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## NOTICE OF ANNUAL GENERAL MEETING

**Filtronic plc**

(Registered in England and Wales No. 2891064)

Notice is hereby given that the 2015 annual general meeting of Filtronic plc (the "company") will be held at the offices of KPMG LLP, One Sovereign Square, Sovereign Street, Leeds, LS1 4DA on Friday 27 November 2015 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, 1 to 6 as ordinary resolutions and 7 and 8 as special resolutions:

### **Ordinary business**

1. To receive the audited financial statements for the year ended 31 May 2015 and the reports of the directors and the auditor.
2. To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) contained in the 2015 Annual Report.
3. To re-appoint Reg Gott as a director of the company.
4. To re-appoint KPMG LLP as auditor of the company and to authorise the directors to determine the auditor's remuneration.

### **Special business**

#### **5. 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 0.1p each in the capital of the company or grant rights to subscribe for, or convert any security into, ordinary shares of 0.1p each in the capital of the company:

- (a) up to an aggregate nominal amount of £72,292; and
- (b) up to a further aggregate nominal amount of £72,292 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 31 December 2016 or, if earlier, at the conclusion of the annual general meeting of the company to be held in 2016 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.

## **6. 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 0.1p 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 (all or part 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 2020.

## **7. Disapplication of statutory pre-emption rights (Special Resolution)**

That, subject to the passing of resolution 5, 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 5 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 5 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 7(a), up to a maximum nominal amount of £10,843 ; and

so that this power shall expire on 31 December 2016 or, if earlier, at the conclusion of the annual general meeting of the company to be held in 2016 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.

## **8. 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 0.1p each in the capital of the company provided that:

- (a) the maximum number of ordinary shares which may be purchased is 21,687,698;
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 0.1p;
- (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 closing middle market quotations of an ordinary share of the company, as taken from the London Stock Exchange's official website 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 31 December 2016 whichever is the earlier (unless previously renewed, varied or revoked by the company in general meeting); and

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 as if this authority had not expired.

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

28 October 2015

**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 Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, 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 November 2015 (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 (excluding non-working days) 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 executive director's service contract; (b) the non-executive directors' letters of appointment; (c) a statement of the directors' share interests and (d) 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 has been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 (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. It is anticipated that the issued ordinary share capital of the company, as at the date of the 2015 annual general meeting, will be 196,876,986 ordinary shares with a nominal value of 0.1p each. The issued ordinary share capital of the company as at the date of this notice is 106,876,986 ordinary shares with a nominal value of 10p each.
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 Act, 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 the offices of KPMG LLP, One Sovereign Square, Sovereign Street, Leeds, LS1 4DA, for registration in advance of 11 a.m. on Friday 27 November 2015. 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 2015.

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

Resolution 2 seeks shareholder approval for the directors' remuneration report for the year ended 31 May 2015 set out on pages 31 to 42 of the annual report. The approval is required to be sought by "quoted companies" pursuant to 439 of the Companies Act 2006 (the "Act"). Assuming that the company has completed its move to AIM (as detailed in the circular issued to shareholders dated 28 September 2015 (the "Shareholder Circular")), the company will no longer be a "quoted company" by the time of the 2015 annual general meeting. However, because the company was quoted throughout the financial year ended 31 May 2015, it is appropriate for Resolution 2 to be proposed. In addition, and notwithstanding that, once on AIM, there is no requirement for shareholders to approve a binding directors' remuneration policy every three years (or at all), the directors intend to adhere (for the remainder of the applicable three year approval period) to the remuneration policy that was approved by shareholders (for a period of three years) at the 2014 annual general meeting.

### **(3) Directors (Resolution 3)**

As previously announced, both the Chairman, Howard Ford and the senior non-executive director, Graham Meek are stepping down from the Board immediately after the 2015 annual general meeting and consequently are not seeking re-appointment. Reginald ("Reg") Gott who having been appointed to the Board in 13 July 2006 is retiring by rotation and is seeking re-appointment. Additionally, as he has served on the Board for over three terms of three years he will henceforth be subject to annual re-appointment. Subject to his re-appointment at the annual general meeting, Reg Gott will be Chairman of the Board. The Board regularly conducts 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 re-appointment of Mr. Gott is consistent with the Board's succession planning. The Board is satisfied that Mr. Gott is independent in character and judgment and that there are no relationships or circumstances that are likely to affect his character or judgment. He continues to be an important member of the Board and is committed to assuming his responsibilities as chairman if re-appointed. Mr. Gott's biographical details are given on page 25 of the 2015 Annual Report and Accounts. The Board recommends his re-appointment.

