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## **NOTICE OF ANNUAL GENERAL MEETING**

### **Filtronic plc**

(Registered in England and Wales No. 2891064)

Notice is hereby given that the 2013 annual general meeting of Filtronic plc (the “company”) will be held at Hollins Hall Hotel, Hollins Hill, Baildon, Shipley, West Yorkshire, BD17 7QW on Friday 27 September 2013 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, 1 to 8 and 12 as ordinary resolutions and 9 to 11 as special resolutions:

#### **Ordinary business**

1. To receive the audited financial statements for the year ended 31 May 2013 and the reports of the directors and the auditor.
2. To approve the directors’ remuneration report contained in the 2013 Annual Report and Accounts.
3. To appoint Michael Roller as a director of the company.
4. To re-appoint Michael Brennan as a director of the company.
5. To re-appoint Graham Meek as a director of the company.
6. To appoint KPMG LLP as auditor of the company and to authorise the directors to determine the auditor’s remuneration.

#### **Special business**

##### **7. Directors’ authority to allot shares (Ordinary Resolution)**

That, in substitution for all subsisting authorities, the directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the “Act”), to exercise all powers of the company to allot ordinary shares of 10p each in the capital of the company or grant rights to subscribe for, or convert any security into, ordinary shares of 10p each in the capital of the company:

- (a) up to an aggregate nominal amount of £3,233,266; and
- (b) up to a further aggregate nominal amount of £3,233,266 provided that: (i) such shares or rights are equity securities (as defined in section 560(1) of the Act); and (ii) they are offered by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares (and to the 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), but subject to the directors having the right to make such exclusions or other arrangements as they deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems under the laws in any territory or jurisdiction or the requirements of any relevant regulatory body or stock exchange; and

so that this authority shall expire on 26 December 2014 or, if earlier, at the conclusion of the annual general meeting of the company to be held in 2014 but so that the company may, before this authority expires, make any offer, agreement or arrangement which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares or grant rights pursuant to such offer, agreement or arrangement as if the authority had not expired.

**8. Authority to offer a dividend in shares instead of cash (Ordinary Resolution)**

That the directors be and they are authorised in accordance with the provisions of the company's Articles of Association (as amended from time to time) to offer the holders of (and persons entitled by transmission to) ordinary shares of 10p in the capital of the company, the right to elect to receive additional ordinary shares, credited as fully paid up, instead of cash in respect of any or all dividends declared within the period beginning on the day following the date of this resolution and ending at the conclusion of the annual general meeting of the company to be held in the year 2018.

**9. Disapplication of statutory preemption rights (Special Resolution)**

That, subject to the passing of resolution 7, the directors be generally empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 561 of the Act) for cash pursuant to the authority conferred by resolution 7 as if section 561 of the Act did not apply to the allotment but this power shall be limited to:

- (a) the allotment of equity securities where such securities have been offered (but in the case of the authority granted under paragraph (b) of resolution 7 by way of rights issue only) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares (and to the 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) but subject to the directors having the right to make such exclusions or other arrangements as they deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems under the laws in any territory or jurisdiction or the requirements of any relevant regulatory body or stock exchange; and
- (b) the allotment of equity securities, otherwise than pursuant to the power granted under paragraph 9(a), up to a maximum nominal amount of £484,989; and

so that this power shall expire on 26 December 2014 or, if earlier, at the conclusion of the annual general meeting of the company to be held in 2014 but so that the company may, before this power expires, make any offer, agreement or arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to such offer, agreement or arrangement as if this power had not expired.

**10. Company's authority to purchase own shares (Special Resolution)**

That the company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 10p each in the capital of the company provided that:

- (a) the maximum number of ordinary shares which may be purchased is 9,699,799 (representing 10% of the company's issued ordinary share capital as at 8 August 2013);
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 10p;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
  - (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC2273/2003);
- (d) this authority shall expire at the conclusion of the next annual general meeting of the company after the passing of this resolution or on 26 December 2014 whichever is the earlier (unless previously renewed, varied or revoked by the company in general meeting); and
- (e) the company may, before such expiry, enter into one or more contracts to purchase ordinary shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

#### **11. Notice period for meetings (Special Resolution)**

That a general meeting of the company other than an annual general meeting may be called on not less than 14 clear days' notice.

