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

**If you are in any doubt as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other independent professional adviser who is authorised pursuant to the Financial Services and Markets Act 2000. If you have sold or transferred all of your ordinary shares in Elektron Technology plc you should pass this document and the accompanying form of proxy for use in relation to the AGM to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.**

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Broers Building,  
21, J J Thomson Avenue,  
Cambridge, CB3 0FA

16 May 2012



**Elektron Technology plc**

Registered in England and Wales No. 448274

**To the holders of the Company's ordinary shares**

Dear Shareholder,

**Letter from the Chairman and Notice of Annual General Meeting**

I am writing to you with details of the Annual General Meeting (the 'AGM') of Elektron Technology plc (the 'Company') to be held at 3.00pm on Thursday, 28 June 2012 at The Entrepreneurship Centre, The Hauser Forum, 3 Charles Babbage Road, Cambridge CB3 0GT. The formal Notice of AGM is set out on pages 3 and 4 of this document.

Full details of the venue can be found at <http://www.hauserforum.com>. Please note that there is limited parking available at the venue and you are recommended to park at Maddingley Road Park and Ride from which there is a regular bus service with stops close to the Hauser Forum.

If you are attending the AGM and would like to ask a question, which should relate to the business of the AGM, you are encouraged to register it in advance by email to [agm.questions@elektron-technology.com](mailto:agm.questions@elektron-technology.com). Registering a question in advance will enable a more considered reply from the Company's Directors.

The business of the AGM includes the consideration of the 2012 annual report and financial statements, the re-appointment of auditors and approval of their fees, the declaration of a dividend and the re-appointment of Directors. In accordance with the Company's Articles of Association, all Directors are required to submit themselves for re-appointment at regular intervals and Directors appointed since the last AGM are required to stand for re-appointment at this AGM.

I would like to draw your attention in particular to three of the resolutions, which merit special comment. Further information is provided in the explanatory notes on page 5 of this document.

**Resolution 6 – Authority to allot shares**

The Company's Directors may allot relevant securities only if authorised to do so by shareholders.

Accordingly, paragraph 6.1 of resolution 6 would give the Directors the authority to allot ordinary shares up to an aggregate amount of £4,035,150. The Directors consider it desirable that the specified amount of authorised but unissued share capital is available for issue so that they can more readily take advantage of possible opportunities.

**Resolution 7 – Disapplication of pre-emption rights**

Generally, if Directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Companies Act 2006 ('2006 Act')) for cash, then, under the 2006 Act they must offer such shares or securities to ordinary shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disappplied by shareholders.

Resolution 7, which will be proposed as a special resolution, renews a similar power given at last year's AGM and would give the Directors the authority to allot ordinary shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings up to an aggregate nominal value of £596,484.

The resolution will enable the Directors, at their discretion, to allot a limited number of equity securities for cash on a non pre-emptive basis and provide the Directors with greater flexibility to take advantage of business opportunities as they arise, to offer a scrip dividend as an alternative to a cash dividend and to issue shares to staff members who have the right to subscribe for shares under the Company's share option schemes. The percentage of shares being authorised represents a reduction in the authority granted at last year's AGM from 15% to 10% of issued share capital.

Resolution 3, to approve the 2012 dividend, is conditional on the passing of resolutions 6 and 7 so that shares may be issued to shareholders who have elected to participate in the Company's Scrip Dividend Scheme. Therefore if resolutions 6 and 7 are not passed, a final dividend cannot be paid to shareholders.

#### **Resolution 9 – Articles of Association**

The Company is asking its shareholders to approve the adoption of a number of amendments to its Articles of Association. The Directors have reviewed the existing Articles of Association and while the core elements will remain the same, they consider it appropriate to make certain changes to ensure the Articles are up to date, clear, systematic and applicable to current law and practice. The full text of each of the proposed new articles is contained in Annex 1 of this Notice of AGM and an explanatory note of the principal changes is contained in Annex 2.

