



# SPRUE AEGIS

31 May 2018

***To the holders of Ordinary Shares***  
**Notice of Annual General Meeting of Sprue Aegis plc ("Sprue" or the "Company")**

Dear Shareholder

I am pleased to write to you with details of Sprue's forthcoming Annual General Meeting ("**AGM**") which is to be held at **10.30 a.m. on 28 June 2018** at Nailcote Hall, Nailcote Lane, Berkswell, Warwickshire CV7 7DE, the formal business of which is set out in the enclosed Notice of AGM.

I enclose herewith a copy of the Company's report and accounts for the year ended 31 December 2017, together with the Notice of AGM and a proxy form.

If you wish to vote on the resolutions but cannot attend the AGM, I would urge you to complete the enclosed proxy form and return it to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and so as to be received by no later than 10.30 a.m. on 26 June 2018. Completion and return of a form of proxy does not preclude you from attending the AGM and voting in person if you wish to do so.

The Board considers that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of each of the resolutions in respect of their own beneficial holdings and unanimously recommends shareholders to do likewise.

Yours faithfully

Graham Whitworth

**Executive Chairman**

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sprue Aegis plc (the "**Company**") will be held at **10.30 a.m. on 28 June 2018** at Nailcote Hall, Nailcote Lane, Berkswell, Warwickshire CV7 7DE for the purposes of the following business:

**Ordinary Business**

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

1. To receive and adopt the annual accounts of the Company for the year ended 31 December 2017, together with the reports of the directors of the Company (the "**Directors**") and the auditors on those accounts.
2. To approve the Directors' remuneration report for the year ended 31 December 2017.
3. To re-elect as a director John Shepherd who retires by rotation in accordance with the Company's articles of association and who, being eligible, offers himself up for re-election as a director of the Company.
4. To re-elect as a director Ashley Silverton who retires by rotation in accordance with the Company's articles of association and who, being eligible, offers himself up for re-election as a director of the Company.
5. To re-elect as a director Neil Smith who retires by rotation in accordance with the Company's articles of association and who, being eligible, offers himself up for re-election as a director of the Company.
6. To re-elect RSM UK Audit LLP as auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to determine their remuneration.

**Special Business**

To consider and, if thought fit, pass the following resolutions of which resolution 8 will be proposed as an ordinary resolution and resolutions 7 and 9 – 10 will be proposed as special resolutions:

7. To change the name of the Company to FireAngel Safety Technology Group plc.
8. THAT, the Directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:
  - (a) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to an aggregate nominal amount of £612,071.53 (including within such limit any shares issued or rights granted under paragraph (b) below) in connection with an offer by way of rights issue, open offer or other pre-emptive offer:
    - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings;
    - ii. to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and subject to such exclusions or other arrangements as the Directors consider expedient in relation to fractional entitlements, legal, regulatory or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory, or any other matter; and

- (b) in any other case up to an aggregate nominal amount of £306,035.76 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph (a) above in excess of £306,035.76),

provided that such authority, unless renewed, varied or revoked by the Company shall expire on 28 September 2019 or, if earlier, the date of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company but is without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

- 9. THAT, subject to the passing of resolution 8, the Directors are generally authorised pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- (a) to the allotment of equity securities in connection with any offer by way of rights or an open or other offer of relevant equity securities where the equity securities respectively attributed to the interests of all holders of relevant equity securities are proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or on account of either legal or practical problems arising in connection with the laws or requirements of any regulatory or other authority in any jurisdiction; and
- (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £45,905.36,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 28 September 2019) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

- 10. THAT, subject to the passing of resolution 8, the Directors are authorised in addition to any authority granted under resolution 9 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £45,905.36; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other 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,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 28 September 2019) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

By order of the Board 31 May 2018

William Payne  
**Company Secretary**

c/o Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
West Midlands  
B63 3DA

Notes:

1. As at 30 May 2018 (being the last business day prior to the publication of the Notice of Annual General Meeting) the Company's issued share capital consists of 45,905,365 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 30 May 2018 are 45,905,365.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
  - 6.00 p.m. on 26 June 2018; or
  - if this Meeting is adjourned, at 6.00 p.m. on the day two working days prior to the adjourned meeting,shall be entitled to attend and vote at the Annual General Meeting.
3. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
4. Please see the enclosed Proxy Form Notes for notes relating to proxies.
5. CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal 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. In order for a Proxy appointment or instruction 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 & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed Proxy must be transmitted so as to be received by Neville Registrars Limited (**ID: 7RA11**) no later than 10:30 a.m. on 26 June 2018. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take 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 sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual 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.

## **EXPLANATORY NOTES TO THE RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING**

The resolutions to be proposed at the AGM of the Company to be held on 10.30 a.m. on 28 June 2018 are set out in the notice of AGM. The following notes provide an explanation to the resolutions being put to shareholders.

### **Ordinary business**

Resolutions 1 to 6 are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

#### *Resolution 1 – Laying of accounts*

The directors are required to present to shareholders at the AGM the reports of the directors and auditors and the audited accounts of the Company for the year ended 31 December 2017.

