



**CML
Microsystems
Plc**

CML MICROSYSTEMS Plc

(incorporated and registered in England and Wales under number 00944010)

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have recently sold or transferred all of your ordinary shares (**Shares**) of £0.05 in capital of CML Microsystems Plc (**Company**), please send this notice and the accompanying documents as soon as possible to the purchaser or transferee or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the Shares.

Notice of the Annual General Meeting (**AGM**) of the Company, to be held at Pontlands Park Hotel, West Hanningfield Road, Great Baddow, Chelmsford, Essex, CM2 8HR on 9 August 2023 at 11.00am, is set out in Part II of this document.

A form of proxy is enclosed with this document and should be completed and returned to our registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, by no later than 11.00am on 7 August 2023. Completion and return of a form of proxy will not preclude members of the Company from attending and voting in person at the AGM should they wish.

CML Microsystems Plc

Part I - Letter from the Chairman

Directors:

Nigel Graham Clark (Executive Chairman)
Christopher Arthur Gurry (Group Managing Director)
Geoffrey Frederick Barnes (Senior Non-Executive Director)
James Andrew Lindop (Non-Executive Director)

Registered Office:

Oval Park
Hatfield Road
Langford
Maldon
Essex
CM9 6WG

26 June 2023

Dear Shareholder,

Annual General Meeting 2023

I am pleased to be writing to you with details of the 2023 Annual General Meeting (**AGM**) of CML Microsystems Plc (**Company**) to be held at Pontlands Park Hotel, West Hanningfield Road, Great Baddow, Chelmsford, Essex, CM2 8HR on 9 August 2023 at 11.00am.

1. Notice of AGM

The formal notice of the AGM (**Notice**), set out in Part II of this document, sets out the business to be considered and resolutions (**Resolutions**) to be considered and voted on at the AGM. The board of directors (**Board**) of the Company has set out further detail on and context to the resolutions (**Resolutions**) to be passed at the AGM in Part IV of this document.

2. Action to be taken

Shareholders holding through nominees/platforms

If you hold shares through a nominee or platform, please send your voting instructions to your nominee or platform. They will aggregate your votes and submit them. Your nominee will be the holder of record on the Company's share register and will therefore need to submit the votes on your behalf. If you submit a form of proxy it is unlikely to be valid and, if it is invalid, your votes will not be counted.

Registered shareholders

If you hold shares in your name, you can vote by either:

- attending the AGM in person;
- appointment of proxy, either using the Proxy Form enclosed with this document or for CREST members, by using the CREST electronic proxy appointment service.

For further details, please refer to Part III of this document.

3. Annual accounts

The Annual Report and Accounts for CML Microsystems Plc for the period ended 31 March 2023 can be accessed on our website: www.cmlmicroplc.com.

4. Recommendation

- The Board consider that all the proposals to be considered at the AGM are in the best interests of the Company and will promote its success for the benefit of the shareholders of the Company as a whole.
- In particular, in advance of this year's AGM, we have carefully considered the latest guidance on pre-emption limits.

- Last year, the Company sought authority to raise equity finance, by issuing shares on a non-pre-emptive basis, which is common practice for AIM-listed companies and allows the company to raise finance in an efficient manner. The levels we sought at that time were £39,600 to be used for general purposes, and £118,800 for the purposes of financing a transaction or other acquisition activities. These sums represented approximately 5% and 15% of the company's issued share capital respectively at that time.
- You will note in this year's AGM, that the Company will be seeking to raise finance non-pre-emptively up to a total of 20% of the company's issued share capital based on up to 10% of the Company's issued share capital for general purposes and up to 10% for the purposes of financing a transaction or other acquisition activities. These figures comply with the limits set out in the latest guidance contained in Pre-Emption Group's Statement of Principles 2022 and the Investment Association's Share Capital Management Guidelines 2023 and will be important for the continued growth of the company as a whole.
- The Board unanimously recommends that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own beneficial holdings.

Yours faithfully,

Nigel Graham Clark

Chairman

Part II - Notice of Annual General Meeting

NOTICE is hereby given that the AGM of CML Microsystems Plc (**Company**) will be held at Pontlands Park Hotel, West Hanningfield Road, Great Baddow, Chelmsford, Essex, CM2 8HR on 9 August 2023 at 11.00am to transact the following business.