In addition, please note that a copy of the proposed new Articles of Association in amended form will be available on the Company's website, under documents within the 'Investors' section, from the date of the Notice of AGM. Printed copies can also be requested from the Company Secretary.

#### **Action to be taken**

Enclosed with this letter is a form of proxy for use in relation to the AGM. Whether or not you propose to attend the AGM, the form of proxy should be completed in accordance with the instructions printed thereon and returned to the Company's registrars, Capita Registrars, as soon as possible and in any event not later than 48 hours before the time appointed for the AGM, therefore by 3.00pm on Tuesday, 26 June 2012. Completion and return of a form of proxy will not preclude you from attending the AGM and voting in person should you so wish.

#### **Recommendation**

Your Directors consider that the proposed resolutions in the Notice of AGM are in the best interests of the Company and shareholders as a whole and unanimously recommend that you vote in favour of each of the resolutions as they intend to do so in respect of their own beneficial holdings.

Yours faithfully



#### **Keith Daley**

Chairman  
Elektron Technology plc  
Broers Building  
21, J J Thomson Avenue,  
Cambridge CB3 0FA

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the 'AGM') of Elektron Technology plc (the 'Company') will be held at The Entrepreneurship Centre, The Hauser Forum, 3 Charles Babbage Road, Cambridge CB3 0GT on Thursday, 28 June 2012 at 3.00pm for the following purposes:

To consider and, if thought fit, pass the following resolutions of which those numbered 1, 2, 3, 4, 5 and 6 will be proposed as ordinary resolutions and those numbered 7, 8 and 9 will be proposed as special resolutions:

## Ordinary Resolutions

1. To receive the Directors' report and the audited financial statements for the year ended 31 January 2012 together with the report of the auditors.
2. That Deloitte LLP be and are hereby re-appointed as auditors of the Company for the year ending 31 January 2013 to hold office until the end of the next period for appointing auditors in accordance with the provisions of Part 16 of the Companies Act 2006 and that the Directors be authorised to fix the remuneration of the auditors for the year ending 31 January 2013 and for subsequent financial years or unless this authority is either revoked or varied.
3. Subject to and conditional on the passing of resolutions 6 and 7 below, that a final dividend for the year ended 31 January 2012 of 0.56p per ordinary share of 5p each in the capital of the Company, be declared payable on 17 August 2012 to shareholders registered at the close of business on 4 May 2012.
4. To re-appoint Noah Franklin as a Director.
5. To re-appoint Jeremy Thorn as a Director.
6. That:
  - 6.1. the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 to exercise all powers of the Company to allot relevant securities (as defined in the said section) up to an aggregate nominal amount of £4,035,150, such authority to expire five years from the date of this resolution but to be capable of previous revocation or variation from time to time by the Company in general meeting and of renewal from time to time by the Company in general meeting for a further period not exceeding five years;
  - 6.2. the Company may make any offer or agreement before the expiry of this authority that would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement as if this authority had not expired; and
  - 6.3. all previous authorities to allot relevant securities conferred by resolution of the Company pursuant to Section 551 of the Companies Act 2006 or otherwise be and they are hereby revoked, but without prejudice to any allotment, offer or agreement made or entered into prior to the passing of this resolution.

