

**THIS CIRCULAR AND ITS ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE 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 immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this notice and the accompanying documents as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred part only of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, neither this notice or accompanying documents should be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

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## **CML MICROSYSTEMS Plc**

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

### **Proposed Implementation of Employee Share Plans**

#### **Circular to Shareholders and Notice of General Meeting**

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This Circular should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out in Part I of this Circular and which contains the recommendation of the Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

You should note that the grant of awards under Employee Share Plans are conditional upon, among other things, the approval by Shareholders of the Resolutions.

This Circular contains notice of a General Meeting of the Company to be held at Oval Park, Hatfield Road, Langford, Maldon, Essex, CM9 6WG on 23 March 2022 at 11:00 a.m. A Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting is enclosed.

Whether or not you intend to attend the General Meeting in person, holders of Ordinary Shares are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it so as to be received by the Company's Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, as soon as possible but, in any event, so as to arrive no later than 11.00 a.m. on 21 March 2022.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Circular or that the information in it is correct as at any subsequent time to its date.

The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice respectively.

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## Part I

### Letter from the Executive Chairman of CML

*Directors*

Nigel Clark (*Executive Chairman*)

Chris Gurry (*Group Managing Director*)

Jim Lindop (*Independent Non-executive Director*)

Geoff Barnes (*Senior Independent Non-executive Director*)

*Registered Office*

Oval Park

Hatfield Road

Langford

Maldon

Essex

CM9 6WG

2 March 2022

To: Ordinary Shareholders

Dear Shareholder,

#### **Introduction of new Employee Share Plans**

Your Board has always been concerned to ensure that all employees of the Company are adequately incentivised and that the talent required to sustain future success of the Company is both attracted and retained. Employee Share Plans are viewed as one of the key elements in achieving this objective.

After consideration and approval by the Remuneration Committee, the Board proposes the adoption of two new Employee Share Plans:

- the CML Microsystems Plc Share Option Plan 2022 (comprising the CML Microsystems Plc Company Share Option Plan 2022 (Part A) and CML Microsystems Plc Unapproved Share Option Plan 2022 (Part B) (together, the “**CSOP**”); and
- the CML Microsystems Plc Long Term Incentive Plan 2022 (“**LTIP**”).

The CSOP is proposed to be introduced in place of the existing CML Microsystems Company Share Option Plan 2011, which has recently expired. Part A of the CSOP is expected to be a HMRC tax-advantaged plan and is therefore intended to provide tax efficient share options over Ordinary Shares to UK staff who are eligible to participate, up to a maximum market value at grant of £30,000 per employee at any one time. Part B of the CSOP is not expected to be a HMRC tax-advantaged arrangement and is intended to grant options over Ordinary Shares to non-UK staff and/or to UK eligible employees above the £30,000 limit for Part A. The new CSOP includes updated statutory and other legal references that are brought into line with current legislation and practice.

The LTIP is being established to provide performance-based equity awards to selected senior employees. Performance periods of at least three years are anticipated under the LTIP.

The rules of both plans provide for a limit on the number of shares which may be allocated under the plans. So long as the shares allocated under all employee share plans (whether issued or capable of exercise under any plan) do not exceed 10% of the Company’s share capital at the time of grant or allocation, this limit will not be

breached.

### **General Meeting**

Shareholders will be asked to approve the adoption of the Employee Share Plans. Accordingly, set out at the end of this document is a Notice of a General Meeting of the Company, to be held at Oval Park, Hatfield Road, Langford, Maldon, Essex, CM9 6WG on 23 March 2022 at 11:00 a.m., at which the Resolutions to adopt the Employee Share Plans will be proposed.

### **Action to be taken**

Enclosed with this Circular is a Form of Proxy for use by Shareholders in connection with the General Meeting. Shareholders should complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible and in any event so that it may be received by the Company's Registrars, Neville Registers Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, by no later than 11.00 a.m. on 21 March 2022. Alternatively, holders of Ordinary Shares may appoint a proxy electronically through the CREST electronic proxy appointment service, by using the procedures described in the CREST manual and logging on to the following website: [www.euroclear.com/CREST](http://www.euroclear.com/CREST). Electronic proxy appointments must be received by no later than 11.00 a.m. on 21 March 2022. Further details of the electronic appointment methods are found in the notes to the notice of the General Meeting set out at the end of this document.