The resolutions numbered 1 to 8 (inclusive) are proposed as ordinary resolutions and must receive more than 50% of the votes cast in order to be passed. The resolutions numbered 9 to 11 (inclusive) are proposed as special resolutions and must receive at least 75% of the votes cast in order to be passed.

Ordinary business

Ordinary resolutions

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive and adopt the consolidated financial statements and the reports of the Directors and auditor in respect of CML Microsystems Plc for the year ended 31 March 2023.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2023.
3. To declare a final dividend of 6p per ordinary share of 5p for the year ended 31 March 2023 to be paid on 18 August 2023 to shareholders of the Company (**Shareholders**) whose names appear on the register at the close of business on 4 August 2023.
4. To re-appoint Geoffrey Barnes, who retires by rotation, as a director of the Company.
5. To send or supply all documents or information relating to the Company to Shareholders by making them available on the Company's website: **www.cmlmicroplc.com**.
6. To re-appoint BDO LLP as auditor of the Company.
7. To authorise the directors of the Company (**Directors**) to determine the remuneration of the auditor of the Company.

Special business

Ordinary resolutions

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

8. That pursuant to Section 551 of the Companies Act 2006 (**Act**), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities:
 - (a) comprising equity securities (as defined in Section 560(1) of the Act) up to an aggregate nominal amount of £525,120 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph b) of this resolution) in connection with a rights issue:
 - i. to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - ii. to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) otherwise than pursuant to paragraph a) of this resolution, up to an aggregate nominal amount of £262,560 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph a) of this resolution in excess of £262,560, provided that (unless previously revoked, varied or renewed); and
 - (c) these authorities shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on the date which is 15 months after the date of the AGM at which this resolution is passed (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired. These authorities are in substitution for all existing authorities under Section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

In this resolution, "**Relevant Securities**" means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

Part II - Notice of Annual General Meeting

continued

Special business

Special resolutions

To consider and, if thought fit, to pass the following resolutions as special resolutions:

9. That, subject to the passing of resolution 8 and pursuant to Sections 570 and 573 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authorities granted by resolution 8 and to sell ordinary shares held by the Company as treasury shares for cash as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to:
 - (a) the allotment of equity securities or sale of treasury shares in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph a) of resolution 8, such power shall be limited to the allotment of equity securities in connection with a rights issue):
 - i. to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them;
 - ii. to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary;
 - iii. but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment of equity securities pursuant to the authority granted by paragraph b) of resolution 8 or sale of treasury shares (in each case, otherwise than pursuant to paragraph a) of this resolution) up to an aggregate nominal amount of £79,563 (being 10% of the Company's issued ordinary share capital, excluding treasury shares) and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on the date which is 15 months after the date of the AGM at which this resolution is passed (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted or treasury shares to be sold for cash after this power expires and the Directors may allot equity securities or sell treasury shares for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under Sections 570 and 573 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).
10. That, subject to resolution 8 being passed, and in addition to any authority granted under resolution 9 to allot equity securities pursuant to the Act for cash under the authority given by that resolution, the Directors be and are generally empowered to allot equity securities (pursuant to Sections 570 and 573 of the Act) for cash under the authority given by resolution 8 and/or to sell treasury shares as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be:
 - (a) limited, in the case of the authority granted under paragraph b) of resolution 9 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares up to a nominal amount of £79,563 (being 10% of the Company's issued ordinary share capital, excluding treasury shares); and
 - (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on the date which is 15 months after the date of the AGM at which this resolution is passed (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted or treasury shares to be sold for cash after this power expires and the Directors may allot equity securities or sell treasury shares for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under Sections 570 and 573 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

11. That, pursuant to Section 701 of the Act the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 5p each in the capital of the Company (**Shares**), provided that:
- (a) the maximum aggregate number of Shares which may be purchased is 2,327,000;
 - (b) the minimum price (excluding expenses) which may be paid for a Share is 5p (being the nominal amount of a Share);
 - (c) the maximum price (excluding expenses) which may be paid for a Share is the higher of:
 - i. an amount equal to 105% of the average of the middle market quotations for a Share as derived from the Daily AIM market of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made; and
 - ii. an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out;
 - (d) an ordinary share so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of applicable laws or regulations of the UK Listing Authority, held as a treasury share; and
 - (e) (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on the date which is 15 months after the date of the AGM at which this resolution is passed (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the Board