## Special Resolutions

7. That, subject to and conditional upon resolution 6 being passed and becoming unconditional:
  - 7.1. the Directors be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) pursuant to the authority conferred by the foregoing resolution 6 above as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment provided that this power shall be limited:
    - 7.1.1. to the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their respective holding of such shares but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory;
    - 7.1.2. to the allotment (otherwise than pursuant to sub-paragraph 7.1.1 above) of equity securities up to an aggregate nominal value of £596,484; and
    - 7.1.3. to the sale of shares which is an allotment of equity securities by virtue of Section 560(2)(b) of the Companies Act 2006 as if the words 'pursuant to the authority conferred by the foregoing resolution 6 above' were omitted from the first paragraph of this resolution 7.1;
  - 7.2. the power hereby conferred shall expire on the conclusion of the next AGM following the date of this resolution or such later date as the Company may by special resolution prescribe but may be previously revoked or varied by special resolution;
  - 7.3. the power hereby conferred shall enable the Company to make any offer or agreement that would or might require equity securities to be allotted after such power expires and the Directors may offer equity securities in pursuance of any such offer or agreement up to the maximum amount prescribed by paragraph 7.1.2 of this resolution as if the power hereby conferred had not expired; and
  - 7.4. all previous powers to allot equity securities conferred by resolution of the Company pursuant to Section 570 of the Companies Act 2006 or otherwise be and are hereby revoked, but without prejudice to any allotment offer or agreement made or entered into prior to the passing of this resolution.

## Notice of Annual General Meeting continued

8. That the Company be generally and unconditionally authorised (including for the purposes of Section 701 of the Companies Act 2006) to make one or more market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 5p each in the capital of the Company and to hold such ordinary shares so purchased as treasury shares (as defined in Section 724(5) of the Companies Act 2006) provided that:
  - 8.1. the maximum number of ordinary shares hereby authorised to be purchased is 17,882,618 representing 14.99% of the Company's issued share capital;
  - 8.2. the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 5p;
  - 8.3. the maximum price, exclusive of any expenses, which may be paid for any such ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the AIM Appendix to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which such share is contracted to be purchased;
  - 8.4. the authority hereby conferred shall expire at the close of the next AGM of the Company; and
  - 8.5. the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.
9. To amend the Articles of Association of the Company as follows:
  - 9.1. to delete the following wording in Article 57 (b): 'than is fixed by the Memorandum of Association'.
  - 9.2. to delete and replace Articles 9, 59, 60 and 66 with new articles in accordance with current law and practice, the full text of which is contained in Annex 1 to this Notice of AGM.
  - 9.3. to delete Article 63.
  - 9.4. to insert the following wording at the end of Article 68: *'However, without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of'.*
  - 9.5. to insert 13 new articles (the full text of which is contained in Annex 1 to this Notice of AGM) in relation to the following: (i) Objects of the Company; (ii) Change of Name; (iii) Form of Resolution; (iv) Share Capital; (v) Directors' Power to Allot Shares; (vi) Uncertificated Shares; (vii) Annual General Meetings; (viii) Convening of General Meeting; (ix) Postponement of General Meetings; (x) Entitlement to Vote and Speak; (xi) Amendment to Resolutions; (xii) Failure to Disclose Interests in Shares; and (xiii) Circulation of Resolution and Requisition of Members.

Please note the full text of each of the proposed new articles is contained in Annex 1 to this Notice of AGM and an explanatory note of the principal changes is contained in Annex 2.

By order of the Board

**Martin Reeves**

Company Secretary  
Elektron Technology plc  
Broers Building  
21, J J Thomson Avenue,  
Cambridge CB3 0FA

16 May 2012

# Explanatory notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 7 to 9 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Ordinary Resolutions

### Resolution 1 – Receipt of annual report and financial statements

The Directors of the Company must present to shareholders the report of the Directors and the audited financial statements of the Company for the financial year ended 31 January 2012, together with the report of the auditors on those accounts; these are within the annual report and financial statements delivered with this Notice.

### Resolution 2 – Re-appointment of auditors

Resolution 2 proposes the re-appointment of Deloitte LLP as the Company's auditors and authorises the Directors to fix the remuneration of the auditors.

### Resolution 3 – Declaration of final dividend

A final dividend of 0.56p per ordinary share is recommended by the Directors for payment to those shareholders on the register at the close of business on 4 May 2012. A final dividend can only be paid after it has been approved by the shareholders at a general meeting. If the resolution is passed, the proposed final dividend will be paid on 17 August 2012, unless you have elected to receive a scrip dividend under the terms of the Company's Scrip Dividend Scheme.

