interests of Shareholders and if the purchases could be reasonably expected to result in an increase in earnings per share.

As at 2 April 2015, options were outstanding to subscribe for 6,610,540 ordinary shares, representing 11.4 per cent of the issued share capital of the Company. The proportion of issued share capital represented by such share options would increase to 12.7 per cent if the full authority to purchase shares (existing and sought) is utilised by the Directors. There are no warrants outstanding and no treasury shares in issue. The authority sought in Resolution 10 is to replace the authority given at the General Meeting and will expire at the conclusion of the Annual General Meeting in 2016 or on 31 May 2016, whichever is the earlier.

#### **Notice of Meetings (Resolution 11)**

Under the Shareholders' Rights Regulations, the prescribed notice period for general meetings of a company is 21 days unless certain requirements are satisfied including that a special resolution of Shareholders is passed to allow notice of meetings to be given by way of 14 days clear notice. At the Annual General Meeting of the Company held in 2014 authority was granted by Shareholders to allow a shorter notice of 14 clear days. The Directors believe it is in the best interests of the Shareholders to retain the flexibility of a shorter notice period and intend to renew this authority at the Annual General Meeting by proposing a special resolution to allow notice of meetings to be given by way of 14 days clear notice. It is intended by the Directors that a shorter notice period

will be used where the flexibility is merited by the business of the meeting, where the matter is time sensitive and where it is thought to be to the advantage of Shareholders. The approval will be effective until the Company's Annual General Meeting in 2016, when a resolution will be proposed to renew the authority. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all Shareholders at the time of calling the meeting.

### **Recommendation**

**The Directors believe that the adoption of all the resolutions to be put to the Meeting are in the best interests of the Company and its Shareholders and are most likely to promote the success of the Company for the benefit of Shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the Resolutions to be proposed at the Annual General Meeting, as they themselves intend to do in respect of their own beneficial shareholdings which in aggregate amount to a total of 4,284,613 ordinary shares, representing approximately 7.4 per cent. of the existing issued ordinary share capital of the Company as at 2 April 2015, being the latest practicable date prior to publication of this letter containing the Notice of Meeting.**

Yours sincerely

Martyn Ratcliffe  
**CHAIRMAN**

## Notice of meeting

# microgen plc

*(Incorporated in England and Wales under the Companies Acts 1948 to 1980 with number 1602662)*

**NOTICE IS HEREBY GIVEN that the Annual General Meeting of Microgen plc will be held at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on Monday 18 May 2015 at 9.00 am (or at any adjournment thereof) for the following purposes:**

To consider and, if thought fit, to pass the following resolutions numbered 1 through to 7 which will each be proposed as an ordinary resolution:

### Ordinary Business

- 1 To receive and to adopt the Company's financial statements for the year ended 31 December 2014 together with the reports of the Directors and auditors.
- 2 To approve the Report of the Directors on Remuneration for the year ended 31 December 2014.
- 3 To declare a final dividend of 2.2p per ordinary share of 6 3/7 pence each for the year ended 31 December 2014.
- 4 To re-appoint Philip Wood, who retires by rotation, as a Director of the Company.
- 5 To re-appoint Peter Bertram, who retires by rotation, as a Director of the Company.
- 6 To re-appoint PricewaterhouseCoopers LLP as auditors of the Company until the next general meeting at which accounts are to be laid.
- 7 To authorise the Audit Committee of the Board to agree the auditors' remuneration.

### Special Business

To consider and, if thought fit, to pass the following resolutions of which the resolution numbered 8 will be proposed as an ordinary resolution and resolutions numbered 9, 10 and 11 shall each be proposed as a special resolution:

#### 8 Allotment of Securities

That:

- (a) 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 powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum aggregate nominal amount of £1,243,511;
- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company in 2016 or, if earlier, on 31 May 2016 unless previously revoked or varied by the Company; and
- (c) the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after it expires and the Directors may allot shares or grant rights to subscribe for or convert any security into shares in pursuance of such offer or agreement as if this authority had not expired.