Michelle Jones

Company Secretary

26 June 2023



Registered Office:

Oval Park
Hatfield Road
Langford
Maldon
Essex
CM9 6WG

Part III – Notes to the Notice of Annual General Meeting

1. Attending the AGM in person

If you wish to attend the AGM in person, you should arrive at the venue for the AGM in good time to allow your attendance to be registered. You must bring some form of identification as evidence of your identity prior to the Company's representatives allowing your admittance to the AGM.

2. Appointment of proxies

Members who are entitled to attend and vote at the AGM are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Proxy Form.

If a member wishes a proxy to speak on their behalf at the meeting, the member will need to appoint their own choice of proxy (not the Chairman of the AGM) and give their instructions directly to them. Such an appointment can be made using the Proxy Form accompanying this notice of AGM or through CREST.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact Neville Registrars Limited, by writing to Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD.

A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the meeting by marking the "Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

Under Section 337(3) of the Act members may circulate and move a resolution at the AGM if members representing at least 5% of the total voting rights request it, or if at least 100 members request it, if those members hold shares in the Company in holdings on which an average of £100 per member has been paid up.

3. Appointment of a proxy using a Proxy Form

A Proxy Form for use in connection with the AGM is enclosed. To be valid, any Proxy Form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post using the postal address on the form of proxy to the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, not later than 11.00am on 7 August 2023 or, if the AGM is adjourned, at least 48 hours before the time of the adjourned meeting.

If you do not have a Proxy Form and believe that you should have one, or you require additional Proxy Forms, please contact the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD.

4. Appointment of a proxy through CREST

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 and by logging on to the following website: **www.euroclear.com/CREST**. 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 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 & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the registrar (ID 7RA11) not later than 11.00 am on 7 August 2023 or, if the AGM is adjourned, at least 48 hours before the time of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. 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 system 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.

5. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported 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). In any event, all members are requested to appoint the Chairman as their proxy. If a member (or joint members) appoints someone else as their proxy, that proxy will not be able to attend the AGM in person or cast the member's vote.

6. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s). Corporate representatives are requested to appoint to Chairman to act as their proxy.

7. Entitlement to attend and vote

To be entitled to attend (by proxy) and vote at the AGM (and for the purpose of determining the votes they may cast), members must be registered in the Company's Register of Members at 6.00pm on 7 August 2023 (or, if the AGM is adjourned, at 6.00pm on the day two days prior to the adjourned meeting). Changes to the Company's Register of Members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the AGM.

8. Nominated persons

Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Website giving information regarding the AGM

Information regarding the AGM, including information required by Section 311A of the 2006 Act, is available from the Company's website www.cmlmicroplc.com.

10. Audit concerns

Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website. In order to be able to exercise the members' rights to require the Company to publish audit concerns the relevant request must be made by (a) a member or members having a right to vote at the meeting and holding at least 5% of the voting rights of the Company or (b) at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital. For information on voting rights, including the total number of voting rights, see note 11 and the website referred to in note 9. Where a member or members wishes to request the Company to publish audit concerns, such request must be made in accordance with one of the following ways: (a) by hard copy request which is signed by a member, states their full name and address and is sent to CML Microsystems Plc, Oval Park, Langford, Maldon, Essex CM9 6WG or (b) a request which states the member's full name and address, and is sent to group@cmlmicroplc.com. Please state "AGM" in the subject line of the email.

Part III – Notes to the Notice of Annual General Meeting continued

11. Voting rights

As at 23 June 2023 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 15,912,744 ordinary shares, carrying one vote each. The Company holds 390,326 shares in treasury, meaning the total voting rights in the Company as at 23 June 2023 was 15,522,418 votes.

Shareholders are able to vote in advance of the meeting using their Proxy Form. The Proxy Form covers all resolutions to be proposed at the AGM.

Voting at the AGM will be conducted by way of a poll (rather than on a show of hands), which will be directed by the Chairman at the AGM. This is more transparent and equitable as votes are counted according to the number of shares registered in their names and also allows the votes of all Shareholders who wish to vote to be taken into account.