### Resolutions 4 and 5 – Re-appointment of Directors

Pursuant to the Articles of Association, Noah Franklin (having been appointed as a Director since the last AGM) is required to stand for re-appointment. Further pursuant to the Articles of Association, Jeremy Thorn must stand for re-appointment as the longest serving Director of the Company since his last re-appointment. The Board is pleased to recommend both Directors for re-appointment. Brief biographical details of all the Directors, including those standing for re-appointment, appear on pages 14 and 15 of the annual report and financial statements.

### Resolution 6 – Authority to allot securities

Resolution 6 grants the Directors of the Company authority to allot shares up to an aggregate nominal amount of £4,035,150 (being 80,703,013 ordinary shares of the Company).

## Special Resolutions

### Resolution 7 – Disapplication of pre-emption rights

If the Directors wish to exercise the authority under resolution 6 to offer unissued shares for cash, the Companies Act 2006 requires that, unless shareholders have given specific authority to the waiver of the statutory pre-emption rights, the new shares be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares or sell shares which the Company may purchase and elect to hold as treasury shares) for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 7 disapplies the statutory pre-emption rights which would otherwise apply on an issue of shares for cash and is limited to allotments in connection with rights issues or other pre-emptive offers, or otherwise up to an aggregate nominal amount of £596,484 (representing 11,929,698 ordinary shares). This aggregate nominal amount represents approximately 10% of the issued ordinary share capital of the Company as at 11 May 2012, the latest practicable date prior to publication of this Notice.

The authority will expire at the conclusion of the AGM of the Company held in 2013.

### Resolution 8 – Purchase of own shares

Resolution 8 will be proposed to renew the authority of the Company to make market purchases of its own ordinary shares up to a maximum of 14.99% of the existing issued ordinary share capital at a minimum price of 5p per share (being their nominal value) and a maximum price of 105% of the average of the market value for an ordinary share as derived from the AIM Appendix of the London Stock Exchange Daily Official List for the five business days preceding the date of purchase. The authority will last until the conclusion of the AGM of the Company to be held in 2013. Any ordinary shares purchased by the Company pursuant to this authority would either be cancelled or held in treasury.

The Company has no present intention to purchase any of its own ordinary shares, and the Directors of the Company will only consider making purchases if they believe it would be in the best interests of the shareholders generally. The Directors intend to seek renewal of this authority at subsequent AGM's of the Company.

### Resolution 9 – Articles of Association

As per the Chairman's covering letter, the Directors have reviewed the existing Articles of Association and while the core elements will remain the same they consider it is appropriate to make certain changes to the Articles to ensure that they are up to date, clear, systematic and applicable to current law and practice.

Please note the full text of each of the proposed new articles is contained in Annex 1 to this Notice of AGM and in addition, there is a detailed explanatory note of the principal changes contained in Annex 2.

# Notes to the Notice of Annual General Meeting

## Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6.00pm on the day two days prior to the day appointed for holding the AGM or, in the event that the AGM is adjourned, at 6.00pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time.

## Appointment of proxies

2. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a proxy form with this Notice of AGM. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please photocopy the proxy form.
3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this 'Appointment of proxies' section. Please read the section 'Nominated persons' defined in Note 12.
4. A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

## Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To be valid, the proxy form, and any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) must be duly completed, executed and deposited with Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time appointed for the AGM (or any adjourned meeting). In the case of a member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by an officer, attorney or other person duly authorised by the corporation.

## Appointment of proxies through CREST

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by utilising 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.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the issuer's agent, Capita Registrars (ID RA10), by no later than 48 hours before the time appointed for the AGM. 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.

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), to procure that his CREST sponsor or 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 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.

## Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

## Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy appointments**

10. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

- by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars (address above). In the case of a member which is a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer, attorney or other person authorised to sign the same. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
- by contacting Capita Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday-Friday.

