



(Incorporated and registered in England and Wales with registered number 05019106)

Notice of Annual General Meeting

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (“AGM”) of Tracsis plc (“the Company”) will be held at Nexus, Discovery Way, Leeds LS2 3AA at 9.00 a.m. on Wednesday 22 January 2025 to consider and, if thought fit, pass the following Resolutions (“the Resolutions”), of which Resolutions 1 to 15 will be proposed as Ordinary Resolutions and Resolutions 16 to 19 will be proposed as Special Resolutions.

ORDINARY RESOLUTIONS

1. TO receive the annual accounts of the Company for the financial year ended 31 July 2024 together with the reports of the Directors and auditor thereon.
2. TO approve the Directors’ Remuneration Report for the financial year ended 31 July 2024 as contained in the annual accounts.
3. TO approve the Directors’ Remuneration Policy. (*advisory vote*)
4. TO re-appoint Grant Thornton UK LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
5. TO authorise the Directors to agree the remuneration of the auditor.
6. TO re-appoint Jill Easterbrook as a Director of the Company.
7. TO re-appoint Ross Paterson who was appointed by the Board since the last annual general meeting, as a Director of the Company.
8. TO re-appoint Dr James Mathew Routh as a Director of the Company.
9. TO re-appoint Tracy Florence Sheedy as a Director of the Company.
10. TO re-appoint Christopher Matthew Barnes as a Director of the Company.
11. TO re-appoint Andrew John Kelly as a Director of the Company.
12. TO declare a final dividend for the financial year ended 31 July 2024 of 1.3p per share.
13. THAT the Directors be and are hereby generally and unconditionally authorised, in accordance with Section 551 of the Companies Act 2006 (“the Act”), to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“Rights”) up to an aggregate nominal amount of £40,467.27, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months from the date of the passing of this Resolution or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offers or agreements notwithstanding that the authority conferred by this Resolution has expired.

This authority is in substitution for all unexercised authorities previously granted to the Directors to allot shares or grant Rights but without prejudice to any allotment of any shares or grant of any Rights already made, offered or agreed to be made pursuant to such authorities.
14. TO approve the rules of the Tracsis plc 2025 Sharesave Scheme.
15. TO approve the rules of the Tracsis plc 2025 International Scheme.

SPECIAL RESOLUTIONS

16. THAT, subject to the passing of Resolution 13 above and in accordance with Section 570 and Section 573 of the Companies Act 2006 (“the Act”), the Directors be given the general power to allot equity securities (as defined by Section 560 of the Act) for cash, either pursuant to the authority conferred by Resolution 13 above or by way of a sale of treasury shares, as if Section 561(1) 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 of equity securities:
 - (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - (ii) to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or any stock exchange; and
 - (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £12,141.40,

and shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months from the date of the passing of this Resolution or, if earlier, the date of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the

SPECIAL RESOLUTIONS *continued*

Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

This power is in substitution for all unexercised powers previously granted to the Directors to allot equity securities or sell treasury shares as if Section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities or sale of treasury shares already made or agreed to be made pursuant to such powers.

17. **THAT**, subject to the passing of Resolution 13 above and in accordance with Section 570 and Section 573 of the Companies Act 2006 (“**the Act**”), the Directors will be authorised in addition to any authority granted under Resolution 16 to allot equity securities (as defined by Section 560 of the Act) for cash, either pursuant to the authority conferred by Resolution 13 above or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £12,141.40 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice and shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months from the date of the passing of this Resolution or, if earlier, the date of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.
18. **TO** authorise the Company generally and unconditionally to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of £0.004 each in the Company (“**Ordinary Shares**”) provided that:
- (a) the maximum aggregate number of Ordinary Shares that may be purchased is 1,517,674;
 - (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.004; and
 - (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:
 - (i) 105% of the average market value of an Ordinary Share for the five business days prior to the day the purchase is made; and
 - (ii) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for:
 - a. the last independent trade of; and
 - b. the highest current independent bid for,any number of Ordinary Shares on the trading venue where the purchase is carried out.

