

# notice of annual general meeting

Notice is hereby given that the AGM of CML Microsystems Plc (the "Company") will be held at CML Microsystems Plc, Oval Park, Langford, Maldon, Essex, CM9 6WG on 29 July 2020 at 11.30am 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 Group's consolidated financial statements and the reports of the Directors and auditor for the year ended 31 March 2020.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2020.
3. To declare a final dividend of 2.0p per 5p ordinary share for the year ended 31 March 2020 to be paid on 7 August 2020 to shareholders whose names appear on the register at the close of business on 24 July 2020.
4. To re-appoint Geoff 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 members by making them available on a website.
6. To re-appoint RSM UK Audit LLP as auditor of the Company.
7. To authorise the Directors to determine the remuneration of the auditor.

## Special business

### Ordinary resolution

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 (the "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 £572,588 (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 £286,294 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph a) of this resolution in excess of £286,294, provided that (unless previously revoked, varied or renewed) 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.

### 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 Companies Act 2006 (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 9, 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; 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;
- 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 £42,943 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 Companies Act 2006 (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 9 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 8 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 £128,746 (being 14.99% 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).

# notice of annual general meeting continued

## Special business continued

### Special resolutions continued

11. That, pursuant to Section 701 of the Companies Act 2006 (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 2,576,647;
  - 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 Official List 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

### Nigel Clark

Company Secretary

19 June 2020

### Registered office

Oval Park  
Langford  
Maldon  
Essex CM9 6WG

Registered in England and Wales: 000944010

## 1 Attending the AGM in person

In light of the COVID-19 pandemic and the restrictions imposed by the UK Government at the time of publication of the Notice of Annual General Meeting 2020, the Company will convene the AGM with the minimum necessary quorum of two shareholders (members) (which the Company will facilitate), and further members will not be permitted to attend the AGM in person.

However, member participation remains important to us and we would strongly encourage members to participate in the AGM by voting by proxy and by submitting any questions in advance of the AGM. Further details of both of these options are set out below and within the Proxy Form.

The Company will include all valid proxy votes (whether submitted electronically or in hard copy form) in its polls at the AGM and the Chairman will call for a poll on each resolution. The Company accordingly requests that members submit their proxy votes in respect of the resolutions as set out in the Notice of the AGM, electronically or by post in advance, in accordance with the instructions set out in the Notice of the AGM.

**Members should submit their votes via proxy as early as possible (and by no later than 11:30 am on 27 July 2020), and members are requested to appoint the Chairman as their proxy. If a member appoints someone else as their proxy, that proxy will not be able to attend the AGM in person or cast the member's vote.**

## 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.

In light of the circumstances this year, if a member wishes a proxy to speak on their behalf at the meeting, the member will need to appoint the Chairman of the AGM as their proxy 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 usually 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). As noted above, members are requested to appoint the Chairman as their proxy this year. If a member appoints someone else as their proxy, that proxy will not be able to attend the AGM in person or cast the member's vote.

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.

To be entitled to attend and vote at the AGM (and for the purpose of determining the number of votes a member may cast), members must be entered on the Register of Members of the Company at 6pm on 27 July 2020.

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, or by hand by the Company at its registered office at CML Microsystems PLC, Oval Park, Langford, Maldon, Essex CM9 6WG, not later than 11am on 27 July 2020 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.

# notice of annual general meeting continued

## 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](http://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 & Ireland 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 11am on 27 July 2020 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 & Ireland 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 6pm on 27 July 2020 (or, if the AGM is adjourned, at 6pm 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](http://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@cmimicroplc.com](mailto:group@cmimicroplc.com). Please state "AGM" in the subject line of the email.

## 11 Voting rights

As at 17 June 2020 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 17,177,652 ordinary shares, carrying one vote each. The Company holds 23,467 shares in treasury meaning the total voting rights in the Company as at 17 June 2020 were 17,154,185 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 7 August 2020 to shareholders registered on 29 July 2020.

## 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. However, all members are requested to appoint the Chairman as their proxy. If a member appoints someone else as their proxy, that proxy will not be able to attend the AGM in person or cast the member's vote.

## 14 Further questions and communication

Any member attending (by proxy) the meeting has the right to ask questions. 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).