In either case, the revocation notice must be received by Capita Registrars no later than 48 hours before the time appointed for holding the AGM.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

### **Issued shares and total voting rights.**

11. As at close of business on 11 May 2012 (being the latest practicable date prior to the publication of this document) the Company's issued share capital comprised 119,296,987 ordinary shares of 5p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business on 11 May 2012 is 119,296,987.

### **Nominated persons**

12. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:

- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the AGM;
- if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
- your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

### **Communication**

13. You may not use any electronic address provided either:

- in this Notice of AGM; or
- any related documents (including the Chairman's Letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

### **Inspection of documents**

14. The following documents will be available for inspection at the registered office of the Company from the date of this Notice until the date of the AGM during normal business hours, and at the place of the AGM from 2.45pm until its conclusion:

- copies of the Directors' service contracts; and
- a copy of the amended Articles of Association of the Company.

### **Elektron Technology plc**

Broers Building,  
21, J J Thomson Avenue  
Cambridge CB3 0FA  
Email: [mail@elektron-technology.com](mailto:mail@elektron-technology.com)

**Web: [www.elektron-technology.com](http://www.elektron-technology.com)**

# ANNEX 1: Resolution 9 – Articles of Association

## Proposed full text of new articles:

### 1. Objects

Nothing in these Articles shall constitute a restriction on the objects of the Company to do (or omit to do) any act and, in accordance with section 31(1) of the Act, the Company's objects are unrestricted.

### 2. Change of name

The Company may change its name by resolution of the Board.

### 3. Form of resolution

Subject to the Companies Acts, where anything can be done by passing an ordinary resolution, this can also be done by passing a special resolution.

### 4. Share capital

4.1 The Company does not have an authorised share capital.

**NOTE:** Point 5.1 replaces article 9 of the existing Articles of Association:

### 5. Directors' Power to Allot Shares

5.1 Subject to the Companies Acts, these Articles and to any relevant authority of the Company in general meeting required by the Act, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Board may decide. No share may be issued at a discount.

5.2 The Board may, at any time after the allotment of any share but before any person has been entered in the Register, recognise a renunciation by the allottee in favour of some other person and accord to the allottee of a share a right to effect such renunciation and/or allow the rights to be represented to be one or more participating securities, in each case upon the subject to such terms and conditions as the Board may think fit to impose.

5.3 Under and in accordance with section 551 of the Act, the Board shall be generally and unconditionally authorised to exercise for each prescribed period all the powers of the Company to allot shares up to an aggregate nominal amount equal to the Section 551 Amount.

5.4 Under and within the terms of the said authority or otherwise in accordance with section 570 of the Act, the Board shall be empowered during each prescribed period to allot equity securities (as defined by the Act) wholly for cash:

5.4.1 in connection with a rights issue; and

5.4.2 otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 561 Amount.

5.5 During each prescribed period the Company and its Board by such authority and power may make offers or agreements which would or might require equity securities or other securities to be allotted after the expiry of such period.

5.6 For the purposes of Articles 16 through to 20 (inclusive):

5.6.1 **rights issue** means an offer of equity securities (as defined by the Act) open for acceptance for a period fixed by the Board to holders of equity securities on the Register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached to them but subject to such exclusions or other arrangements as the Board may deem necessary or expedient with regard to treasury shares, fractional entitlements or legal or practical problems under the laws of any territory or under the requirements of any recognised regulatory body or stock exchange in any territory;

5.6.2 **prescribed period** means any period (not exceeding five years on any occasion) for which the authority, in the case of Article 18, is conferred or renewed by ordinary or special resolution stating the Section 551 Amount and in the case of Article 19, is conferred or renewed by special resolution stating the Section 561 Amount;

5.6.3 **Section 551 Amount** means for any prescribed period, the amount stated in the relevant ordinary or special resolution;

5.6.4 **Section 561 Amount** means for any prescribed period, the amount stated in the relevant special resolution; and

5.6.5 the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.