The authority conferred by this Resolution shall expire on the date which is 15 months from the passing of this Resolution or, if earlier, at the conclusion of the Company’s next annual general meeting save that the Company may, before the expiry of the authority granted by this Resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

19. **TO** approve updated Articles of Association for the Company

That the New Articles presented at the meeting and initialed by the Chair of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles, with effect from the conclusion of the meeting.

Dated: 6 December 2024

BY ORDER OF THE BOARD

Jan David Mitson
Company Secretary

Registered office:
Nexus
Discovery Way
Leeds LS2 3AA

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Notes to the Notice of AGM:

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. For a proxy appointment or instructions made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by our agent Neville Registrars Limited (ID 7RA11) not later than 9:00 a.m. (UK time) on 20 January 2025, or, in the event of an adjournment of the meeting, 48 hours (excluding non-working days) before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

1. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that to be entitled to attend and vote at the Annual General Meeting ("**AGM**") (and for the purpose of determining the number of votes a member may cast), members must be entered on the register of members of the Company ("**the Register of Members**") by 6.00 p.m. on 20 January 2025 or, in the event that the meeting is adjourned, in the Register of Members 48 hours before the time any adjourned meeting is reconvened. Changes to entries in the Register of Members after 6.00 p.m. on 20 January 2025 or, in the event that the meeting is adjourned, in the Register of Members less than 48 hours before the time any adjourned meeting is reconvened, shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member of the Company entitled to attend, speak and vote at the AGM is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote on his or her behalf (on a show of hands and on a poll). You should have received a proxy form with this Notice of the AGM. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy need not also be a member, but must attend the AGM to represent you. Completion and return of a proxy form will not preclude a member from attending and voting at the AGM or at any adjournment thereof should the member so decide. If you have appointed a proxy and you attend the AGM in person, your proxy appointment will automatically be terminated.
4. 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 the same shares. If you wish to appoint multiple proxies, please contact the Company's Registrars using the contact details in note 6. Alternatively, the proxy form may be photocopied before its completion.
5. 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 AGM.
6. To be valid, the proxy form must be completed, signed and returned so as to reach the Company's Registrars, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen B62 8HD, by no later than 9:00 a.m. on 20 January 2025.
7. Details of how to appoint the Chair of the AGM or another person as your proxy using the proxy form are set out in the notes to the proxy form. The notes to the proxy form explain how to direct your proxy to vote on each Resolution or withhold his vote. Where you appoint as your proxy someone other than the Chair, you are responsible for ensuring that they attend the AGM and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chair and give them the relevant instructions directly.

Notes to the Notice of AGM: *continued*

8. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. 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 included with the proxy form.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the name of the joint holders appear in the Register of Members in respect of the joint holding (the first-named being the most senior).
11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same shares.
12. You may not use any electronic address provided either in this Notice or any related documents (including the Chair's letter, the proxy form and any revocation notice) to communicate with the Company for any purpose other than those expressly stated.
13. Any unacceptable behaviour at a general meeting will not be tolerated and will be dealt with appropriately by the Chair.
14. Upon arrival at the AGM please produce your Form of Proxy or, where shares are held in a nominee account, a Letter of Representation issued by your stockbroker.
15. As at 6.00 p.m. on 29 November 2024, the Company's issued share capital comprised 30,353,488 Ordinary Shares of £0.004 each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 29 November 2024 is 30,353,488.

Explanatory notes to the Resolutions

RESOLUTION 1 – REPORT AND ACCOUNTS

The Directors are required by law to present to the Annual General Meeting the annual accounts, the Directors' Report and the Auditor's Report on the annual accounts.

RESOLUTION 2 – REMUNERATION REPORT

Shareholders are asked to approve the Remuneration Report, a copy of which is contained in the annual accounts.

RESOLUTION 3 – REMUNERATION POLICY

Shareholders are asked to approve the Remuneration Policy, which can be found on pages 72 to 73 of the Annual Report. This is an advisory vote. If approved, the policy will take effect from the end of the Annual General Meeting and will remain in effect for three years.

RESOLUTION 4 & 5 – RE-APPOINTMENT AND REMUNERATION OF AUDITOR

The appointment of Grant Thornton UK LLP as auditor of the Company terminates at the conclusion of the AGM. It has indicated its willingness to be reappointed as the Company's auditor. Accordingly, these Resolutions propose its reappointment and, in accordance with standard practice, give authority to the Directors to determine its remuneration.

