

2 November 2015

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to enclose the Annual Report of Matchtech Group plc, our tenth as an AIM listed company. I am also pleased to send you details about the Annual General Meeting (AGM) of Matchtech Group plc (Company) to be held at The Solent Hotel, Rookery Avenue, Whiteley, Fareham, Hampshire, PO15 7AJ on 2nd December 2015. The meeting will start at 12.00 pm. The formal notice of the AGM (the Notice) is attached.

BUSINESS TO BE CONSIDERED AT THE AGM

The AGM will cover the matters considered at items 1 to 15 of the Notice. As you will see from the Notice shareholders are also being asked to vote on the matters below and I am writing to you to explain their purpose.

1 Company's annual accounts for the financial year ended 31st July 2015

The Company's annual accounts for the financial year ended 31st July 2015 together with the directors' report and auditors' report on those accounts (which are enclosed with this letter) will be presented to the meeting.

2 Dividend

Shareholders will be asked to approve the final dividend payable for each ordinary share held. The final dividend which will be paid on 11 December 2015 cannot be more than the amount the directors recommend. The final dividend recommended by the directors and proposed in this resolution is 16.32 pence per ordinary share and is in addition to the interim dividend of 5.68 pence per ordinary share, making a total of 22.0 pence for the year for each ordinary share held.

3 Re-electing all executive and non-executive directors voluntarily retiring on an annual basis (resolutions 3, 4, 5, 6, 7, 8, 9 and 10)

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 directors listed in the Notice have confirmed they will stand for re-election. As Group Chairman, I am satisfied that all the directors seeking re-election continue to perform effectively in promoting the success of the Company.

4 Auditors (resolutions 11 and 12)

Shareholders have to appoint or re-appoint auditors at every general meeting at which accounts are presented to shareholders. The directors recommend that the shareholders appoint KPMG LLP as auditors to the Company until the conclusion of the next AGM at which accounts are laid before shareholders. It is also proposed to grant the directors authority to agree the auditors' fees.

5 Allotment of unissued share capital (resolution 13)

Resolution 13 will be proposed to grant the directors limited authority to exercise the powers of the Company to allot shares.

6 Allotment of unissued share capital (resolution 14)

Resolution 14 will be proposed to confer on the directors' restricted power to allot shares wholly for cash notwithstanding statutory provisions giving pre-emptive rights to existing shareholders pro-rata to their existing shareholding.

7 Approval of market purchases of ordinary shares (resolution 15)

In certain circumstances it may be advantageous for the Company to purchase its own shares. Resolution 15, which will be proposed as a special resolution, approves the purchase by the Company of up to 3,080,328 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 plc 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.

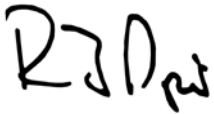
WHAT TO DO NEXT

Enclosed with this letter is the Notice together with a form of proxy. You are requested to complete, sign and return the form of proxy to indicate whether or not you intend to be present at the AGM as soon as possible and, in any event, so as to reach the Company's Registrar by 12 pm on 30 November 2015. Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

RECOMMENDATION

The directors consider the above proposals to be in the best interests of the Company and its shareholders and recommend shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully



Ric Piper
Interim Non-Executive Chairman

Notice of Annual General Meeting

Matchtech Group plc. Registered in England and Wales under registered number 4426322

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the Meeting) of Matchtech Group plc (Company) will be held at The Solent Hotel, Rookery Avenue, Whiteley, Fareham, Hampshire PO15 7AJ on 2 December 2015 at 12 pm for the following purposes:

Ordinary business

To consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

- 1) to receive and adopt the Company's annual accounts for the financial year ended 31 July 2015 together with the Directors' Report and Auditors' Report on those accounts.
- 2) to declare a final dividend of 16.32p per share for the year ended 31 July 2015 payable on 11 December 2015 to shareholders who are on the register of members of the Company on 13 November 2015.
- 3) to re-elect Brian Wilkinson who is retiring from office by rotation as director of the Company.
- 4) to re-elect George Materna who is retiring from office by rotation as director of the Company.
- 5) to re-elect Tony Dyer who is retiring from office by rotation as director of the Company.
- 6) to re-elect Keith Lewis who is retiring from office by rotation as director of the Company.
- 7) to re-elect Ric Piper who is retiring from office by rotation as director of the Company.
- 8) to re-elect Richard Bradford who is retiring from office by rotation as director of the Company.
- 9) to re-elect Rudi Kindts who is retiring from office by rotation as director of the Company.
- 10) to re-elect Roger Goodman who is retiring from office by rotation as director of the Company.
- 11) to re-appoint KPMG LLP as auditors who hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company in general meeting.
- 12) to authorise the directors to determine the remuneration of the auditors.