At the AGM we will disclose the total of the proxy votes received, the proportion for and against each resolution or approval vote and the number of votes withheld.

Votes withheld will not be counted in the calculation of the proportion of votes "for" and "against" a resolution.

Voting results will be announced to the London Stock Exchange as soon as possible after the conclusion of the AGM and will be published on our website.

12. Payment of dividend

It is proposed to pay the dividend, if approved, on 18 August 2023 to Shareholders registered on 4 August 2023.

13. Notification of shareholdings

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the AGM as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

14. Further questions and communication

Under Section 319A of the 2006 Act, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Members who have any general queries about the AGM should contact the Company Secretary.

Members may not use any electronic address provided in this notice or in any related documents (including the accompanying document and Proxy Form) to communicate with the Company for any purpose other than those expressly stated.

15. Documents available for inspection

A copy of each of the Directors' service contracts or letters of appointment will be available for inspection at the registered office of the Company during normal business hours on each business day (Saturdays, Sundays and public holidays excepted).

Part IV – Explanatory notes

General

The following explanatory notes give an explanation of the resolutions proposed by the Company. The resolutions numbered 1 to 8 (inclusive) are proposed as ordinary resolutions and must receive more than 50% of the votes cast in order to be passed. The resolutions numbered 9 to 11 (inclusive) are proposed as special resolutions and must receive at least 75% of the votes cast in order to be passed.

Ordinary business – ordinary resolutions

Resolution 1 – report and accounts

In accordance with their legal obligations, the Directors will present their report the independent auditor's report and audited financial statements of the Company to the Shareholders at the AGM. The Directors are seeking the Shareholders' authority to receive the Company's consolidated financial statements and the reports of the Directors and auditor for the year ended 31 March 2023.

Resolution 2 – directors remuneration report

The Company is seeking the Shareholders' authority to approve the Directors' remuneration report of the Company for the financial year ended 31 March 2023.

Resolution 3 – final dividend

The Company is seeking the Shareholders' approval to declare a final dividend of 6p per 5p ordinary share for the year ended 31 March 2023 to be paid on 18 August 2023 to shareholders whose names appear on the register at the close of business on 4 August 2023.

Resolution 4 – re-appointment of director

Article 100 of the Company's articles of association states that at the AGM in every year one-third of the Directors for the time being, or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office. The Directors to retire in each year are those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Upon this basis, the Company is seeking the Shareholders' authority to re-appoint Geoffrey Barnes, who retires by rotation, as a Director of the Company.

Geoffrey Barnes joined the Company in April 2017 and was appointed as Senior Non-Executive Director on 1 June 2021. Geoffrey Barnes is a former Director of Baker Tilly International having transitioned to the role in June 2016 after serving as its CEO and President for 16 years. He is also Non-Executive Chairman of the Supervisory Board of Baker Tilly South East Europe Ltd, strategic advisor on international matters to a major city law firm and chairman of the International Advisory Panel of the Institute of Chartered Accountants in England and Wales. In 2015, Geoffrey Barnes was awarded the prestigious lifetime achievement award by the International Accounting Bulletin for services to global public accounting. Previous roles include 18 years with Casson Beckman, culminating in the position of Executive Chairman, and six years with Deloitte Haskins & Sells in London where he qualified as a chartered accountant. Geoffrey Barnes is Chairman and member of the Audit Committee and is a member of the Remuneration Committee. The Board believes that Geoffrey Barnes continues to be vital to the Company's success, makes a positive contribution to the Board and demonstrates the utmost commitment to his role.

Resolution 5 – supply of information and documents

The Company is seeking the Shareholders' authority to send or supply all documents or information relating to the Company to the Shareholders by making them available on the Company's website www.cmlmicroplc.com.

Resolutions 6 and 7 – re-appointment of auditor and remuneration of the auditor

For each financial period in respect of which auditors are to be appointed, the Company is required to appoint auditors before the end of the general meeting at which Annual Report and Accounts for the previous financial period are laid before the Shareholders. Resolution 6 seeks the Shareholders' authority to confirm the Company's re-appointment of BDO LLP as the Company's auditor. BDO LLP has indicated willingness to continue as auditor.