## ANNEX 1: Resolution 9 – Articles of Association continued

### 6. Uncertificated shares

- 6.1 Under and subject to the uncertificated securities rules, the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is at the relevant time a participating class. The Board may also, subject to compliance with the uncertificated securities rules, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system.
- 6.2 In relation to a class of shares which is a participating class and for so long as it remains a participating class, no provision of these Articles shall apply or have effect to the extent that it is inconsistent in any respect with:
- 6.2.1 the holding of shares of that class in uncertificated form;
- 6.2.2 the transfer of title to shares of that class by means of a relevant system; or
- 6.2.3 any provision of the uncertificated securities rules;
- and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by an **'Operator'** (defined, for the purposes of these Articles) to mean Euroclear UK and Ireland Limited or such other person as may for the time being be approved by HM Treasury as Operator under the uncertificated securities rules), so long as that is permitted or required by the uncertificated securities rules, of an Operator register of securities in respect of that class of shares in uncertificated form.
- 6.3 Shares of a class which is at the relevant time a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the uncertificated securities rules.
- 6.4 If, under these Articles or the Companies Acts, the Company is entitled to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over an uncertificated share, then, subject to these Articles and the Companies Acts, such entitlement shall include the right of the Board to:
- 6.4.1 require the holder of the uncertificated share by notice in writing to change that share from uncertificated to certificated form within such period as may be specified in the notice and keep it as a certificated share for as long as the Board requires;
- 6.4.2 appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such share as may be required to effect the transfer of such share and such steps shall be as effective as if they had been taken by the registered holder of that share; and
- 6.4.3 take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.
- 6.5 Unless the Board determines otherwise, shares which a member holds in uncertificated form shall be treated as separate holdings from any shares which that member holds in certificated form but a class of shares shall not be treated as two classes simply because some shares of that class are held in certificated form and others in uncertificated form.
- 6.6 Unless the Board determines otherwise or the uncertificated securities rules require otherwise, any shares issued or created out of or in respect of any uncertificated shares shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares.
- 6.7 The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the uncertificated securities rules and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance on such assumption. Any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the Register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

**NOTE:** Points 7 and 8 below replace articles 59 and 60 of the existing Articles of Association:

### 7. Annual general meetings

An annual general meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date at such place, date and time as may be determined by the Board.

## ANNEX 1: Resolution 9 – Articles of Association continued

### 8. Convening of general meeting

All meetings other than annual general meetings shall be called general meetings. The Board may, whenever it thinks fit, and shall on requisition in accordance with the Companies Acts, proceed to convene a general meeting.

### 9. Postponement of general meeting

If the Board considers that it is impracticable or unreasonable to hold a general meeting on the date or at the time or place stated in the notice calling the meeting, it may postpone or move the meeting (or do both). The Board shall take reasonable steps to ensure that notice of the date, time and place of the rearranged meeting is given to any member trying to attend the meeting at the original time and place. Notice of the date, time and place of the rearranged meeting shall, if practicable, also be placed in at least two national newspapers published in the United Kingdom. Notice of the business to be transacted at such rearranged meeting shall not be required. If a meeting is rearranged in this way, appointments of proxy are valid if they are received as required by these Articles not less than 48 hours before the time appointed for holding the rearranged meeting. The Board may also postpone or move the rearranged meeting (or do both) under this Article.

**NOTE:** Point 10 below replaces article 66 of the existing Articles of Association:

### 10. Entitlement to attend and speak

A Director (and any other person invited by the Chairman to do so) may attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company, whether or not he is a member.