### **Recommendation**

Your Board considers the introduction of the Employee Share Plans and the Resolutions to be proposed at the General Meeting are in the best interests of Shareholders and of the Company and, accordingly, the Board recommends you to vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings amounting to 1,166,816 Ordinary Shares, representing 7.1% of the issued share capital of the Company.

Yours sincerely

Nigel G. Clark

Executive Chairman

## Part II

### Summary of CML Microsystems Plc Share Option Plan 2022

The Board, with the approval of the Remuneration Committee, is proposing to adopt the CML Microsystems Plc Share Option Plan 2022 (comprising the CML Microsystems Plc Company Share Option Plan 2022 (“**Part A**”) and CML Microsystems Plc Unapproved Share Option Plan 2022 (“**Part B**”)) to allow employees to be granted the right to acquire Ordinary Shares, subject to the rules of the CSOP.

Part A of the CSOP is intended to be a qualifying HMRC CSOP, conferring tax advantages for participants provided conditions are met.

Part B of the CSOP is not subject to any HMRC qualifying conditions and is not expected to confer any tax advantages.

It is proposed that options granted under both Part A and Part B will be subject to time-based vesting conditions.

#### 1. Overview

Unless otherwise stated, the rules of Part A and Part B of the CSOP are the same.

The CSOP will be administered by the Remuneration Committee and references to the Board will generally be references to the Remuneration Committee. This is a targeted incentive plan.

It is intended that options will be granted with a market value exercise price.

It is expected that Awards under Part A of the plan will qualify for any statutory tax advantages under the CSOP Code under Schedule 4 Income Tax (Earnings and Pensions) Act 2003.

Options granted under Part B of the plan are not intended to qualify for statutory tax advantages under Schedule 4 Income Tax (Earnings and Pensions) Act 2003. Part B options are expected to be subject to employment tax and national insurance and the health and social care levy on exercise.

It is intended that the CSOP will be adopted and Awards made immediately after obtaining Shareholder approval at the General Meeting.

#### 2. Eligibility and Grant of CSOP Awards

The Board (acting through the Remuneration Committee) may grant CSOP Awards to selected employees and, in respect of Part A, directors devoting at least 25 hours per week to duties within the Group. The Awards may be granted during:

- (a) the period of 42 days after the date of adoption of the CSOP;
- (b) any period of 42 days immediately following the end of a closed period; or
- (c) in any other period that the Board decides due to exceptional circumstances that justify such a decision.

No Awards may be granted more than 10 years after the date of adoption of the CSOP or when otherwise prohibited by law or regulation.

No Awards may be granted that do not comply with the Directors' remuneration policy.

#### 3. Exercise Price

The price payable to acquire Ordinary Shares on the exercise of the options will be the market value as at the date of grant.

#### **4. Performance Conditions**

The Awards will be subject to achieving time-based vesting conditions which are set out when the options are granted.

#### **5. Exercise and lapse of Awards**

Awards will lapse on transfer, assignment, charge or disposal of the option.

For option holders who cease to be employed by the Group before the Awards vest, options will typically lapse except for in certain circumstances including death, injury, ill health, disability, retirement, redundancy and the option holder's employer ceasing to be part of the Group.

#### **6. Limits**

The statutory individual limit shall apply to the value of Ordinary Shares subject to an option granted under Part A of the CSOP, which is currently £30,000 calculated at the date of grant. For Part B of the CSOP, the Board, acting by the Remuneration Committee, will decide whether and to what extent any individual limits will apply to the value of options granted to each employee.

The Company may not grant options under the CSOP if that grant would result in the total number of Ordinary Shares issued and remaining capable of issue under Part A or Part B of the CSOP or any other employees' share scheme during any 10 year period to exceeding 10% of the issued share capital of the Company from time to time.

#### **7. Tax Liabilities**

For the proposed CSOP Award grants, any secondary Class 1 NIC (employer) liability that arises in respect of the CSOP shall be met by the Award holder.

#### **8. Variation of Share Capital**

On an alteration of the ordinary share capital of the Company by capitalisation or rights issue, consolidation, sub-division or reduction, or other alteration, the Board may adjust the number of Ordinary Shares subject to Awards or the Award price may be adjusted by the Board in such manner as the auditors or other valuers confirm to be fair and reasonable. The exercise price may not be reduced below the nominal value per Ordinary Share.