#### *Resolution 2 – Remuneration report*

Shareholders are requested to approve the directors' remuneration report. The directors' remuneration report is set out in the Company's annual report and accounts for the year ended 31 December 2017. The vote is advisory and the directors' entitlement to remuneration is not conditional on the passing of the resolution.

#### *Resolutions 3 to 5 – Re-election of directors*

The Company's articles of association require one-third of the directors to retire from office each year. Each of John Shepherd, Ashley Silverton and Neil Smith is retiring and seeks re-appointment at the AGM. Biographical information for all the directors standing for re-election is included in the Company's annual report and accounts.

#### *Resolution 6 – Re-appointment of auditors and authorising and fixing the remuneration of the auditors*

The Companies Act 2006 requires that auditors be appointed at each general meeting at which accounts are laid to hold office until the next such meeting. The appointment of RSM UK Audit LLP as auditors of the Company terminates at the conclusion of the AGM. They have indicated their willingness to stand for reappointment as auditors of the Company until the conclusion of the annual general meeting in 2019. The Company's Audit Committee keeps under review the independence and objectivity of the external auditors and further information can be found in the annual report and accounts. After considering the relevant information, the Audit Committee has recommended to the board that RSM UK Audit LLP be re-appointed as auditors.

It is normal practice for shareholders to resolve at the annual general meeting that the directors decide on the level of remuneration of the auditors for the audit work to be carried out by them in the next financial year.

### **Special business**

Resolution 8 is proposed as an ordinary resolution and will be passed if more than 50% of the votes are cast in favour of it. Resolutions 7 and 9 – 10 are proposed as special resolutions and will be passed if not less than 75% of the votes are cast in favour of them.

#### *Resolution 7 – Name change*

Resolution 7, if passed, would change the Company's name to FireAngel Safety Technology Group plc. The name change will take effect from the date on which the new certificate of incorporation is issued, which is expected to be 28 June 2018. If the name change takes effect on 28 June 2018, it is expected that the London Stock Exchange will reflect the Company's new name from 29 June 2018 and the Company's ticker will be updated accordingly.

#### *Resolution 8 – Authority to allot shares*

The directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authority granted at the last annual general meeting to allot shares or grant rights to subscribe for, or convert any security into, shares is due to expire at the conclusion of this year's AGM.

The Investment Association (IA) guidelines on authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital. In addition they will treat as routine a request for authority to allot shares representing an additional one-third of the company's issued share capital provided that it is only used to allot shares for the purpose of a fully pre-emptive rights issue.

Accordingly, resolution 8, if passed, would authorise the directors under section 551 of the Companies Act 2006 to allot new shares or grant rights to subscribe for, or convert any security into, new shares (subject to shareholders' pre-emption rights) up to a maximum nominal amount of £612,071.53, representing the IA guideline limit of approximately 66% of the Company's issued ordinary share capital as at 30 May 2018 (being the latest practicable date prior to the publication of this document).

Resolution 8(a) would give the directors authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £612,071.53, representing approximately two-thirds of the Company's existing issued share capital in connection with a rights issue or other pre-emptive offer in favour of ordinary shareholders.

Resolution 8(b), if passed, would give the directors general authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £306,035.76, representing approximately one-third of the Company's existing issued share capital. This authority will be reduced by any amount over £306,035.76 that is allotted under resolution 8(b), so that the total amount issued cannot exceed two-thirds without further shareholder approval.

As resolution 8(b) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 8(a) so as to enable the whole two-thirds to be used in connection with a rights issue or other pre-emptive offer.

The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company and 28 September 2019.

The Company does not at present hold any shares in treasury.

#### *Resolution 9 – Disapplication of pre-emption rights and Resolution 10 – Additional disapplication of pre-emption rights*

The Companies Act 2006 requires that if the Company issues new shares or grants rights to subscribe for or to convert any security into shares for cash, or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. In certain circumstances, it may be in the best interests of the Company to allot shares (or to grant rights over shares) for cash without first offering them proportionately to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights. In accordance with investor guidelines, therefore, approval is sought by the directors to issue a limited number of ordinary shares for cash without first offering them to existing shareholders.

Resolution 9 contains a two-part disapplication of pre-emption rights which seeks to renew the directors' authority to issue equity securities of the Company for cash without application of pre-emption rights pursuant to section 561 of the Companies Act 2006.

Other than in connection with a rights or other pre-emptive issue, scrip dividend or other similar issue, the authority contained in resolution 9 would be limited to a maximum nominal amount of £45,905.36 (which would equate to 2,295,268 ordinary shares of 2 pence each), representing approximately 5% of the Company's issued share capital as at 30 May 2018, being the latest practicable date prior to the publication of this AGM notice.

Resolution 9 seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which might arise, for example, with overseas shareholders.

Resolution 10 is an optional disapplication of pre-emption rights limited to an additional 5% of issued ordinary share capital to be used for transactions which the directors determine to be an acquisition or specified capital investment. The authority contained in the resolution would be limited to a maximum nominal amount of £45,905.36 (which would equate to 2,295,268 ordinary shares of 2 pence each), representing approximately 5% of the Company's issued share capital as at 30 May 2018, being the latest practicable date prior to the publication of this AGM notice.

If passed, these authorities will expire at the same time as the authority to allot shares given pursuant to resolution 8 (Authority to allot shares).