### 11. Adjournments

**Wording to be inserted at Article 68:** – However, without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

### 12. Amendment to resolutions

- 12.1 If an amendment to any resolution under consideration is proposed but is ruled out of order by the Chairman of the meeting in good faith, any error in such ruling shall not invalidate the proceedings on the original resolution.
- 12.2 In the case of a resolution duly proposed as a special resolution, no amendment to it (other than an amendment to correct a patent error) may in any event be considered or voted on. In the case of a resolution duly proposed as an ordinary resolution no amendment to it (other than an amendment to correct a patent error) may be considered or voted on unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office or received in electronic form at the electronic address at which the Company has or is deemed to have agreed to receive it or the Chairman of the meeting in his absolute discretion decides that it may be considered or voted on.

### 13. Failure to Disclose Interests in Shares

- 13.1 If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice under section 793 of the Act (**section 793 notice**) and has failed in relation to any shares (**default shares**, which expression includes any shares issued after the date of such notice in right of those shares) to give the Company the information required by the section 793 notice within the prescribed period from the service of the notice, the following sanctions shall apply unless the Board determines otherwise:
  - 13.1.1 the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
  - 13.1.2 where the default shares represent at least 0.25% in nominal value of the issued shares of their class (calculated exclusive of any shares held as treasury shares):
    - 13.1.2.1 any dividend or other money payable for such shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect to receive shares instead of that dividend; and
    - 13.1.2.2 no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless:
      - (a) the member himself is not in default of supplying the required information; and
      - (b) the member proves to the satisfaction of the Board that no person in default of supplying such information is interested in any of the shares that are the subject of the transfer.

For the purposes of ensuring this Article 106(B)(b) can apply to all shares held by the member, the Company may in accordance with the uncertificated securities rules, issue a written notification to the Operator requiring conversion into certificated form of any share held by the member in uncertificated form.

## ANNEX 1: Resolution 9 – Articles of Association continued

13.2 Where the sanctions under Article 106 apply in relation to any shares, they shall cease to have effect (and any dividends withheld under Article 106(B) shall become payable):

13.2.1 if the shares are transferred by means of an excepted transfer but only in respect of the shares transferred; or

13.2.2 at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the section 793 notice and the Board being fully satisfied that such information is full and complete.

13.3 Where, on the basis of information obtained from a member in respect of any share held by him, the Company issues a section 793 notice to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 106.

13.4 For the purposes of Articles 106 through to 110 (inclusive) :

13.4.1 a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;

13.4.2 **'interested'** shall be construed as it is for the purpose of section 793 of the Act;

13.4.3 reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes reference:

13.4.3.1 to his having failed or refused to give all of any part of it; and

13.4.3.2 to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

13.4.4 **'prescribed period'** means 14 days;

13.4.5 **'excepted transfer'** means, in relation to any shares held by a member:

13.4.5.1 a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act); or

13.4.5.2 a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or

13.4.5.3 a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

13.5 Nothing contained in this Article shall be taken to limit the powers of the Company under section 794 of the Act.

### 14. Circulation of resolutions and other matters on requisition of members

14.1 Subject to the Companies Acts, the Board shall on the requisition of members, and where relevant, those entitled under section 153 of the Act, **(requisitionists)**:

14.1.1 give to the members entitled to receive notice of the next annual general meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting and of any matter which may properly be included in the business of that meeting;

14.1.2 circulate to the members entitled to receive notice of any general meeting, a statement of not more than 1,000 words with respect to a matter referred to in any proposed resolution or other business to be dealt with at that meeting.

14.2 Members and requisitionists who requisition the Company to circulate a resolution or statement or any matter to be included in the business of a meeting must meet the expenses of the circulation (in this Article defined as costs) unless the members have resolved that the Company will meet the costs.

14.3 In cases where the members and the requisitionists have to meet the costs, the Company will, unless it has otherwise resolved, not be bound to circulate the resolution or statement or matter to be included in the business of the meeting unless there is deposited with it or tendered to it a sum or sums reasonably sufficient to meet the costs. The costs must, in the case of a resolution or matter to be included in the business of the meeting, be deposited or tendered not later than six weeks before the date of the annual general meeting to which the request relates, or if later, the time at which the notice of the meeting is given or, in the case of a statement, be deposited or tendered not later than one week before the date of the meeting to which it relates.

