

Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt as to what action to take you are recommended to consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in Oxford Metrics plc, you should pass this document, together with the accompanying form of proxy, to the person through whom the sale or transfer was made for the transmission to the purchaser or transferee.

Oxford Metrics Plc Notice of annual general meeting

Notice of the annual general meeting which has been convened for 22 February 2018 at 2.30pm at Oxford Metrics plc, 6 Oxford Industrial Park, Yarnton, Oxfordshire, OX5 1QU is set out below.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Kent, BR3 4ZF as soon as possible and in any event not later than 48 hours (excluding days that are not a working day) before the time appointed for holding the meeting.

Notice is hereby given that the 2018 annual general meeting of Oxford Metrics plc (the "Company") will be held at 6 Oxford Industrial Park, Yarnton, Oxfordshire, OX5 1QU on 22 February 2018 at 2.30pm for the following purposes:

Ordinary business

1. To receive and adopt the financial statements of the Company for the financial year ended 30 September 2017 and the reports of the directors and auditors on those financial statements.
2. To reappoint BDO LLP as auditors of the Company and to authorise the directors to determine the auditors' remuneration.
3. To declare a final dividend of 1.2 pence per share on each of the Company's ordinary shares for the financial year ended 30 September 2017.
4. To re-elect Nick Bolton who retires by rotation in accordance with the Company's articles of association and offers himself for re-appointment by general meeting, as a director of the Company.
5. To re-elect David Deacon who retires by rotation in accordance with the Company's articles of association and offers himself for re-appointment by general meeting, as a director of the Company.
6. To re-elect Catherine Robertson who retires by rotation in accordance with the Company's articles of association and offers herself for re-appointment by general meeting, as a director of the Company.

Special business

As special business to consider and, if thought fit, pass resolution 7 as an ordinary resolution and resolutions 8, 9 and 10 as special resolutions. For special resolutions to pass, at least three-quarters of the votes cast must be in favour of the resolution.

7. That the directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £153,815.

This authority shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and shall unless previously revoked, varied or renewed by the Company in general meeting, expire on 21 February 2023, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights granted to subscribe for or convert any security into shares after such expiry and the directors may allot shares or grant such rights in pursuance of any such offer or agreement as if the power and authority conferred by this resolution had not expired.

8. **Special Resolution.** That, subject to the passing of resolution 7 above, the directors be and are hereby generally and unconditionally given power for the purposes of section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act and to include the sale of treasury shares as referred to in section 560(3) of the Act) for cash pursuant to the authority conferred by resolution 7 above, in each case as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:
- (a) the allotment of equity securities in connection with an offer or pursuant to a rights issue, open offer or other pro-rata issue made to:
 - i) the holders of shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of shares held by them; and
 - ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors of the Company otherwise consider necessary, and the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (b) the grant of options to subscribe for shares in the Company, and the allotment of such shares pursuant to the exercise of options granted, under the terms of any share option scheme adopted or operated by the Company; and
 - (c) the allotment of equity securities, other than pursuant to sub-paragraphs (a) and (b) above of this resolution, up to an aggregate nominal amount of £30,763.

This power shall (unless previously renewed, varied or revoked by the Company in general meeting) expire on 21 February 2023, save that the Company may before the expiry of this power make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

9. **Special Resolution.** That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 0.25 pence each in the capital of the Company ("Ordinary Shares") in such manner and on such terms as the directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:
- (a) the maximum number of Ordinary Shares authorised to be purchased is 12,305,240;
 - (b) the minimum purchase price which may be paid for any Ordinary Share is 0.25 pence (exclusive of expenses); and
 - (c) the maximum purchase price which may be paid for any Ordinary Share is the higher of (in each case exclusive of expenses):
 - i) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List 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 and the highest current independent bid as derived from the London Stock Exchange's trading system known as SEAQ; and this authority shall take effect on the date of passing of this resolution and shall (unless previously revoked, renewed or varied) expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 15 months after the date of passing of this resolution, save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

10. Special Resolution. That:

- (a) the payment of the amounts of 4.5 pence and 5.0 pence per ordinary share by way of special interim dividends paid on 15 May 2015 and 10 July 2015 respectively (the "**Interim Dividends**"), and the entries in the audited accounts of the Company for the year ended 30 September 2015 whereby distributable profits of the Company were appropriated to the payments of the Interim Dividends, be and are hereby ratified and confirmed;

- (b) any and all claims which the Company may have in respect of the payment of the Interim Dividends against its shareholders who appeared on the register of shareholders on the relevant record dates (or their personal representatives (and their successors in title) if they are deceased) be waived and released and a deed of release in favour of such shareholders (or their personal representatives (and their successors in title) if they are deceased) be entered into by the Company in the form of the deed produced to the meeting and signed by the Chairman for the purposes of identification, and any Director in the presence of a witness, or any two Directors, or any Director and the Company Secretary, be authorised to execute the same as a deed poll on behalf of the Company, and that the deed of release thereafter be delivered to the Company Secretary for retention by her on behalf of the said shareholders; and
- (c) any and all claims which the Company has or may have against its Directors (whether past, present and future) arising in connection with the payment of the Interim Dividends be released and that a deed of release in favour of the Directors of the Company be entered into by the Company in the form of the deed produced to the meeting and signed by the Chairman for the purposes of identification, and any Director in the presence of a witness, or any two Directors, or any Director and the Company Secretary, be authorised to execute the same as a deed poll on behalf of the Company, and that the deed of release thereafter be delivered to the Company Secretary for retention by her on behalf of the said Directors.

By order of the Board
Catherine Robertson
Company Secretary
5 December 2017

Registered office: 6 Oxford Industrial Park, Yarnton, Oxfordshire, OX5 1QU

The notes on voting procedures, together with explanatory notes on the resolutions to be put to the meeting, which follow, form part of this notice.