Special Business

To consider and if thought fit, to pass, the following resolutions, of which 13 will be proposed as an ordinary resolution and 14 and 15 will be proposed as special resolutions.

- 13) 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 £102,678. 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.

Notice of Annual General Meeting continued

- 14) that subject to the passing of resolution 13 set out in the notice convening this Annual General Meeting 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 Matchtech Group plc 2006 Long Term Incentive Plan and The Matchtech Group 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 £15,402.
- 15) 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 3,080,328;
 - (b) the minimum price which may be paid for each ordinary share is £0.01;
 - (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

2 November 2015

Matchtech Group plc

Registered in England and Wales under registered number 4426322

1. Pursuant to Part 13 of the Companies Act 2006 and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6.00 pm on 30 November 2015 (or if the AGM is adjourned, 6pm 2 days prior to the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
2. Should you wish to attend the AGM in person, you may be asked to provide proof of your identity and to allow security staff to be search bags or packages that you wish to bring into the meeting. We recommend that you arrive in good time to allow for these procedures. In order to speed up admission, we would ask that you do not bring suitcases or large bags, cameras, laptop computers or tape recorders to the venue. You may not be allowed to bring into the meeting recording equipment, cameras, mobile telephones or any other inappropriate item which may interfere with the good order of the meeting (storage and cloakroom facilities will be provided).
3. A member who is entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote instead of him. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the AGM in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the AGM (although voting in person at the AGM will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the AGM or another person as a proxy. You can only appoint a proxy using the procedures set out in these Notes and in the notes to the proxy form.
4. To be valid, a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registrar, of 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 12.00 pm on 30 November 2015.
5. The notes to the proxy form include instructions on how to appoint a proxy by using the CREST proxy appointment service.
6. You may not use any electronic address provided either in this Notice of AGM or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
7. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
8. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in Notes 3 to 5 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
9. Members attending the AGM have the right to ask any questions relating to the business being dealt with at the AGM.
10. As at 12 pm on 28 October 2015, the Company's issued share capital comprised 30,803,285 ordinary shares of 1p nominal value each. Each ordinary share carries the right to one vote at a general meeting of the Company. No ordinary shares were held in treasury and accordingly the total number of voting rights in the Company as at 12 pm on 28 October 2015 is 30,803,285.
11. Copies of the executive directors' service contracts with the Company and any of its subsidiary undertakings and letters of appointment of the non-executive directors are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the AGM and will also be available for inspection at the place of the AGM from 11.45 am on the day of the AGM until its conclusion.

Notes to the Proxy form

1. As a member of the Company you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
4. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution select the relevant vote withheld box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the annual general meeting.
5. To be effective, this form of proxy, duly completed, together with any power of attorney under which it is executed or a notarially certified copy of it (failing previous registration with the Company), must be lodged with the Company's Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to arrive not later than 12 pm on 30 November 2015. Alternatively, a CREST member may appoint a proxy or proxies by using the CREST electronic proxy appointment service, by following the procedure set out in Note 14 below. You can only appoint a proxy using the procedure set out in these Notes and in the notes to the Notice.
6. An individual member or attorney must sign this form. In the case of a member which is a company, this form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or a duly authorised officer of the corporation.
7. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any of the joint holders. For these purposes, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy and would like to change the instructions using another form of proxy, please contact the Company's Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to arrive not later than 12 pm on 30 November 2015.
11. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised attorney or a duly authorised officer of the corporation. Any power of attorney or any such authority under which the revocation notice is signed or a notarially certified copy of it (failing previous registration with the Company) must be included with the revocation notice.

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12. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 13. Except as provided above, members who have general queries about the meeting should write to Capita Asset Services, PXS 34 Beckenham Road, Beckenham, Kent, BR3 4TU, telephone 0871 664 0300 (Calls cost 10p per minute plus network extras. Lines are open from 9am to 5.30pm, Monday to Friday), or email shareholderenquiries@capita.co.uk. No other means of communication will be accepted.

You may not use any electronic address provided either:

- (a) in the Notice of Annual General Meeting; or
 - (b) any related documents (including the Chairman's letter and this form of proxy),
- to communicate with the Company for any purposes other than those expressly stated.
14. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the general meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to 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 Capita Asset Services (CREST participant ID: RA10 by the latest time(s) for receipt of proxy appointments specified in Note 5 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 Capita Asset Services 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 providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. 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, to procure that his CREST sponsor or voting service provider takes) 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 service providers) are referred, in particular, to those sections of the CREST Manual (available at www.euroclear.com/CREST) concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

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

Registered in England
and Wales Number 4426322.