

Notice of Annual General Meeting



NOTICE IS GIVEN that the Annual General Meeting of the above named Company will be held at the Company's offices at Focal Point, Third Avenue, The Village, Trafford Park, Manchester M17 1FG at 9:00 am on Tuesday 22 September 2020 for the following purposes – **please read important note on page 2:**

ORDINARY BUSINESS

1. To receive the Company's Annual Accounts for the financial year ended 31 March 2020 together with the last Directors' Report, the last Directors' Remuneration Report and the Auditors' Report on those accounts.
2. To re-elect Peter Robert Gunning, who retires by rotation pursuant to article 32.1 of the Articles of Association of the Company and who, being eligible, offers himself for re-election as a Director.
3. To re-elect Iain Stewart Brown, who was appointed during the year and retires under article 32.1 of the Articles of Association of the Company and who, being eligible, offers himself for re-election as a Director.
4. To re-elect RSM UK Audit LLP as auditors of the Company.

SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

"THAT, in substitution for all existing and unexercised authorities and powers, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the **Act**):

 - 5.1 to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as **Relevant Securities**) up to an aggregate nominal value of £378,000 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the Articles of Association of the Company); and further
 - 5.2 to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal value of £756,000 (such amount to be reduced by the nominal value of any Relevant Securities allotted pursuant to the authority in paragraph 6.1 above) in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory

PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired."
6. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"THAT, subject to and conditional upon the passing of the resolution numbered 6 in the notice convening the meeting at which this resolution was proposed and in substitution for all existing and unexercised authorities and powers, the Directors of the Company be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 6 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:

 - 6.1 the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory; and
 - 6.2 the allotment (otherwise than pursuant to sub-paragraph 6.1 above) of equity securities up to an aggregate nominal amount of £170,500, representing approximately 15% of the current share capital of the Company, and shall expire at the conclusion of the next Annual General Meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired."

7. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

THAT, for the purposes of section 701 of the Companies Act 2006, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 1p each in the capital of the Company (the **Ordinary Shares**) provided that the:

- (a) maximum number of Ordinary Shares which may be purchased is 17,035,769 (representing 15% of the Company's issued share capital);
- (b) minimum price which may be paid for each Ordinary Share is 1 pence;
- (c) maximum price which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of The London Stock Exchange plc for the 5 business days immediately preceding the day on which the Ordinary Share in question is purchased;
- (d) authority, unless previously revoked or varied, conferred by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2021 or, if earlier, on the date which is 12 months after the date of the passing of this resolution; and
- (e) Company may make a contract or contracts to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which contract or contracts will or maybe executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

BY ORDER OF THE BOARD



Richard Lightfoot

Secretary

26 August 2020

Registered office:

Focal Point, Third Avenue, The Village

Trafford Park, Manchester

M17 1FG

NOTES:

GIVEN THE UK GOVERNMENT'S CURRENT GUIDANCE RELATING TO NON-ESSENTIAL TRAVEL AND PUBLIC GATHERINGS, IT WILL NOT BE POSSIBLE FOR ALL SHAREHOLDERS TO ATTEND THE AGM IN PERSON. ACCORDINGLY, ANY SHAREHOLDER SEEKING TO ATTEND THE GENERAL MEETING IN PERSON WILL BE REFUSED ENTRY. WE THEREFORE STRONGLY ENCOURAGE SHAREHOLDERS TO VOTE ON ALL RESOLUTIONS BY COMPLETING A PROXY APPOINTMENT FORM APPOINTING THE CHAIRMAN OF THE MEETING AS YOUR PROXY, TO REGISTER ANY QUESTIONS IN ADVANCE AND NOT TO ATTEND THE MEETING IN PERSON.

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. To appoint a proxy, a member may complete, sign and date the enclosed proxy form and deposit it at the office of the Company's Registrars, Link Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 9.00 am on 20 September 2020. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
3. In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Registrars, Link Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 9.00 am on 20 September 2020.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) of that meeting, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's registrars, Link Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (whose CREST ID is RA10) by the latest time for receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. 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. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.

Our ref.	RAL/Annual Report
Date	26 August 2020
Direct line	0161 848 5710
email	richard.lightfoot@grafenia.com

Dear Shareholder

I have pleasure in confirming that the 2020 Annual Report has been issued and your copy is enclosed. The AGM Notice, Proxy Form and a postage paid envelope are also enclosed for your attention.

The Board takes the well-being of its colleagues and shareholders seriously and has been closely monitoring the evolving Coronavirus (COVID-19) pandemic. The AGM is an important event in the Company's corporate calendar but this year our AGM will be functional in format to comply with the relevant legal requirements and to enable shareholders to pass the necessary resolutions for the conduct of the business and affairs of the Company.

The Company's Annual General Meeting will take place at the Company's offices at Focal Point, Third Avenue, The Village, Trafford Park, Manchester M17 1FG at 9:00 am on Tuesday 22 September 2020.

Restrictions as to physical attendance at the AGM

Given the UK Government's current guidance on social distancing and prohibition on non-essential travel and public gatherings, we are making a number of alterations to our AGM this year. The health and well-being of our shareholders and colleagues remains our priority and the steps set out below are necessary and appropriate given the current pandemic.

- we expect only very limited number of directors to be in attendance at the AGM to ensure a quorum and to conduct the business of the meeting. Social distancing measures will be in place in order to comply with current requirements;
- no other shareholders, directors or employees will be permitted to attend the meeting in person and any shareholder seeking to attend the meeting in person will be refused entry. However, we encourage virtual attendance at the meeting as described below;
- The usual format of the AGM will be condensed to include the formal business of the meeting and presentations by directors including answers to shareholder questions submitted in advance.

The Board is actively following developments and will issue further shareholder communications if it becomes necessary or appropriate to make any alternative arrangements for the AGM.

Virtual attendance

Shareholders are encouraged to attend the AGM 'virtually'. To request access please email investors@grafenia.com

Shareholders will not be able to vote or ask questions whilst attending the AGM in this manner.

Shareholder questions

Shareholders can submit questions to the Board in advance of the AGM by emailing such questions to investors@grafenia.com by no later than 5:00 pm. on 11 September 2020.

Voting arrangements

GIVEN THE RESTRICTIONS ON ATTENDING THE AGM IN PERSON AND ON VOTING BY ATTENDING THE MEETING 'VIRTUALLY', WE STRONGLY ENCOURAGE SHAREHOLDERS TO VOTE ON ALL RESOLUTIONS BY COMPLETING A PROXY APPOINTMENT FORM APPOINTING THE CHAIRMAN OF THE MEETING AS YOUR PROXY AND NOT TO SEEK TO ATTEND THE MEETING IN PERSON.

If you hold your shares in certificated form (that is, not via the CREST system) you can send us your vote by:

- completing the enclosed hard copy form of proxy, to be received no later than 9:00 am on 20 September 2020. **Please remember to sign the Proxy form and post it in the enclosed envelope;** or
- completing and submitting your form of proxy online to be received no later than 9:00 am on 20 September 2020. To vote online visit the website of our registrar, Link Asset Services, at www.signalshares.com. You will need to log into your share portal account or register for the share portal if you have not already done so. To register for the share portal you will need your investor code. Once registered, you will be able to vote immediately.

If you hold your shares in CREST you can either vote as above or vote via the CREST system.

You have received this letter and copy of the Annual Report as you have advised that this is your chosen method of communication with the Company. If you would like to change these arrangements please contact our registrars: Link Asset Services, SAS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Telephone number: +44(0) 371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Yours sincerely



Richard Lightfoot
Company Secretary
Grafenia plc