

Shareholder letter

15 November 2016

Dear Shareholder

Annual General Meeting

I am pleased to invite you to the eleventh Annual General Meeting (**AGM**) of Gattaca plc (**Company**) which will be held at The Solent Hotel, Rookery Avenue, Whiteley, Fareham, Hampshire, PO15 7AJ on 7 December 2016. The meeting will start at 09.30 am. The Notice of the AGM (the **Notice**) is attached.

A copy of the Annual Report and Accounts of the Company for the year ended 31 July 2016 is enclosed together with a proxy form to enable you to exercise your voting rights.

If you cannot attend the AGM, you have the right to appoint a proxy to vote on your behalf. To appoint a proxy, please complete, sign and return the form of proxy to our Registrar, Capita Asset Services.

Proxy appointments must be received by Capita by no later than 9.30am on Monday, 5 December 2016.

Directors

Biographical details of each of the Directors seeking re-election, including membership of the Board Committees, are set out on pages 28 and 29 of the Annual Report and Accounts.

Recommendation

The directors consider all the resolutions in the Notice are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of them, as they will do in respect of their shareholdings.

Yours faithfully



Patrick Shanley
Chairman

Notice of Annual General Meeting

Notice is hereby given that the eleventh Annual General Meeting (the Meeting) of Gattaca plc (Company) will be held at The Solent Hotel, Rookery Avenue, Whiteley, Fareham, Hampshire PO15 7AJ on 7 December 2015 at 9.30 am to transact the business set out in the resolutions below.

Resolutions 1 to 17 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 18 and 19 (inclusive) are proposed as special resolutions. For each of these to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

For further information on all resolutions, please refer to the Explanatory Notes which can be found on pages 5 to 10.

Annual Report and Accounts

- 1) To receive and adopt the Company's annual accounts for the financial year ended 31 July 2016 together with the Directors' Report and Auditors' Report on those accounts.

Remuneration

- 2) To approve on an advisory basis for three years from the date of the Meeting the Directors' Remuneration Policy, the full text of which is contained in the Remuneration Committee's Report for the financial year ended 31 July 2016, as set out on pages 46 to 54 of the Annual Report and Accounts.

Final Dividend

- 3) That the final dividend recommended by the Directors of 17.0 pence per share for the year ended 31 July 2016 be paid on 16 December 2016 to all members whose names appear on the register of members of the Company on 18 November 2016.

Directors

- 4) To re-elect Patrick Shanley as a Director of the Company.
- 5) To re-elect Brian Wilkinson as a Director of the Company.
- 6) To re-elect Tony Dyer as a Director of the Company.
- 7) To re-elect Keith Lewis as a Director of the Company.
- 8) To re-elect Richard Bradford as a Director of the Company.
- 9) To re-elect Roger Goodman as a Director of the Company.
- 10) To re-elect Rudi Kindts as a Director of the Company.
- 11) To re-elect George Materna as a Director of the Company.
- 12) To re-elect Ric Piper as a Director of the Company.

Auditors

- 13) To re-appoint KPMG LLP as auditors of the Company, to hold office until the conclusion of the next meeting at which accounts are laid before the Company in general meeting.
- 14) To authorise the directors to determine the remuneration of the auditors.

Long Term Incentive Plan

- 15) That the rules of the Gattaca plc Long Term Incentive Plan (the **LTIP**), the principal terms of which are summarised in the Explanatory Notes and the rules of which are produced in draft to the Meeting and initialled by the Chairman for the purpose of identification, be approved and that the Directors be authorised to:
 - (a) Make such modifications to the LTIP as they may consider appropriate for the implementation of the LTIP and to adopt the LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the LTIP; and
 - (b) Establish further 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 further plans are treated as counting against the limits on individual or overall participation in the LTIP.