RESOLUTIONS 6 TO 11 – RE-APPOINTMENT OF DIRECTORS

Under the Company's current Articles of Association one-third of the Directors (excluding those being re-elected for the first time by shareholders) are required to retire by rotation at the AGM. Notwithstanding the provisions of the Company's Articles of Association, the Board has determined that all of the Directors shall retire from office at the AGM in line with the best practice recommendations of the Financial Reporting Council's UK Corporate Governance Code. Each of the Directors intends to stand for reappointment by the shareholders. Biographical details for each of the Directors can be found on pages 64 and 65 of the Annual Report and at www.tracsis.com/who-we-are.

The Board unanimously recommends the re-election of all the Directors by the shareholders at the AGM

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Explanatory notes to the Resolutions *continued*

RESOLUTION 12 – DIVIDEND

The Directors recommend a final dividend of 1.3 pence per share, with a total aggregate cash value of £394,595.34. The final dividend is subject to shareholder approval and will be payable on 7 February 2025 to shareholders on the Register of Members at the close of business on 24 January 2025.

RESOLUTION 13 – ALLOTMENT OF SHARES

This Resolution will, if passed, authorise the Directors to allot shares or grant rights to subscribe for, or to convert securities into, shares up to a maximum nominal amount of £40,467.27 which represents approximately one-third of the Company's issued Ordinary Shares as at 29 November 2024. The authority granted by this Resolution will expire on 22 April 2026 or, if earlier, the date of the next annual general meeting of the Company.

RESOLUTIONS 14 AND 15 – TRACSIS PLC 2025 SHARES SAVE SCHEME AND INTERNATIONAL SCHEME

The Sharesave Scheme is an 'all-employee' share scheme that is intended to satisfy the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 such that options granted under it will offer the potential for beneficial tax treatment to the participant and the member of the Group employing the participant.

1. GENERAL

The Sharesave Scheme will give participating employees the opportunity to save up to £500 per month (or such other amount permitted under the relevant legislation from time to time) in accordance with a savings contract for three or five years (a "Sharesave Contract"). The proceeds of the Sharesave Contract can be used to exercise an option to acquire ordinary shares in the Company ("Shares") at an option price set at the date of invitation, which cannot be less than 80% (or such other percentage as may be permitted by the relevant legislation) of the market value of a Share at the date of invitation.

2. ELIGIBILITY

All employees (including an executive director) of the Company, or any of its subsidiaries which participate in the Sharesave Scheme, who have been in employment for a minimum period determined by the Directors (not exceeding five years), and any other employees nominated by the Directors may apply for an option on any occasion on which invitations are issued.

3. ISSUE OF INVITATIONS

Invitations to apply for options may only be issued within the six week period following approval of the Sharesave Scheme by shareholders; the announcement of the Company's results for any period; any day on which changes to legislation affecting tax-qualifying sharesave schemes are proposed or made; or any day on which the Board determines that exceptional circumstances exist. However, if the Company is restricted from issuing invitations during any such period, invitations may be issued in the period of six weeks following the relevant restriction being lifted.

4. AWARD OF OPTIONS AND DILUTION LIMITS

Options may be satisfied with newly issued shares, treasury shares, or shares bought in the market other than into treasury, although the current intention is that they will be satisfied with newly issued shares. In any ten year period, the number of Shares which may be issued (or committed to be issued) under the Sharesave Scheme and any other employee share scheme adopted by the Company must not exceed 10% of the issued share capital of the Company from time to time; treasury shares will count as new issue shares for the purposes of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise.

5. EXERCISE OF OPTIONS

Ordinarily, an option may be exercised within six months of maturity of the Sharesave Contract.

Explanatory notes to the Resolutions *continued*

6. CESSATION OF EMPLOYMENT

Options may be exercised if a participant leaves employment by reason of death, injury, disability, redundancy, retirement, the sale of the entity that employs him or her out of the group or, provided the option has been held for at least three years, any other reason apart from the termination of their employment by their employer. If a participant ceases employment with the group in any other circumstances, any option they hold shall lapse on the date on which the participant ceases employment.

7. CORPORATE EVENTS

Options may be exercised early in the event of a change of control or winding-up of the Company.