#### **12. Political donations (Ordinary Resolution)**

That in accordance with section 366 of the Companies Act 2006 (the "Act"), the company and all its subsidiaries at any time during the time that this resolution has effect be and are hereby authorised to:

- (a) make political donations to political parties or independent election candidates not exceeding £10,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £10,000 in total; and
- (c) incur political expenditure not exceeding £10,000 in total, provided that the aggregate amount of any such donations and expenditure shall not exceed £10,000 during the period beginning with the passing of this resolution and ending on the date of the annual general meeting of the company to be held in 2014.

For the purposes of this resolution the terms of "political donation", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Act.

By order of the Board  
**Maura Moynihan**  
Company Secretary

8 August 2013

**Registered Office**  
Filtronic House  
3 Airport West,  
Lancaster Way  
Yeadon,  
West Yorkshire  
LS19 7ZA

## General Notes

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the company. A form of proxy is enclosed with this notice and instructions for completion are shown on the form. Forms of proxy need to be deposited with the company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not less than 48 hours before the start of the meeting. Completion of a form of proxy does not preclude a member from attending and voting in person at the meeting, should they so wish.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the annual general meeting is 6.00 p.m. on 25 September 2013 (being not more than 48 hours prior to the time fixed for the meeting) or, if the meeting is adjourned, such time as is specified by the directors being not more than 48 hours prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using 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.
4. 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 UK & Ireland Limited's ("Euroclear UK & Ireland") specifications and must contain the information required for such instructions, as described in the CREST Manual. The time of receipt of a proxy appointment or an instruction to a previously appointed proxy 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 (CREST ID RA10) is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
5. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the register of members in respect of the joint holding.
6. Copies of (a) the directors' service contracts; (b) a statement of the directors' share interests and those of their families and (c) the Articles of association of the Company; will be available for inspection during normal business hours at the company's registered office. These documents will also be available for inspection at the place of the annual general meeting for at least 15 minutes prior to, and during, the annual general meeting.
7. The right to appoint a proxy does not apply to a person 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 Act (a "Nominated Person"). 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 the right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
8. As at 8 August 2013 (being the latest business day prior to the publication of this notice) the company's issued share capital consists of 96,997,993 ordinary shares of 10p each, carrying one vote each. Therefore, the total voting rights in the company are 96,997,993.
9. Under section 527 of the Act, members of the company representing at least 5% of the total voting rights of the company or at least 100 members who have a right to vote and hold shares in the company on which there has been paid up an average sum per member of at least £100, may require the company to publish on its website a statement setting out any matter relating to the audit of the company's accounts or any circumstances connected with an auditor of the company ceasing to hold office since the last annual general meeting that the members propose to raise at the meeting. Where the company is required to publish such a statement on its website, it may not require the members making the request to pay its expenses in complying with the request. The company must forward the statement to the company's auditor not later than the time when it makes the statement available on its website. The business of the meeting includes any such statement that the company has been required to publish on its website.

10. Explanatory notes in relation to the resolutions to be proposed at the meeting are set out immediately after these notes.
11. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from [www.filtronic.co.uk](http://www.filtronic.co.uk).
12. If you wish to attend the meeting in person, please arrive at Hollins Hall Hotel, Hollins Hall, Baildon, Shipley, West Yorkshire, BD17 7QW for registration in advance of 11 a.m. on Friday 27 September 2013. Please bring an appropriate form of identification with you, in order to assist your entry into the meeting.
13. In accordance with section 319A of the Act the Company will cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However no answer need be given:
  - (a) if to do so would:
    - (i) interfere unduly with the preparation for the meeting, or
    - (ii) involve the disclosure of confidential information;
  - (b) if the answer has already been given on a website in the form of an answer to a question; or
  - (c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## **Explanatory Notes on the Resolutions**

### **(1) Report and Accounts (Resolution 1)**

The directors are required to present to the meeting the audited accounts and the reports of the directors and the auditor for the financial year ended 31 May 2013.