Share Incentive Plan

- 16) That the trust deed and rules of the Gattaca plc Share Incentive Plan (the **SIP**), the principal terms of which are summarised in the Explanatory Notes and the rules of which are produced in draft to the Meeting and initialled by the Chairman for the purpose of identification, be approved and that the Directors be authorised to:
- (a) Make such modifications to the SIP as they may consider appropriate for the implementation of the SIP and to adopt the SIP as so modified and to do all such other acts and things as they may consider appropriate to implement the SIP; and
 - (b) Establish further plans based on the SIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the SIP.

Directors' Authority to Allot Shares

- 17) That in substitution of all existing powers the directors are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (Act) to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company (such shares and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to the aggregate nominal amount of £103,496. The authority hereby conferred shall expire, unless previously varied, renewed or revoked by the Company in general meeting, on the date of the Company's next Annual General Meeting or 18 months after the passing of this resolution, whichever occurs first, provided that the Company may, prior to such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry in which case the directors may allot such securities pursuant to such offer or agreement as if such authority had not expired;

Special Resolutions

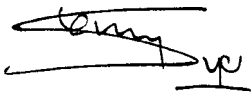
Disapplication of pre-emption rights

- 18) That subject to the passing of resolution 17, and in substitution of all existing powers the directors are hereby empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) for cash as if Section 561(1) of the Act did not apply to any such allotment provided that:
- (a) the power conferred hereby shall expire on the date of the next Annual General Meeting of the Company or 18 months after the passing of this resolution, whichever occurs first unless renewed, extended, varied or revoked by the Company in general meeting;
 - (b) 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 hereby had not expired; and
 - (c) is limited to:
 - (i) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the Company's capital in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with equity securities representing fractional entitlements and/or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
 - (ii) the allotment of equity securities pursuant to the terms of The Gattaca plc Long Term Incentive Plan or The Gattaca plc Share Incentive Plan or any other employees' share option scheme approved by the members in general meeting;
 - (iii) allotments of equity securities for cash otherwise than pursuant to paragraph (c) (i) above up to an aggregate nominal amount of £15,524.

Notice of Annual General Meeting continued**Authority to purchase own shares**

- 19) That the Company be generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (as defined in Section 693(4) of that Act) of ordinary shares of the Company provided that:
- (a) the maximum aggregate number of ordinary shares which may be purchased is 310,487;
 - (b) the minimum price which may be paid for each ordinary share is its nominal value;
 - (c) the maximum price (excluding expenses) which may be paid for any ordinary share does not exceed 105% of the average middle market quotations for an ordinary share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the share is contracted to be purchased; and
 - (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or 18 months after the passing of this resolution, whichever occurs first, unless such authority is renewed prior to that time (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry).

By order of the Board



Tony Dyer
Chief Financial Officer

Registered Office:
1450 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AF

15 November 2016

Registered in England and Wales No. 4426322

Explanatory Notes

An explanation of each of the resolutions is set out below:

Company's annual Report and Accounts

Resolution 1 is to receive and consider the Company's annual accounts for the financial year ended 31st July 2016 together with the directors' report and auditors' report on those accounts (which are enclosed with this letter).

Remuneration

Resolution 2 is to approve the Directors' Remuneration Policy (the **Policy**), the full text of which is set out in full in the Remuneration Committee's Report on pages 46 to 54 of the Annual Report and Accounts. This vote is advisory and the Director' entitlement to receive remuneration is not conditional on it.

The rationale for the new Policy is set out in full in the Remuneration Committee Chair's letter and the policy section of the Remuneration Committee's Report.

Final Dividend

Resolution 3 recommends that a final dividend of 17.0 pence per ordinary share be declared for the year ended 31 July 2016. If approved, the recommended final dividend will be paid on 16 December 2016 to all shareholders whose names appear on the Register of Members on 18 November 2016.

Directors

Resolutions 4 to 12 are to approve the re-election of the Directors of the Board.