8. VARIATION OF CAPITAL

In the event of any variation of the Company's share capital, the Board may make such adjustments as it considers appropriate to the number or description of Shares subject to an option or to the exercise price applicable to an option or the limits on the maximum number of Shares that may be used in connection with the Sharesave Scheme.

9. ALTERATIONS, TERMINATION AND FURTHER TERMS OF THE SHARESAVE SCHEME

The Board may, at any time, amend the Sharesave Scheme in any respect, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of participants relating to the rules governing eligibility, limits on participation, the basis for determining a participant's entitlement to, and the terms of, the Shares subject to an option and the adjustments that may be made to an option in the event of a variation of capital. The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Sharesave Scheme, to take account of a change in legislation or to maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the group. No option may be granted under the Sharesave Scheme after the tenth anniversary of its approval by shareholders. Options granted under the Sharesave Scheme are not transferable other than to the participant's personal representatives in the event of death. Options will not form part of pensionable earnings.

TRACSIS PLC 2025 SHARES SAVE SCHEME – INTERNATIONAL SCHEME

The Sharesave Scheme includes an appendix which modifies its terms to offer participation to employees outside of the UK (the "International Scheme").

The International Scheme is based on the Sharesave Scheme, but modified to take account of local considerations, including that there is no qualifying Sharesave Contract arrangement for the International Scheme.

It is anticipated that the International Scheme will be operated on a similar basis as the Sharesave Scheme, save as follows.

General

The limit on participation will be converted into the applicable local currency on such basis as the Board determines. Because there is no qualifying Sharesave Contract arrangement, the detail and duration of the savings arrangement in respect of the International Scheme will be determined by the Board, although it is anticipated that a three or five year savings arrangement will apply as with the Sharesave Scheme.

Eligibility

The Board will decide which employees of the Company and its subsidiaries are invited to participate in the International Scheme. In practice, it is intended that, as with the Sharesave Scheme, all employees who have met a qualifying period of employment determined by the Board will be invited to participate in the International Scheme.

Having regard to US tax requirements, "retirement" is not a "good leaver" circumstance in the case of any US participant.

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RESOLUTIONS 16 AND 17 – DISAPPLICATION OF PRE-EMPTION RIGHTS

These Resolutions will, if passed, give the Directors power, pursuant to the authority to allot granted by Resolution 13, to allot equity securities or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings:

- (a) provided that this power is limited in relation to the allotment of equity securities to holders of Ordinary Shares or holders of other equity securities, if required by the rights of those securities, or as the Directors otherwise consider necessary, up to a maximum nominal amount of £40,467.27 which represents approximately one-third of the Company's issued Ordinary Shares as at 29 November 2024;
- (b) provided that this power is limited for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of annual general meeting, up to a maximum nominal amount of £12,141.40 which represents approximately 10% of the Company's issued Ordinary Shares as at 29 November 2024; and
- (c) provided that this power is limited in any other case, up to a maximum nominal amount of £12,141.40 which represents approximately 10% of the Company's issued Ordinary Shares as at 29 November 2024.

The power granted by these Resolutions will expire on 22 April 2026 or, if earlier, the date of the next annual general meeting of the Company.

RESOLUTION 18 – MARKET PURCHASES OF OWN SHARES

Resolution 18 seeks authority for the Company to make market purchases of its own Ordinary Shares. If passed, the Resolution gives authority for the Company to purchase up to 1,517,674 of its Ordinary Shares, representing approximately 5% of the Company's issued Ordinary Shares as at 29 November 2024. The authority will expire on 22 April 2026 or, if earlier, the date of the next annual general meeting of the Company.

RESOLUTION 19 – ARTICLES OF ASSOCIATION

The current articles of association of the Company (Current Articles) were adopted by the Company on 20 January 2010. As the Current Articles are more than 14 years old, a review of the Current Articles has been carried out with a view to bringing the Current Articles up to date and ensuring that they comply with current law and current market practice.

The review has identified a number of recommended changes, and the Company has therefore decided to adopt new articles of association (**New Articles**).

The New Articles are based on the Current Articles but incorporate a number of recommended changes.

A summary of the key changes made to the Current Articles in the New Articles is set out below.