## ANNEX 2: Resolution 9 – Articles of Association

### Explanatory note to the proposed amendments to the Articles of Association:

Please note that the proposed amendments to the Articles of Association of the Company are available for inspection on the Company's website. In addition, a physical hard copy of the amended Articles of Association is available upon request to the Company Secretary, Martin Reeves at the following address: Elektron Technology plc, Broers Building, 21, J J Thomson Avenue, Cambridge CB3 0FA.

The below note summarises the proposed changes to the Company's Articles of Association and should be read with the strict understanding that it is for information and general guidance purposes only and should not under any circumstances replace or substitute a full review of the amended Articles of Association.

### In summary, the Articles of Association will be amended as follows:

#### PRELIMINARY MATTERS

- **Objects** – in accordance with section 31(1) of the Companies Act 2006 (the '2006 Act'), the New Articles confirm that nothing shall constitute a restriction on the objects of the Company.
- **Company Name** – this article provides that the Board may resolve to change the name of the Company.
- **Resolutions** – this article confirms that for the avoidance of doubt, subject to the 2006 Act, anything that can be done by passing an ordinary resolution, can also be done by passing a special resolution.

#### SHARES & SHARE CAPITAL

- **Share Capital** – in accordance with the 2006 Act, this article restates the statutory position that the Company no longer has an authorised share capital.
- **Allotment of Shares** – The article provides additional details in respect of the Board's power to allot shares pursuant to section 551 of the 2006 Act. Authorities to allot shares (and to disapply pre-emption rights) can be quite lengthy and it is becoming increasingly common for public companies to use a mixture of the authority in the articles of association and a short form enabling resolution in general meeting (usually at the annual general meeting) to create and renew their authorities to allot. Such authorities are perfectly valid as a matter of law and have the benefit of reducing the length of standard resolutions included in the notice of meeting.
- **Sub-division** – the following wording will be deleted from article 57 (b): *'than is fixed by the Memorandum of Association'* as the concept of authorised share capital is no longer applicable in law.
- **Uncertificated Shares** – This article grants the Company the option to issue, hold, register, convert and transfer its shares in uncertificated form for CREST.

#### GENERAL MEETINGS

- **Annual General Meetings & Convening of General Meetings** – Articles 59 and 60 of the existing Articles shall be deleted and replaced with updated provisions in relation to general meetings that remove reference to 'extraordinary general meetings' as this term is no longer used in company law.
- **Proceedings at General Meetings** – Article 63 of the Existing Articles shall be deleted in its entirety as the concept ordinary and special business no longer exists in company law. All resolutions under the 2006 Act that require a special resolution will be treated as such in any general meeting.
- **Postponement of General Meeting** – This article permits the Board to postpone or move the meeting, or do both.
- **Adjournments of General Meeting** – Article 68 will be amended to provide that the chairman may without the consent of the meeting adjourn a meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting.
- **Entitlement to attend and speak** – Article 66 shall be deleted and replaced with an update provision that provides that any director and other person invited by the chairman may attend and speak at a general meeting.
- **Amendment to Resolutions** – This article provides that no amendment may be made to any ordinary resolution at a general meeting (other than in the case of a patent error) unless it is provided no later than 48 hours prior to the relevant meeting and such notice must detail the terms of the proposed amendment and the intention to move the same.
- **Failure to disclose interests in shares** – This article provides that if a registered holder of shares is served with a Section 793 notice (requiring disclosure of his interest in the shares) he must give that information to the Company within 14 days. If he fails to do so, the Company can impose certain restrictions including a prohibition against attendance at meetings, voting, receipt of dividends or restrictions on transfer of shares.
- **Circulation of resolutions and other matters on requisition** – This article repeats the 2006 Act in respect of members' resolutions and members' statements.



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