The Company's articles of association require that all those non-executive directors who have been in office for three years or more since their election or last re-election must retire at each AGM. As a Board, in line with corporate governance best practice, all executive and non-executive directors have agreed to retire annually at the AGM and seek re-election.

The Nomination Committee, which considers the balance of the Board and the mix of skills, knowledge and experience of its members, has considered and recommends to the Board the appointment of all of the Directors of the Company standing for re-election.

The Chairman confirms that all the directors seeking re-election continue to perform effectively in promoting the success of the Company.

Biographical details of each of the Directors seeking re-election, including membership of the Board Committees, are set out on pages 28 and 29 of the Annual Report and Accounts.

Auditors

Resolution 13 is to approve the re-appointment of KPMG LLP. The Auditors will hold office until the conclusion of the next general meeting at which accounts are laid.

Resolution 14 is to authorise the directors to determine the remuneration of the Auditors and the audit fees.

Incentive Plans

Resolution 15 is to approve a new long-term incentive arrangement, to be known as the Gattaca plc Long-Term Incentive Plan (the **LTIP**). A summary of the principal terms of the LTIP is set out below.

Operation

The operation of the LTIP in respect of the Executive Directors and other key executives of the Company will be overseen by the Remuneration Committee of the Board of Directors of the Company.

The LTIP is a discretionary executive share plan. Under the LTIP, the Board may, within certain limits and subject to any applicable performance conditions, grant to eligible employees: (i) options (at any price or nil) over ordinary shares (**Options**) and/or (ii) conditional share awards (i.e. a conditional right to acquire ordinary shares) (**Conditional Awards**) and/or restricted shares (**Restricted Shares** and together with Options and Conditional Awards referred to as **LTIP Awards**). Additionally it is proposed to introduce a Company Share Option Plan (**CSOP**) in the form of Schedule A to the LTIP and under which the Board may grant tax advantaged share options which meet the requirements of Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003.

Where the participant becomes entitled to acquire the ordinary shares subject to an Option or Conditional Award, the LTIP Award is said to have vested.

Explanatory Notes continued**Eligibility**

The LTIP has been established for the Executive Directors although, at the discretion of the Board, other employees may participate in this plan. Non-Executive Directors are not eligible to participate.

Limits

The market value of ordinary shares of the Company (measured over such period as the Board determines in its discretion) that may be awarded to a participant in any financial year will not exceed in aggregate 150% of the relevant participant's annual base salary.

The LTIP may operate over new issue shares, treasury shares or shares purchased in the market. The Company may issue no more than 10% of its shares within a 10 year period to satisfy awards to participants in the LTIP and any other employees' share scheme operated by the Company under which shares are issued.

The Board will monitor the issue of shares during the 10 year period.

Benefits not pensionable

Benefits received under the LTIP are not pensionable.

Grant of LTIP Awards

LTIP Awards will normally be granted within a 42 day period following (i) the date of approval of the LTIP by the shareholders of the Company, (ii) the day after the publication of the results of the Company for any period, (iii) any other time at which the Board determines there are exceptional circumstances which justify the grant of the award or (iv) the day after the lifting of any dealing restrictions which prevented the grant of awards.

No LTIP Awards may be granted more than 10 years after the date the LTIP is approved by shareholders of the Company.

Vesting of LTIP Awards

LTIP Awards may be subject to the achievement of pre-determined performance targets or other conditions set by the Board at the date of grant. LTIP Awards will normally vest, subject to the achievement of these conditions, three years following the date of grant or other period as determined by the Board.

Any performance conditions applying to LTIP Awards may be varied, substituted or waived if the Board considers it appropriate, provided that the Board considers that the new performance conditions are not materially less difficult to satisfy than the original conditions (except in the case of a waiver).

Holding period

At its discretion, the Board may grant LTIP Awards subject to a holding period following the vesting period.

Taxation

The vesting or exercise of LTIP Awards is conditional upon the participant paying any relevant taxes due.