#### **9. Amendment**

Amendments require the prior approval of the Company in general meeting if they are to the advantage of participants, to increase limits or to change the basis for determining entitlements, unless such amendments are minor, are to benefit the administration of the CSOP, take account of a change in legislation or are to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company or a member of the Group.

#### **10. Voting, Dividend and Other Rights**

On exercise, Ordinary Shares issued will rank pari passu with the existing Ordinary Shares then in issue but, until then, option holders have no voting or dividend rights. The rights under the CSOP Awards (Part A and Part B) are not pensionable.

A full copy of the rules of the CSOP will be available for inspection on request at the Company's registered office and via the Company's website at [www.cmlmicroplc.com](http://www.cmlmicroplc.com).

## Part III

### Summary of CML Microsystems Plc Long Term Incentive Plan

The Board, with the approval of the Remuneration Committee, is proposing to adopt the CML Microsystems Long Term Incentive Plan to allow employees to be granted the right to acquire Ordinary Shares, subject to the LTIP rules. The LTIP is not subject to any HMRC qualifying conditions and is not expected to confer any tax advantages. The Awards are subject to time and bespoke performance-based vesting conditions.

#### 1. Overview

The LTIP will be administered by the Remuneration Committee and references to the Board will generally be references to the Remuneration Committee. This is a targeted incentive plan. Under the LTIP, the Board has flexibility to grant a range of Awards to employees of the Group.

It is intended that the initial Awards will be options granted with a nominal value exercise price.

It is not expected that Awards will qualify for any statutory tax advantages.

It is intended that the LTIP will be adopted and Awards made immediately after obtaining Shareholder approval at the General Meeting.

#### 2. Eligibility and Grant of LTIP Awards

The Board (acting through the Remuneration Committee) may grant LTIP Awards to selected employees (including executive directors). The Awards may be granted during:

- (a) the period of 42 days after the date of adoption of the LTIP;
- (b) any period of 42 days immediately following the end of a closed period; or
- (c) in any other prior that the Board decides due to exceptional circumstances that justify such a decision.

No Awards may be granted more than 10 years after the date of adoption of the LTIP or when otherwise prohibited by law or regulation.

#### 3. Exercise Price

The price payable to acquire Ordinary Shares on the exercise of the initial Award options will be the nominal value (5 pence per share).

#### 4. Performance Conditions

The Awards will be subject to achieving performance conditions which will be set out when the Awards are granted.

Performance conditions will be linked to the achievement of challenging performance, normally over a period of at least three years (unless the Board determines otherwise) and will have the intention of enhancing Shareholder value.

The Remuneration Committee may vary or waive performance conditions provided such variation or waiver is considered by them to be reasonable, because it:

- (a) is a fairer measure of performance than the original performance condition; and
- (b) is no more difficult to satisfy than the original performance condition.



On a takeover, change of control, liquidation or similar event, all LTIP options will vest in full.

## **5. Exercise and lapse of Awards**

Awards will lapse on transfer, assignment, charge or disposal of the option.

For option holders who cease to be employed by the Group before the Awards vest, options will typically lapse except for in certain circumstances including death, injury, ill health, disability, retirement, redundancy and the option holder's employer ceasing to be part of the group.

## **6. Limits**

In relation to each Award, the Board will decide whether and to what extent any individual limits will apply to the value of Awards to each employee, with an individual maximum of two times basic annual salary, or three times in exceptional circumstances.

The Company may not grant an LTIP Award if that grant would result in the total number of Ordinary Shares issued or capable of issue under the LTIP or any other employees' share scheme in any 10 year period exceeding 10% of the issued share capital of the Company from time to time.

## **7. Tax Liabilities**

For the proposed Award grants, any secondary Class 1 NIC (employer) liability that arises in respect of the LTIP shall be met by the Award holder.

## **8. Variation of Share Capital**

On an alteration of the ordinary share capital of the Company by capitalisation or rights issue, consolidation, sub-division or reduction, or other alteration, the Board may adjust the number of Ordinary Shares subject to Awards or the Award price may be adjusted by the Board in such manner as the auditors or other valuers confirm to be fair and reasonable. The exercise price may not be reduced below the nominal value per Ordinary Share.