1. Article 2 (*Interpretation*)

- a. Article 2.1- An updated definition of "uncertificated shares" has been included as the term is used throughout the Articles.
- b. Article 2.3 – An updated definition of "executed", "signed" and "signature" has been included to facilitate electronic execution.
- c. Article 2.4 – An updated definition of "in writing", "writing" and "written" has been included to facilitate electronic communication.
- d. Article 2.9 – A new definition of "meeting" has been included to facilitate attending meetings by electronic means.
- e. Article 2.10 - References to extraordinary resolutions have been removed on the basis that the concept of an extraordinary resolution was not carried forward into the Companies Act 2006 and the term itself is not used in the New Articles.

2. Article 3 (*Limited Liability*)

The reference to authorised share capital has been removed as this is no longer required by the Companies Act 2006. This has been replaced with a confirmation of the limited liability position.

RESOLUTION 19 – ARTICLES OF ASSOCIATION *continued*

3. Article 7 (Consent to variation)

Article 7 has been updated to make it clear that treasury shares may not be included in the written consent provisions as they are non-voting under the Companies Act 2006.

4. Article 12 (Member's right to share certificates and time for delivery)

Article 12 has been updated to reflect the legal requirement to issue share certificates within 2 months of the allotment of said shares.

5. New Article 17 (Powers in relation to uncertificated shares)

A new Article 17 has been included to ensure that the Company has the same powers in relation to uncertificated shares as it has in relation to certificated shares.

6. New Article 32 (Extinction of rights)

A new Article 32 has been included to make it clear that any forfeiture of shares also extinguishes all interests in, and all claims and demands against, the Company in respect of that forfeited share and all other rights and liabilities incidental to that forfeited share.

7. Article 34 (Enforcement of lien by sale)

Article 34 has been updated to include a 14 clear day notice period prior to the enforcement of a lien by way of sale. This is consistent with the other notice provisions in the New Articles.

8. Article 36 (Validity of sale for enforcing lien)

Article 36 has been amended to specifically incorporate the power to sell uncertificated shares where the Company has a lien, in line with the powers under the new Article 17.

9. Old Article 40 (Suspension of registration and closing of Register)

Article 40 of the Current Articles has not been included in the New Articles. The reason for this is that the right for a company to suspend the registration of a transfer and close the register of members for up to 30 days is an historical hangover from regulation 26 of Table A of the Companies (Tables A to F) (Amendment) Regulation 1985 and it is no longer common practice for AIM companies to have such a power.

10. Article 45 (Election in case of death or bankruptcy of member)

Article 45 has been updated to expressly cover the death or bankruptcy of a member holding uncertificated shares (in addition to members holding certificated shares).

11. Article 48 (Sub-division)

Under the Current Articles, the Company has the right to retain any net proceeds payable to a shareholder in relation to a sale of a fraction of a share where the net proceeds payable to that shareholder are less than £3. We have increased this sum to £5.

The increase is in line with a company's right to retain proceeds which do not exceed £5 under (and in the circumstances specified in) the UK Listing Rules (UK Listing Rule 9.4.4).

Although the Company is not subject to the UK Listing Rules, and the right to retain proceeds under UK Listing Rule 9.4.4 relates to rights issues and not the sub-division of shares, we consider this to be a good indication of best practice and have updated the New Articles accordingly.

12. Old Articles 48 – 51 (Conversion of shares to stock)

Articles 48 to 51 of the Current Articles have not been included in the New Articles. We have removed these provisions as the law which permitted the conversion of shares to stock no longer applies.

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RESOLUTION 19 – ARTICLES OF ASSOCIATION *continued*

13. Old Articles 54 and 55 *(Reduction and Cancellation of Capital)*

Articles 54 and 55 of the Current Articles have not been included in the New Articles. Previously a company was required to expressly set out its authorities to reduce or cancel capital. This is no longer the case.

14. Old Article 56 *(Purchase own shares)*

Previously a company was required to expressly set out its authorities to purchase its own shares. This is no longer the case.

15. Old Article 63 *(Business of General Meeting)*

Articles 63 of the Current Articles has not been included in the New Articles. We have removed the article as it is not necessary to specify the business to be transacted at an annual general meeting and a general meeting in the articles of association.