Malus and clawback for LTIP Awards

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment to the audited consolidated accounts of the Company or Group companies (and, in the case of clawback only, for a period that was wholly or partly before the end of the period over which the performance target applicable to an LTIP Award was assessed);
- the assessment of any performance target or condition in respect of an LTIP Award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the number of shares subject to an LTIP Award was based on error, or inaccurate or misleading information;
- action or conduct of an award holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and
- events or behaviour of an award holder have led to the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant award holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him.

The malus period will be up to the date of vesting. The clawback period will be two years from the date of vesting.

Cessation of employment

For good leavers, unvested LTIP Awards will vest on the normal vesting date subject to (i) the extent any applicable performance target has been satisfied at the end of the normal performance period and (ii) pro-rating to reflect the period of time elapsed between grant and cessation of employment as a proportion of the normal vesting period.

The Board has the discretion to determine that the end of the performance period is the date of cessation and that awards may vest early. The Board also has discretion to dis-apply pro-rating the LTIP awards for time served. The Board's normal policy is that it will pro-rate awards for time. It is the Board's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.

A 'good leaver' is defined as a participant ceasing to be in employment with the Group by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to be a member of the Group, the participant's employing business being sold out of the Group or at the Board's discretion.

Anyone who is not a good leaver will be a bad leaver. Bad leavers will forfeit all LTIP Awards (whether vested or not).

Change of control

Unvested LTIP Awards will vest early on a change of control subject to (i) the extent that any applicable performance measures have been satisfied at that time and (ii) pro-rating to reflect the reduced period of time between grant and early vesting as a proportion of the vesting period that has then elapsed.

In exceptional circumstances, the Board may consider whether to dis-apply pro-rating for time and performance. It is the Board's intention to use discretion only in circumstances where there is an appropriate business case which will be explained in full to shareholders.

In the event of an internal corporate reorganisation, the Board may decide (with the consent of the acquiring company if relevant) to replace unvested LTIP Awards with equivalent new awards over shares in the acquiring company.

In the event of a demerger, distribution (which is not an ordinary dividend) or any other corporate event, the Remuneration Committee may determine that LTIP Awards will vest. The proportion of the LTIP Awards which vest will be determined by the Board taking into account, among other factors, the period of time the award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time.

Explanatory Notes continued**Dividend equivalents**

The Board may decide that participants will receive a payment (in cash and/or additional shares) equal in value to any dividends that would have been paid on the shares which vest under their LTIP Awards (other than in the case of Restricted Shares for which dividends have not been waived) by reference to the period between the time when the relevant award was granted and the time when the relevant award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

Non-transferability of LTIP Awards

LTIP Awards are not transferable other than to the participant's personal representatives.

Allotment and transfer of shares

Any shares allotted or transferred under the LTIP will rank equally with shares then in issue (except for rights arising in reference to a record date prior to their allotment or transfer).

Applications will be made to both the UK Listing Authority and the London Stock Exchange in order to obtain the relevant approvals for admission and to trading for new shares that are issued pursuant to the LTIP.

Alternative settlement

At its discretion, the Board may decide to satisfy LTIP Awards with a payment in cash or shares equal to any gain that a participant would have made had the relevant award been satisfied with shares.

Adjustment of LTIP Awards

On a variation of the capital of the Company or in the event of a demerger or other distribution, the number of shares subject to an LTIP Award may be adjusted in such manner as the Board determines.

Amendments

Amendments to the LTIP rules may be made at the discretion of the Board. The Board may add to, vary or amend the LTIP rules by way of a separate schedule in order that the LTIP may operate to take account of local legislative and regulatory treatment for participants or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than the LTIP rules as summarised above.

Note: These principal terms summarise the main features of the rules of the LTIP, but do not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. Copies of the rules will be available for inspection at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire, PO15 7AF during usual office hours (Saturdays, Sundays and public holidays excepted) from the date of dispatch of this document up to and including the date of the Meeting, and at the Meeting itself. The Directors reserve the right, up to the time of the Annual General Meeting, to make such amendments and additions to the rules of the LTIP as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out here.