### **(2) Directors' Remuneration Report (Resolution 2)**

The Directors' Remuneration Report has been prepared in accordance with the Act. The report also meets the relevant requirements of the listing rules and describes how the Board has applied the UK Corporate Governance Code relating to Directors' Remuneration. The report is set out in full on pages 18–22 of the 2013 Annual Report and Accounts.

### **(3) Directors (Resolutions 3, 4 and 5)**

The Board conducts on an annual basis a rigorous performance evaluation of all directors including those who are retiring at the annual general meeting and are seeking re-appointment. The Board and the Nominations Committee continue to review the development plans for the Board and the proposed appointments and re-appointments are consistent with the Board's plans for succession planning. The Board is satisfied that the non-executive directors standing for election and re-election respectively are independent in character and judgment and that there are no relationships or circumstances that are likely to affect their character or judgment. Each director concerned continues to be an important member of the Board and has demonstrated their commitment to the role.

Resolution 3 – The Articles of Association require that directors appointed by the Board since the previous annual general meeting of the Company shall hold office only until the following annual general meeting and shall then be eligible for appointment by shareholders. Michael Roller was appointed as a non-executive director to the Board on 1st June 2013. Michael has been Finance Director of several quoted companies, and most recently was Group Finance Director of Corin Group plc until June 2012. He has a history degree from Oxford University and is qualified as a Chartered Accountant. He is a member of the Nominations, Remuneration and Audit Committees and has recent and relevant financial experience. The Board believes that Michael Roller should be appointed as he brings a wide range of strategic and financial insights to the company. Resolution 3 proposes his appointment.

Biographical details of the directors seeking appointment and re-appointment are given on page 9 of the 2013 Annual Report and Accounts.

Resolution 4 - The Articles of Association of the Company require that each director shall retire from office and shall be eligible for reappointment at the third annual general meeting after the general meeting at which he was appointed or reappointed. Michael Brennan is retiring in accordance with Article 85 of the company's Articles of Association and being eligible is seeking re-appointment. Michael has served as an executive director and Chief Financial Officer of the company since 18th September 2009. The Board believes that Michael makes a valuable contribution to the Board and the Company and accordingly recommends his re-election.

Resolution 5 - Graham Meek has served on the Board for over three terms of three years. He is therefore offering himself for re-appointment on an annual basis in accordance with the provisions of the UK Corporate Governance Code. The Nominations Committee and the Board has given his performance special consideration, as recommended by the Code and is satisfied that he has demonstrated independence in terms of character and judgment and that there were no relationships or circumstances which were likely to affect his judgment as a director. Mr. Meek is the senior non-executive director and is currently chairman of the Audit Committee. He is also a member of both the Nominations Committee and Remuneration Committee. With his background in corporate finance and investment banking, he provides an important source of skill and expertise to the Board and he continues to make a valuable contribution to the Board and the Company. He is non-executive director of Capital Gearing Trust plc and is currently vice-chairman of King's College Hospital NHS Foundation Trust.

### **(5) Appointment of auditor (Resolution 6)**

The company is required to appoint an auditor at each annual general meeting at which accounts are laid before the company, to hold office until the end of the next such meeting. This resolution proposes the appointment and, in accordance with standard practice, gives authority to the directors to determine the remuneration to be paid to the auditor.



## **(6) Renewal of directors' power to allot shares (Resolutions 7 and 9)**

Resolution 7 – The Act provides that the directors may not allot ordinary shares (or grant rights to subscribe for, or to convert any security into, ordinary shares) unless authorised to do so by the company in general meeting or by its articles. This resolution proposes that the directors are given authority to allot ordinary shares up to an aggregate nominal amount of £3,233,266 without obtaining further consent of the company's shareholders. This is the equivalent of one-third of the issued share capital of the company as at 8 August 2013 (being the latest practicable date prior to publication of this document). The authority shall expire at the earlier of the close of the 2014 annual general meeting or 26 December 2014 and will replace the authority granted to the directors at last year's annual general meeting.