## **9. Amendment**

Other than the exercise of Board discretion regarding the satisfaction of vesting conditions, amendments require the prior approval of the Company in general meeting if they are to the advantage of participants, to increase limits or to change the basis for determining entitlements, unless such amendments are minor, to benefit the administration of the LTIP, take account of a change in legislation or are to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company or a member of the Group.

## **10. Voting, Dividend and Other Rights**

On exercise, Ordinary Shares issued will rank pari passu with the existing Ordinary Shares then in issue but, until then, option holders have no voting or dividend rights. The rights under the LTIP are not pensionable.

A full copy of the rules of the LTIP will be available for inspection on request at the Company's registered office and via the Company's website at [www.cmlmicroplc.com](http://www.cmlmicroplc.com).

## DEFINITIONS

The following definitions apply throughout this Circular, unless the context requires otherwise.

<b>Awards</b>	rights to acquire Ordinary Shares that are granted pursuant to the Employee Share Plans;
<b>Board</b>	the board of directors of the Company;
<b>Circular</b>	this document;
<b>Company</b>	CML Microsystems Plc, of Oval Park, Hatfield Road, Langford, Maldon, Essex, CM9 6WG, a company incorporated in England and Wales with registered number 00944010;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations);
<b>CREST Manual</b>	the CREST manual issued by Euroclear UK & Ireland Limited;
<b>CREST Proxy Instruction</b>	the instruction whereby CREST members send a CREST message appointing a proxy for the General Meeting and instructing the proxy how to vote and containing the information set out in the CREST Manual;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
<b>CREST Member</b>	a person who has been admitted by Euroclear UK & Ireland Limited as a system-member (as defined in the CREST Regulations);
<b>CSOP</b>	the CML Microsystems Plc Share Option Plan 2022 (comprising the CML Microsystems Plc Company Share Option Plan 2022 (Part A) and CML Microsystems Plc Unapproved Share Option Plan 2022 (Part B)), a summary of which is set out in Part II;
<b>Employee Share Plans</b>	the CSOP and the LTIP;
<b>Form of Proxy</b>	the form of proxy enclosed with this Circular;

<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended from time to time;
<b>General Meeting</b>	the general meeting of the Company to be held at 11.00 a.m. on 23 March 2022 at Oval Park, Hatfield Road, Langford, Maldon, Essex, CM9 6WG;
<b>HMRC</b>	HM Revenue & Customs;
<b>LTIP</b>	the CML Microsystems Plc Long Term Incentive Plan 2022, a summary of which is set out in Part III;
<b>Ordinary Shares</b>	ordinary shares of 5 pence each in the capital of the Company;
<b>Part A</b>	CML Microsystems Plc Company Share Option Plan 2022
<b>Part B</b>	CML Microsystems Plc Unapproved Share Option Plan 2022
<b>Record Time</b>	6.00 p.m. on 21 March 2022 (or such other time and date as the Directors may determine), being the record time for entitlement to vote at the General Meeting;
<b>Remuneration Committee</b>	the remuneration committee of the Board;
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting; and
<b>Shareholder</b>	holders of Ordinary Shares.

# NOTICE OF GENERAL MEETING

of



## CML Microsystems Plc

*(incorporated in England and Wales with registered number 00944010)*

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of CML Microsystems Plc (the "**Company**") will be held at Oval Park, Hatfield Road, Langford, Maldon, Essex CM9 6WG, at 11.00 a.m. on 23 March 2022 for the purpose of considering and, if thought fit, passing the following resolutions, both of which will be proposed as ordinary resolutions.

(1) THAT:

- (a) the CML Microsystems Plc Share Option Plan 2022 (comprising the CML Microsystems Plc Company Share Option Plan 2022 ("**Part A**") and CML Microsystems Plc Unapproved Share Option Plan 2022 ("**Part B**") (together, the "**CSOP**") be approved substantially in the form of the rules, a copy of which was presented to the meeting;
- (b) the Directors be authorised to implement the CSOP and carry the same into effect and to make such amendments to the rules of Part A of the CSOP as may be necessary or expedient to meet conditions required by HM Revenue & Customs; and
- (c) the Directors be authorised to establish further schemes or plans based on Parts A and B of the CSOP but modified to take account of local tax, exchange control or securities laws in overseas territories provided that any shares made available under such schemes or plans are treated as counting against the limits on individual and overall participation contained in the rules of the CSOP.