Resolution 16 is to approve a new Share Incentive Plan (**SIP**) to replace the existing SIP introduced in 2006 at the Company's Initial Public Offering. A summary of the principal terms of the SIP is set out below.

Status

The SIP is an all-employee share ownership plan which has been designed to meet the requirements of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003 so that ordinary shares of the Company can be provided to UK employees under the SIP in a tax-efficient manner.

Under the SIP, eligible employees may be: (i) awarded up to £3,600 worth of free shares (**Free Shares**) each year; (ii) offered the opportunity to buy shares with a value of up to the lower of £1,800 and 10% of the employee's pre-tax salary a year (**Partnership Shares**); (iii) given up to two free shares (**Matching Shares**) for each Partnership Share bought; and/or (iv) allowed or required to purchase shares using any dividends received on shares held in the SIP (**Dividend Shares**). The Board may determine that different limits will apply in the future should the relevant legislation change in this respect.

SIP Trust

The SIP operates through a UK-resident trust (the **SIP Trust**). The trustee of the SIP Trust purchases or subscribes for shares that are awarded to or purchased on behalf of participants in the SIP. A participant will be the beneficial owner of any shares held on his behalf by the trustee of the SIP Trust. Any shares held in the SIP Trust will rank equally with shares then in issue.

If a participant ceases to be in relevant employment, the participant will be required to withdraw his Free Shares, Partnership Shares, Matching Shares and Dividend Shares from the SIP Trust.

Eligibility

Each time that the Board decides to operate the SIP, all UK resident tax-paying employees of the Company and its subsidiaries participating in the SIP must be offered the opportunity to participate. Other employees may be permitted to participate. Participants invited to participate may be required to have completed a minimum qualifying period of employment before they can participate, as determined by the Board in relation to any award of shares under the SIP which may be different for each type of award from time to time. In the case of Free Shares (and, in certain circumstances, Partnership Shares and Matching Shares) that period must not exceed 18 months or, in certain other circumstances and only in the case of Partnership Shares or Matching Shares, 6 months.

Limits

The SIP may operate over new issue ordinary Shares, treasury shares or ordinary Shares purchased in the market. The rules of the SIP provide that, in any period of 10 calendar years, not more than 10% of the Company's issued ordinary share capital may be issued under the SIP and under any other employees' share scheme operated by the Company. Ordinary shares issued out of treasury for the SIP will count towards this limit for so long as this is required under institutional shareholder guidelines. Awards which are renounced or lapse shall be disregarded for the purposes of this limit.

Free Shares

Up to £3,600 worth of Free Shares may be awarded to each employee in a tax year. Free Shares must be awarded on the same terms to each employee, but the number of Free Shares awarded can be determined by reference to the employee's remuneration, length of service, number of hours worked and, if the Company so chooses, the satisfaction of performance targets based on business results or other objective criteria. There is a holding period of between 3 and 5 years (the precise duration to be determined by the Board) during which the participant cannot withdraw the Free Shares from the SIP Trust (or otherwise dispose of the Free Shares) unless the participant leaves relevant employment.

The Board, at its discretion, may provide that the Free Shares will be forfeited in certain circumstances if the participant leaves relevant employment other than due to injury, disability, redundancy or retirement, or by reason of a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or if the relevant employment is employment by an associated company by reason of a change of control or other circumstances ending that company's status as an associated company (each a 'Good Leaver Reason') or on death.

Partnership Shares

The Board may allow an employee to use pre-tax salary to buy Partnership Shares. The maximum limit is the lower of £1,800 or 10% of pre-tax salary in any tax year. The minimum salary deduction permitted, as determined by the Board, must be no greater than £10 on any occasion. The salary allocated to Partnership Shares can be accumulated for a period of up to 12 months (the **Accumulation Period**) or Partnership Shares can be bought out of deductions from the participant's pre-tax salary when those deductions are made. A participant and the Company may agree to vary the amount of salary deductions and the intervals of those deductions. If there is an Accumulation Period, the number of shares bought will be determined by dividing the participant's aggregate pay deducted during the Accumulation Period by the market value of the Partnership Shares at the time of the acquisition or the start of the Accumulation Period.