In addition, the proposed new authority will allow the directors to allot new shares and other relevant securities in connection with a rights issue up to a further aggregate nominal value of £3,233,266, equivalent to one-third of the company's issued ordinary share capital as at 8 August 2013. This proposed authority takes account of guidelines issued by the Association of British Insurers ("ABI"). Once this resolution is passed the directors will have the authority in certain circumstances to allot new shares and other relevant securities up to a nominal amount of £6,466,532, representing a total amount equal to two-thirds of the company's issued ordinary share capital as at 8 August 2013. The company has no present intention of undertaking a rights issue (nor of allotting new shares other than in the circumstances referred to below). However, the directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines in order to respond to market developments and to enable allotments to take place. If the directors do exercise the additional authority, they intend to follow emerging best practice as regards its use (including as regards to directors standing for reappointment in certain circumstances), as recommended by the ABI.

The directors have no present intention of allotting, or agreeing to allot any shares otherwise than in connection with the company's employee share schemes, to the extent permitted or required by such schemes. The directors may consider potential acquisitions and, in the event of one of these potential acquisitions proceeding, this may require the allotment of shares pursuant to this authority.

Resolution 9 – The Act gives holders of ordinary shares, with limited but important exceptions, certain rights of pre-emption on the issue for cash of new equity securities. The directors believe that it is in the best interests of the company that, as in previous years, the Board should have limited power to allot some equity securities for cash without first having to offer such equity securities to existing shareholders. The directors' current authority expires at the 2013 annual general meeting and, accordingly, this resolution seeks to renew this authority on similar terms for a further period, expiring at the earlier of the close of the 2014 annual general meeting and 26 December 2014.

The power, if granted, will relate to allotment in respect of rights issues and similar offerings (where difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements and certain other technical matters) and generally to allotments (other than in respect of rights issues) of equity securities having an aggregate nominal value not exceeding £484,989 (being approximately 5% of the issued ordinary share capital of the company as at 8 August 2013 (being the latest practicable date prior to the publication of this document)). This resolution complies with ABI guidelines. The directors do not intend to issue more than 7.5% of the issued ordinary share capital of the company for cash on a non pre-emptive basis on any rolling 3 year period without prior consultation with the investment committees of the ABI and National Association of Pension Funds. The Board has no present intention of exercising this power but wishes to have the flexibility to do so in the future.

## **(7) Purchase of own shares (Resolution 10)**

This resolution is to grant the company authority to make market purchases of its own shares. The authority should not be taken to imply that shares will be purchased at any particular price or, indeed, at all. The authority will expire on the earlier of the conclusion of the 2014 annual general meeting and 26 December 2014. The resolution specifies the maximum number of shares which may be purchased (representing approximately 10% of the company's issued ordinary share capital as at 8 August 2013) and the maximum and minimum prices at which they may be bought, reflecting the requirements of the Act and the rules of the United Kingdom Listing Authority. The purchases will only be made on the London Stock Exchange. The directors have not yet decided whether such shares, if repurchased, would be cancelled or taken into treasury, and a decision would be taken in the light of prevailing circumstances. The Board will only exercise the power to make purchases of shares after consideration of the effects on earnings per share and the benefits for shareholders generally.

#### **(8) General Meeting (Resolution 11)**

Under the Companies (Shareholders' Rights) Regulations 2009 the notice period for general meetings of a company has been extended to 21 days unless certain requirements are satisfied. The company has met these requirements and accordingly resolution 11 is proposed to allow the company to continue to call general meetings on 14 clear days' notice. The directors believe it is in the best interest of the shareholders of the company to preserve the shorter notice period and accordingly are putting this resolution to the meeting. It is intended that this flexibility will only be used for non-routine business and when merited in the interest of shareholders as a whole. The approval will be effective until the company's annual general meeting in 2014, when it is expected that a similar resolution will be proposed. It should also be noted that the changes to the Act mean that, 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.

#### **(9) Political Donations (Resolution 12)**

Part 14 of the Act prohibits the company and its subsidiaries from making political donations to or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the company's shareholders. Aggregate donations made by the group of £5,000 or less than any 12 month period will not be caught.

Neither the company nor any of its subsidiaries have any intention of making any political donations or incurring any political expenditure. However, the Act defines "political party", "political organisation", "political donation" and "political expenditure" widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community, or sections of it, which the company and/or its subsidiaries may see benefit in supporting, may be included in these definitions.

Accordingly, the company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Act through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred.

#### **Recommendation from the directors of the Company**

The directors of the Company consider that all the resolutions set out above are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.