(2) THAT:

- (a) the CML Microsystems Plc Long term Incentive Plan 2022 ("**LTIP**") be approved substantially in the form of the rules, a copy of which was presented to the meeting;
- (b) the Directors be authorised to implement the LTIP and carry the same into effect; and
- (c) the Directors be authorised to establish further schemes or plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories provided that any shares made available under such schemes or plans are treated as counting against the limits on individual and overall participation contained in the rules of

the LTIP.

By order of the Board

**Michelle Jones**

Company secretary

2 March 2022

Oval Park, Hatfield Road, Langford, Maldon, Essex, CM9 6WG, 00944010

## Shareholder Notes

### 1. Attending the General Meeting in person

If you are unable to attend the General Meeting in person, we would strongly encourage you to participate in the General Meeting by voting by proxy. Further details 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 General Meeting and the Chairman will call for a poll on the Resolutions. The Company accordingly requests that members submit their proxy votes in respect of the Resolutions as set out in the Notice of the General Meeting, electronically or by post in advance, in accordance with the instructions set out in the Notice of the General Meeting.

**Members should submit their votes via proxy as early as possible (and by no later than 11.00 a.m. on 21 March 2022).**

### 2. Shareholder right to appoint a proxy

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent a member. To be validly appointed, a proxy must be validly appointed using the procedures set out in these notes and in the notes to the accompanying Proxy Form 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). If a member appoints someone else as their proxy, that proxy will be able to attend the General Meeting in person and 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 should read note 8 below.

### 3. Appointment of a proxy using a Proxy Form

A Proxy Form for use in connection with the General Meeting is enclosed. To be valid, any Proxy Form or other instrument appointing a proxy, together with a 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 Proxy Form to the

Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, or by hand to the Company at its registered office at CML Microsystems Plc, Oval Park, Langford, Maldon, Essex, CM9 6WG, not later than 11.00 a.m. on 21 March 2022 or if the General Meeting 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 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 specification, 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 a.m. on 21 March 2022 or if the General Meeting is adjourned at least 48 hours before the time 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 systems 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 Uncertified Securities Regulations 2001.

## **5. Appointment of a 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 be able to attend the General Meeting in person and 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 the Chairman to act as their proxy.

## **7. Entitlement to attend and vote**

To be entitled to attend (by proxy) and vote at the General Meeting (and for the purpose of determining the votes that may cast), members must be registered in the Company's Register of Members at 6.00 p.m. on 21 March 2022 (or if the General Meeting is adjourned, at 6.00 p.m. 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 General Meeting.

## **8. Nominated persons**

Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 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 proxy for the General Meeting. 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 General Meeting**

Information regarding the General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website [www.cmlmicroplc.com](http://www.cmlmicroplc.com).

## **10. Voting Rights**

As of 1 March 2022 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 17,294,120 Ordinary Shares, carrying one vote each. The Company holds



638,467 Ordinary Shares in treasury meaning that the total voting rights in the Company as at 1 March 2022 was 16,655,653 votes.

Shareholders are able to vote in advance of the General Meeting using their Proxy Form.

Voting at the General Meeting will be conducted by way of a poll (rather than a show of hands), which will be directed by the Chairman at the General Meeting. 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 in to account.

At the General Meeting we will disclose the total of the proxy votes received, the proportion for and against the Resolution 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 as soon as possible after the conclusion of the General Meeting will be published on our website.

### **11. Notification of shareholdings**

Any person holding more than 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the General Meeting 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 be able to attend the General Meeting in person and cast the members' vote.

### **12. Further questions and communications**

Any member attending (by proxy) the meeting has the right to ask questions. Under Section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the General Meeting 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 if 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 General Meeting should contact the Company Secretary.

Members may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purpose other than those expressly stated.

### **13. Documents available for inspection**

A copy of this Circular, including this Notice, and any other information required by section 311A of the 2006 Act, as well as the rules of the CSOP and the LTIP, will be displayed on the Company's website at [www.cmlmicroplc.com](http://www.cmlmicroplc.com) from the date of this Notice until the conclusion of the Meeting and 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).