16. Article 70.2 *(Votes of members)*

The references to 'curator bonis' have been removed as the right to appoint a 'curator bonis' ceased in 2001.

17. Article 73 *(Votes may be given personally or by proxy)*

Additional language has been included to make it clearer that an appointed proxy has discretion to vote or abstain at a meeting unless their instructions state otherwise.

18. Article 74 *(Appointment of proxy)*

Article 74 has been updated to make it clear that the proceedings of a meeting will not be invalidated by a technical issue with the delivery of proxies.

19. Article 80 *(Amendments to resolutions)*

Up to date provisions with respect to amending resolutions (both special and ordinary) have been incorporated.

20. Article 87 *(Appointment and revocation)*

Article 87 has been amended to allow for the appointment of an alternative Director by written or electronic means.

21. Article 94 *(Directors' power to award pensions)*

Article 94 has been amended to expand the Directors' award powers to include civil partners.

22. Article 104 *(Power to borrow money)*

Article 104.2 of the Current Articles limits the Company's ability to borrow to £50,000 without the previous sanction of the Company in general meeting.

This limitation is restrictive and no longer appropriate for a company of the size and scale of the Company.

Article 104.2 of the Current Articles has therefore been amended in the New Articles to increase the borrowing limit to £100m without the previous sanction of the Company in general meeting. This will give the Company the flexibility to borrow as the Directors determine to be appropriate in order to finance the growth of the Company.

Article 104.4 of the Current Articles has also been amended in the New Articles to make it clear that a report or certificate by the auditors as to the amount owing or which can be borrowed under the borrowing limitations in the New Articles is conclusive evidence of that fact.

RESOLUTION 19 – ARTICLES OF ASSOCIATION *continued*

23. Old Article 115 (Inspection of Register of Charges)

Article 115 of the Current Articles has not been included in the New Articles. A company is no longer required to maintain a physical register of charges.

24. Article 108 (Office of Director to be vacated)

The references to 'curator bonis' have been removed as the right to appoint a 'curator bonis' ceased in 2001.

25. Article 109 (Rotation and retirement of Directors)

Article 109 of the Current Articles provides that one third of the Directors are required to retire by rotation (and offer themselves up for re-election) at each annual general meeting of the Company.

However, the current practice of the Company is for all of the Directors (and not just one third of the Directors) to retire (and offer themselves up for re-election) at each annual general meeting. Article 109 has therefore been amended in the New Articles to incorporate the current practice of the Company for all of the Directors (and not just one third of the Directors) to retire (and offer themselves up for re-election) at each annual general meeting. This practice is also in line with the recommendations in the QCA Corporate Governance Code.

26. Article 110 (Re-Appointment)

Article 110 of the Current Articles includes a mechanism for determining which Directors are required to retire (and offer themselves up for re-election) at each annual general meeting.

However, as Article 109 has been amended to provide that all Directors will retire (and offer themselves for re-election) at each annual general meeting, Article 110 of the Current Articles is no longer required.

A new Article 110 (**Re-Appointment**) has therefore been included in the New Articles which makes it clear that all Directors may offer themselves up for re-appointment by the members at the annual general meeting and a Director that is so re-appointed will be treated as continuing in office without a break.

27. Article 118 (Meetings of Directors)

Article 118 has been amended to address situations where meetings are held virtually rather than physically.

28. Article 122 (Resolution in writing)

Article 122 has been updated to expressly permit resolutions to be approved at a virtual meeting as well as a physical meeting and to allow such approved resolutions to be signed electronically.

29. Article 141 (Scrip Dividends)

Article 141 has been amended to make it clear that the scrip dividend period ends on the fifth anniversary of the date when the scrip dividend resolution is passed.

30. Article 151 (Notices)

Article 151 has been updated to expressly include electronic communication through CREST and to remove the express ability to serve notice by fax.

31. New Article 158 (Cessation of entitlement to receive notices)

A new Article 158 has been included to give the Company a right to cease sending notices when the notices that have been sent have been returned undelivered on three consecutive occasions to remove the administrative burden of sending notices to out of date or invalid addresses.

If you have any questions relating to these articles, or to request a copy of the New Articles in full, please contact Jan Mitson, Company Secretary, email: Jan.Mitson@tracsis.com.



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