Notes:

1. Only holders of Ordinary Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. Such a member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A proxy need not be a member of the Company. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting or any adjournment of the meeting.
2. A form of proxy is provided with this notice and instructions for use are shown on the form. To be effective, the completed form of proxy must be deposited at the office of the Company's registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Kent BR3 4ZF, by not later than 48 hours (excluding days that are not a working day) before the start of the meeting (or any adjournment of the meeting) together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority.
3. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company at close of business on 20 February 2018 shall be entitled to attend and vote at this annual general meeting in respect of such number of shares registered in their name at that time. Changes to entries on the register of members after close of business on 20 February 2018 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. Copies of the service agreements of the executive directors and the letters of appointment of the non-executive directors will be available for inspection during normal business hours from the date of dispatch of this notice until the date of the meeting (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and will also be made available for inspection at the place of the annual general meeting for a period of 15 minutes prior to and during the continuance of the meeting.

6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not so in relation to the same shares.
7. Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so by calling our shareholder helpline on 0871 664 0300 (calls cost 12p per minute plus network extras) or, if calling from overseas, on +44 371 664 0300. Lines are open 9.00am – 5.30pm Monday to Friday. No other methods of communication will be accepted.

Explanatory notes

Report and Accounts (Resolution 1)

The directors of the Company must present the accounts to the meeting.

Reappointment and remuneration of auditors (Resolution 2)

Resolution 2 proposes the reappointment of BDO LLP as auditors of the Company and authorises the directors to set their remuneration.

Declaration of a dividend (Resolution 3)

A final dividend can only be paid after the shareholders at a general meeting have approved it. A final dividend of 1.2 pence per Ordinary Share is recommended by the directors for payment to shareholders who are on the register of members at the close of business on 15 December 2017. If approved, the date of payment of the final dividend will be 8 March 2018.

Re-election of directors (Resolutions 4, 5, and 6)

The Company's articles of association require that all directors retire at least every three years and that all newly appointed directors retire at the first annual general meeting following their appointment.

At this meeting, Nick Bolton, David Deacon, and Catherine Robertson will retire and stand for re-election as directors. Having considered the performance of and contribution made by each of the directors standing for re-election the board remains satisfied that the performance of each of the relevant directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election.

Directors' authority to allot securities (Resolution 7)

Your directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authority granted at the last annual general meeting will expire on the passing of this resolution or, if it is not passed, on 21 February 2023. The authority in resolution 7 will allow the directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to a nominal value of £153,815.

As at 6 December 2017, the Company did not hold any shares in treasury. If the resolution is passed, the authority will expire on 21 February 2023 unless previously revoked, varied or renewed.

Disapplication of pre-emption rights (Resolution 8)

If the directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) company law requires that these shares are first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the directors will need the flexibility to finance business opportunities by the issue of equity securities without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Resolution 8 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities and the grant of share options, the authority will be limited to allotment of equity securities for cash up to a maximum number of 12,305,240; ordinary shares (which includes the sale on a non-pre-emptive basis of any shares held in treasury). Shareholders will note that this resolution also relates to treasury shares and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders.

If given, the authority will expire on 21 February 2023.

Authority to purchase own shares (Resolution 9)

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 9 seeks the authority from shareholders to continue to do so. The directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority.

Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly, save that the Company may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares.

Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

The resolution specifies the maximum number of Ordinary Shares that may be acquired and the maximum and minimum prices at which they may be bought.

Resolution 9 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next annual general meeting of the Company in 2019 or, if earlier, the date which is 15 months after the date of passing of the resolution.

The directors intend to seek renewal of this power at subsequent annual general meetings.

Ratification of Interim Dividends paid in 2015 (Resolution 10)

A technical issue has arisen in respect of the special interim dividends of 4.5 pence (£5,102,000 in aggregate) and 5.0 pence (£5,872,000 in aggregate) per ordinary share paid by the Company to shareholders on 15 May 2015 and 10 July 2015 (the "Interim Dividends"). When the Company paid the Interim Dividends, although the Company had sufficient distributable profits to pay these dividends at the payment dates, as a result of the disposal of the group's defence business in April 2015, relevant accounts (as defined in the Companies Act 2006 (the "Act")) showing the requisite level of distributable profits had inadvertently not been filed at Companies House, as required by the Act. As a result, the Interim Dividends were paid in technical infringement of the Act.

The Company has been advised that it may technically have claims against past and present shareholders who were recipients of an Interim Dividend to recover the amount paid by way of the relevant dividend. The Company has no intention of pursuing any such claims.

Similarly, the Company may also technically have claims against those Directors who participated in the meetings of the Board of Directors at which the decisions were taken to pay the Interim Dividends. Again, however, it is not the intention of the Company that any such claim should be made by the Company against its Directors.

This matter can be remedied by the shareholders passing a resolution which puts shareholders and Directors into the position in which they were always intended to be. Resolution 10, which is proposed as a special resolution, is to ratify the appropriation of profits to the payment of each of the Interim Dividends, to waive any rights of the Company against the shareholders (or their estates in the case of any deceased shareholders) who received the Interim Dividends, to waive any rights of the Company against both past and present Directors in respect of the Interim Dividends and to approve the Company entering into deeds of release in favour of such shareholders and Directors.

Copies of the form of the deeds of release (referred to in resolution 10) to be entered into are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up to the day prior to the meeting, and on the day of the meeting at the place of the AGM until the close of the meeting.

As a result of their interest in its subject matter, the Directors who are also shareholders will not vote on this Resolution unless no other votes are cast either for or against the Resolution, in which case the Directors may vote in order to ensure that a decision is taken.