Resolution 7 separately seeks the Shareholders' authority to determine the auditor's remuneration.

Part IV – Explanatory notes continued

Special business – ordinary resolution

Resolution 8 – authority to allot shares

Under section 549 of the Companies Act 2006 (**Act**), the Directors are prevented, subject to certain exceptions, from allotting shares in the Company or from granting rights to subscribe for, or to convert any security into, shares in the Company without the authority of the Shareholders approved at a general meeting. Resolution 8 is an ordinary resolution which seeks the Shareholders' authority to authorise the Directors to allot "Relevant Securities" in the Company. "Relevant Securities" means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

The Investment Association Share Capital Management Guidelines published in February 2023 (**IA Guidelines**) state that an authority to allot up to two-thirds of existing issued share capital should be regarded by shareholders as routine business. Under Resolution 8, the Directors are seeking Shareholders' authority to allot Relevant Securities up to a maximum nominal amount of £525,120 representing an aggregate of two thirds of the nominal value of the Company's issued share capital being 15,912,744 ordinary shares as at 23 June 2023 (being the latest practicable date prior to publication of this Notice). In accordance with the IA Guidelines, any amount in excess of one third of the Company's issued share capital (being 5,304,248 ordinary shares) is only to be used in connection with a rights issue to holders of ordinary Shares proportionate to their holdings of ordinary shares, subject to such adjustments the Directors deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems.

If the Shareholders approve of this resolution, the Directors' authority will expire on the earlier of 15 months after the date of this AGM or the conclusion of the next AGM and permits the Directors to allot after expiry of the disapplication if they have agreed to do so beforehand.

Special business – special resolutions

Resolutions 9 and 10 – disapplication of pre-emption rights

Under the Act, in order to allot equity securities for cash, the Company and the Directors must first comply with the statutory pre-emption rights, which require the Company to offer all allotments for cash first to existing Shareholders in proportion to their holdings.

The Pre-emption Group's Statement of Principles on Disapplying Pre-emption Rights (published on 4 November 2022)

(Pre-emption Principles) states that a company may seek authority to issue by special resolution to issue non-pre-emptively for cash equity securities representing no more than 10% of issued ordinary share capital in any one year, whether or not in connection with an acquisition or specified capital investment.

A company may then seek a further authority of up to 10%, provided that the Company such authority is only used in connection with financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or another specified capital investment of a kind contemplated by the Pre-emption Principles. These limits have increased from the previous Pre-emption Group guidelines and the Company welcomes the additional flexibility to enable allotments to finance business opportunities.

In compliance with the Pre-emption Principles and the IA Guidelines, under Resolution 9 the Company is seeking to allot equity securities non-pre-emptively up to 10% of the Company's issued share capital. In compliance with the Pre-emption Principles and the IA Guidelines, Resolution 10 seeks the disapplication of pre-emption rights of a further 10% of the Company's issued share capital, for the purposes of financing or refinancing an acquisition or capital investment.

If the Shareholders approve of these resolutions, the Directors' authority will expire on the earlier of 15 months after the date of this AGM or the conclusion of the next AGM and permits the Directors to allot equity securities after expiry of the disapplication if they have agreed to do so beforehand.

Resolution 11 – general authority to purchase

In compliance with the recommendations set out in Part 3.1 and 3.2 of the IA Guidelines, Resolution 11 seeks the Shareholders' authority to make market purchases of up to 2,376,000 shares representing approximately 15% of the issued share capital of the Company as at 23 June 2023. Such authority for the Directors would expire on the earlier of 15 months after the date of this AGM or the conclusion of the next AGM and permits the Directors to make market purchases after the expiration date if they have agreed to do so beforehand.

The maximum price (excluding expenses) which may be paid for a share is the higher of: (1) an amount equal to 105% of the average of the middle market quotations for a Share as derived from the Daily AIM market of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made; and (2) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a share on the trading venue where the purchase is carried out.

The minimum price (excluding expenses) which may be paid for a share is 5p (being the nominal amount of a share).

If the Shareholders approve, the Directors' authority will expire on the earlier of 15 months after the date of this AGM or the conclusion of the next AGM and permits the Directors to enter into a contract to purchase shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of shares pursuant to any such contract as if this authority had not expired.

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