Once acquired, Partnership Shares may be withdrawn from the SIP by the participant at any time.

Explanatory Notes continued**Matching Shares**

The Board may, at its discretion, offer Matching Shares free to an employee who has bought Partnership Shares. If awarded, Matching Shares must be awarded on the same basis to all participants up to a maximum of two Matching Shares for every Partnership Share bought (or such other maximum as may be provided by statute). There is a holding period of between 3 and 5 years (the precise duration to be determined by the Board) during which the participant cannot withdraw the Matching Shares from the SIP Trust unless the participant leaves relevant employment.

The Board, at its discretion, may provide that the Matching Shares will be forfeited in certain circumstances if the participant leaves relevant employment other than for a SIP Good Leaver Reason or on death.

Re-investment of dividends

The Board may allow or require a participant to re-invest the whole or part of any dividends paid on shares held in the SIP. Dividend Shares must be held in the SIP Trust for no less than three years.

Corporate events

In the event of a general offer for the Company (or a similar takeover event taking place) during a holding period, participants will be able to direct the trustee of the SIP Trust how to act in relation to their shares held in the SIP. In the event of a corporate re-organisation, any shares held by participants may be replaced by equivalent shares in a new holding company.

Variation of capital

Ordinary shares acquired on a variation of share capital of the Company will usually be treated in the same way as the shares acquired or awarded under the SIP in respect of which the rights were conferred and as if they were acquired or awarded at the same time.

Rights attaching to shares

Any shares allotted under the SIP will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Amendments

The Company may at any time amend the rules of the SIP by resolution of the Board and may amend the SIP trust deed by way of a supplemental deed. No modification can be made which would alter, to the disadvantage of any participant, the rights the participant accrued under the SIP.

Overseas plans

The Board may, at any time, establish further plans for overseas territories, any such plan to be similar to the SIP but modified to take account of local tax, exchange control or securities laws. Any shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation in the SIP.

Benefits not pensionable

The benefits received under the SIP are not pensionable.

Note: These principal terms summarise the main features of the trust deed and rules of the SIP, but do not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the trust deed and rules of the SIP. Copies of the trust deed and rules will be available for inspection at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire, PO15 7AF during usual office hours (Saturdays, Sundays and public holidays excepted) from the date of dispatch of this document up to and including the date of the Meeting, and at the Meeting itself. The Directors reserve the right, up to the time of the Annual General Meeting, to make such amendments and additions to the rules of the SIP as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out here.

Allotment of unissued share capital

Resolution 17 is proposed to authorise the directors limited authority to exercise the powers of the Company to allot ordinary shares in the capital of the Company without the prior consent of shareholders for a period expiring on the earlier of the next AGM of the Company or 18 months from the passing of the resolution.

Dis-application of pre-emption rights

Resolution 18 is proposed to confer on the directors' restricted power to allot shares (or sell any shares which the Company may purchase and hold in treasury) without first offering them to existing shareholders in proportion to their existing shareholding.

Approval of market purchases of ordinary shares

Resolution 19 is to approve the authority of the Company to purchase its own shares in the market. This authority limits the purchase by the Company of up to 310,487 ordinary shares at a minimum price of £0.01 and a maximum price not exceeding 105% of the average middle market quotation as derived from the AIM appendix to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the shares are contracted to be purchased.

The directors intend to use this authority only after careful consideration, taking into account prevailing market conditions and the overall position of the Company. The directors will only purchase such shares after taking into account the effects on earnings per share, underlying business performance and whether any such purchase is in the best interests of shareholders.