#### 9 Disapplication of Pre-Emption Rights

That:

- (a) the Directors be given power:
  - (i) (subject to the passing of Resolution 8 set out in this Notice) to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) for cash pursuant to the authority conferred on them by Resolution 8 set out in this Notice under Section 551 of the Companies Act 2006; and

- (ii) to allot equity securities (as defined in Section 560(3) of the Companies Act 2006) for cash,

in either case as if Section 561(1) of the Companies Act 2006 did not apply to the allotment but this power shall be limited:

- (A) to the allotment of equity securities in connection with an offer or issue of equity securities to or in favour of:

- I. holders of shares in proportion (as nearly as may be practicable) to their existing holdings; and
- II. 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;

and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and

- (B) to the allotment of equity securities (otherwise than under (A) above) up to a maximum nominal amount of £186,527;

- (b) this power shall expire at the conclusion of the next Annual General Meeting of the Company in 2016 or, if earlier, on 31 May 2016; and
- (c) the Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

#### 10 Purchase of Own Shares

That: the Company be and is hereby generally and unconditionally authorised pursuant to Section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of such Act) of ordinary shares of 6 3/7 pence each in the capital of the Company ("Ordinary Shares") on such terms as the Directors think fit provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is limited to 5,803,052 Ordinary Shares;
- (b) the minimum price which may be paid for each Ordinary Share is 6 3/7 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is 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 Company agrees to buy the shares concerned; and (ii) the higher of the price of the last independent trade of any Ordinary Share and the highest current bid for an Ordinary Share as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (2273/2003); and
- (d) the authority conferred by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company in 2016 or on 31 May 2016, whichever is earlier (except in relation to the purchase of Ordinary Shares, the contract for which was concluded before such date and which is completed wholly or partly after such date) unless such authority is renewed prior to such time.

11 Notice Period for Meetings

That: a General Meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

By order of the Board

**Anjum O'Neill**  
*Company Secretary*

7 April 2015

Registered office:  
Old Change House  
128 Queen Victoria Street  
London, EC4V 4BJ

## EXPLANATORY NOTES TO ACCOMPANY AGM NOTICE

### A General Notes

The following notes explain your general rights as a Shareholder and your rights to attend and vote at the AGM or to appoint someone else to vote on your behalf:

- 1 Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend, vote and speak at the Meeting. A member is entitled pursuant to Section 324 of the Companies Act 2006 to appoint (a) proxy(ies), who need not be (a) member(s) to attend, vote and speak on his/her behalf.
- 2 A Form of Proxy is enclosed and instructions for its use are shown on the form. The appointment of a proxy will not prevent a member from subsequently attending, voting and speaking at the Meeting in person.
- 3 If you wish, you may register the appointment of a proxy for the Meeting electronically, by contacting the Company's Registrar's website [www.capitashareportal.com](http://www.capitashareportal.com) where full details of the procedures are given. The proxy appointment and instructions must be received by Capita Asset Services not less than 48 hours before the time for holding the Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned meeting) for the taking of the poll at which it is to be used.
- 4
  - (a) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service should follow the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
  - (b) 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: RA10) not less than 48 hours before the time for holding the 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.
  - (c) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instruction. 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) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).
  - (d) 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.
- 5 At the Annual General Meeting of the Company to be held on 18 May 2015 the votes will be taken on a show of hands unless a poll is demanded and the results will be released to the London Stock Exchange and published on the Company's website [www.microgen.com](http://www.microgen.com).



- 6 A person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
- 7 The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
- 8 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
- 9 Copies of any contract of service, letters of appointment and deeds of indemnity between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof) will be available at the Registered Office of the Company during normal business hours until the conclusion of the Meeting, and at the place of the Meeting from at least 15 minutes prior to the Meeting until its conclusion.
- 10 The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those Shareholders on the Register of Members as at 6.00 pm on Thursday 14 May 2015 (or, if the Meeting is adjourned, as at 6.00 pm on the day two working days prior to the date of the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Meeting in respect of the number of shares registered in their names at the time. Changes to entries on the ordinary register after 6.00 pm on Thursday 14 May 2015 (or if this Meeting is adjourned, changes to entries on the Register of Members after 6.00 pm two days prior to the date of any adjourned Meeting) shall be disregarded in determining the right of any person to attend or vote at the Meeting.
- 11 Under Section 319A of the Companies Act 2006, any member attending the Meeting has the right to ask questions in relation to the business of the Meeting. 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.
- 12 As at 2 April 2015 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital, and the total number of voting rights, consists of 58,030,520 ordinary shares of 6 3/7 pence each.
- 13 Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of Meeting, Form of Proxy or Chairman's letter should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the Company's Annual General Meeting).
- 14 A copy of this Notice, and other information required by Section 311A of the Companies Act 2006 can be found at [www.microgen.com](http://www.microgen.com).