### **(4) Appointment of auditor (Resolution 4)**

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 re-appointment of KPMG LLP and, in accordance with standard practice, gives authority to the directors to determine the remuneration to be paid to the auditor.

*For the purposes of the resolutions 5 to 8, it is assumed that the issued ordinary share capital of the company as at the date of the 2015 annual general meeting will be 196,876,986 ordinary shares with a nominal value of 0.1p each (196,876,986 being the number of ordinary shares in issue after the 90,000,000 Placing Shares (defined in the Shareholder Circular) have been issued pursuant to the resolutions passed at the general meeting of the company held on 15 October 2015 (such enlarged share capital being hereinafter referred to as the "Post Placing issued ordinary share capital") and 0.1p being the revised nominal value of the ordinary shares, following the Capital Reorganisation referred to in the Shareholder Circular). In the (unlikely) event that the Placing Shares have not been issued (or that the Capital Reorganisation has not been effected) by the time of the 2015 annual general meeting, resolutions 5 to 8 will not be put to the annual general meeting and the directors will instead convene a separate general meeting (to be held as soon as practicable after the annual general meeting) to propose appropriate resolutions.*

## **(5) Renewal of directors' power to allot shares (Resolutions 5 and 7)**

Resolution 5 – 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 (or grant rights to subscribe for, or convert any security into, ordinary shares) up to an aggregate nominal amount of £72,292 without obtaining further consent of the company's shareholders. This is the equivalent of one-third of the Post Placing issued ordinary share capital, together with one third of the maximum ordinary share capital to be issued pursuant to the proposed open offer referred to in the Shareholder Circular (the "Proposed Open Offer"). The authority shall expire at the earlier of the close of the 2016 annual general meeting and 31 December 2016 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 £72,292, equivalent to one-third of the company's Post Placing issued ordinary share capital (together with one third of the maximum ordinary share capital to be issued pursuant to the Proposed Open Offer). This proposed authority takes account of guidelines issued by the Association of British Insurers ("ABI") (albeit by reference also to the maximum ordinary share capital to be issued pursuant to the Proposed Open Offer, which the Directors consider an appropriate reference in the circumstances). 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 £144,584, representing a total amount equal to two-thirds of the company's Post Placing issued ordinary share capital (and to two-thirds of the maximum ordinary share capital to be issued pursuant to the Proposed Open Offer). 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 institutional investor 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 best practice as regards its use (including the expectation that directors will stand for re-appointment in certain circumstances), as recommended by the ABI.

Save in respect of the Proposed Open Offer, 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. Once the terms of the Proposed Open Offer have been finalised, the directors of the company intend to assess whether it is appropriate to effect the Proposed Open Offer utilising the authorities granted at the 2015 annual general meeting (assuming the applicable resolution(s) have been passed) or whether to convene a general meeting to propose resolutions for bespoke authorities for the Proposed Open Offer. Shareholders should note that there is no guarantee that the Proposed Open Offer will be effected.

Resolution 6 – this resolution will authorise the directors (in accordance with the provisions of the company's articles of association) to offer shareholders the right to receive additional ordinary shares in the company (credited as fully paid) instead of cash in respect of any dividends declared in the period up to the conclusion of the annual general meeting of the company to be held in 2020.

Resolution 7 – 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 2015 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 2016 annual general meeting and 31 December 2016.

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 and similar offerings) of equity securities having an aggregate nominal value not exceeding £10,843 (being approximately 5% of the Post Placing issued ordinary share capital of the company, together with 5% of the maximum ordinary share capital to be issued pursuant to the Proposed Open Offer). This resolution complies with ABI guidelines, albeit by reference also to the maximum ordinary share capital to be issued pursuant to the Proposed Open Offer, which the Directors consider an appropriate reference in the circumstances. Save in respect of the completion of the Placing (as defined in the Shareholder Circular), 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 in 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.

**(6) Purchase of own shares (Resolution 8)**

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 2016 annual general meeting and 31 December 2016. The resolution specifies the maximum number of shares which may be purchased (representing approximately 10% of the company's Post Placing issued ordinary share capital, together with 10% of the maximum ordinary share capital to be issued pursuant to the Proposed Open Offer) and the maximum and minimum prices at which they may be bought, reflecting the requirements of the Act. 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.

**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.