

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000.**

**If you have sold or otherwise transferred all of your shares in Kromek Group plc, please send these documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.**



(registered in England and Wales with registered number 08661469)

**Registered office:**

NETPark  
Thomas Wright Way  
Sedgefield  
County Durham  
TS21 3FD

Dear Shareholder

## Annual General Meeting

I enclose a formal notice of the Annual General Meeting ("**AGM**" or the "**Meeting**") of Kromek Group plc ("**Company**"), which is to be held at the John Anstee room, NETPark Incubator, North East Technology Park, Thomas Wright Way, Sedgefield, County Durham TS21 3FD at 10am on 23 October 2015.

This will be our second AGM as a public company and I hope to see as many of you as possible as this is the main opportunity each year for the Board to engage with shareholders, answer your questions and listen to your views.

## Appointment of Chairman

As announced on 17 April 2015, I was appointed Interim Chairman, having been a Non-Executive Director of Kromek since August 2013, whilst we assessed suitable candidates to join the Board in the capacity of Chairman. As of 29 July 2015, I assumed the title of Chairman of the Company to provide stability and oversight to the executive management team and to assist in the recruitment process. Over the last six months, we have appointed a new broker, achieved progress in our new commercial markets and completed a successful fundraising, which is supported by our revolving credit facility with HSBC. As a result, the Company is now in a stronger financial position.

At the conclusion of the AGM, as recently announced, I will be handing over the Chairmanship to Sir Peter Williams CBE, who, with his tremendous experience and expertise, will steer the Company as we advance to the next stage of development. I am honoured to be continuing in my role as Non-Executive Director and representing shareholders' interests on the Board.

## AGM

There are explanatory notes at the end of the notice of the AGM explaining the resolutions that are being proposed.

If you are unable to attend the AGM, a form of proxy is enclosed for you to complete (according to the instructions printed on it) and send to the Company's registrars, to be received by 10am on 21 October 2015. Completion and submission of the form of proxy will not prevent you from attending and voting at the Meeting if you subsequently find that you are able to do so. CREST members can cast their votes using CREST electronic proxy voting (further details of which are set out in the notes in the notice of AGM).

## Recommendation

Your Directors believe that the resolutions in the notice of AGM are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each resolution, as those who are shareholders intend to do in respect of their own beneficial holdings in the Company.

Yours faithfully

**Lawrence Kinet**

Chairman

## **Kromek Group plc (Incorporated in England and Wales with registered number 08661469)**

### **Notice of Annual General Meeting**

Notice is hereby given that the AGM of Kromek Group plc will be held at the John Anstee room, NETPark Incubator, North East Technology Park, Thomas Wright Way, Sedgefield, County Durham TS21 3FD on Friday 23 October 2015 at 10am for the following purposes:

#### **Ordinary Business**

To consider and, if thought fit, to pass the following resolutions numbered 1 to 7 (inclusive) as ordinary resolutions of the Company:

1. To receive the accounts for the financial year ended 30 April 2015 together with the reports of the Directors and of the auditors thereon.
2. To re-elect as a Director of the Company Sir Peter Williams CBE, who retires having been appointed since the date of the last AGM and who is eligible for re-election.
3. To re-elect as a Director of the Company Dr Arnab Basu MBE, who retires in accordance with the Company's articles of association and who is eligible for re-election.
4. To re-elect as a Director of the Company Dr Graeme Speirs, who retires in accordance with the Company's articles of association and who is eligible for re-election.
5. To re-elect as a Director of the Company Professor Brian Tanner, who retires in accordance with the Company's articles of association and who is eligible for re-election.
6. To re-appoint Deloitte LLP as auditors of the Company, to hold office until the conclusion of the next meeting at which accounts are laid before the Company.
7. To authorise the Directors of the Company to determine the remuneration of the auditors of the Company.

To transact any other ordinary business of the Company.

#### **Special Business**

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

8. That the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("**Act**") to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £507,287 and provided that this authority shall, unless renewed, revoked or varied by the Company in general meeting expire on the date 15 months after the date of the passing of this resolution or, if earlier, the conclusion of the Company's next Annual General Meeting save that the Company may, before such expiry, revocation or variation make offers or enter into agreements that would or might require shares to be allotted or Rights to be granted and the Directors may allot any shares or grant any Rights after the expiry, revocation or variation of such authority in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired or been revoked or varied.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors in accordance with Section 551 of the Act to allot shares or grant Rights but 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 set out in the notice of this meeting, the Directors of the Company be given general power pursuant to Section 570 of the Companies Act 2006 ("**Act**") to allot equity securities (as defined in Section 560 of the Act) for cash either pursuant to the authority conferred by resolution 8 set out in the notice of this meeting or by way of a sale of treasury shares, as if Section 561 of the Act did not apply to any such allotment, provided that:

**Notice of Annual General Meeting** *continued*Special Business *continued*

9.1 this power is limited to:

9.1.1 the allotment of equity securities in connection with an offer by way of a rights issue (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and (b) to 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 to deal with treasury shares, fractional entitlements or any legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and

9.1.2 the allotment (other than pursuant to paragraph 9.1.1 above) of equity securities up to an aggregate nominal amount of £76,093;

9.2 such power shall, unless renewed, revoked or varied by the Company in general meeting, expire on the date 15 months after the date of the passing of this resolution or, if earlier, the conclusion of the Company's next Annual General Meeting save that before such expiry, revocation or variation the Company may make offers or enter into agreements that would or might require equity securities to be allotted after the expiry, revocation or variation of such power and the Directors may allot equity securities after such expiry, revocation or variation under this power in pursuance of any such offer or agreement as if this power had not expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if Section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

10. That, in accordance with the Companies Act 2006 ("**Act**"), the Company be generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 1p each in the capital of the Company provided that:

10.1 the maximum aggregate number of shares hereby authorised to be purchased is 15,218,608;

10.2 the minimum price (excluding expenses) that may be paid for such shares is 1p per ordinary share;

10.3 the maximum price (excluding expenses) which may be paid for such shares shall not be more than 5% above the average of the market value of an ordinary share for the five business days immediately preceding the date on which the contract for the purchase is made;

10.4 unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or 15 months from the date of this resolution (whichever is earlier); and

10.5 the Company may make a contract or contracts to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By order of the Board

**Derek Bulmer**

Secretary

30 September 2015

Registered Office:

NETPark

Thomas Wright Way

Sedgefield

County Durham

TS21 3FD

## Notes

### 1. Entitlement to attend and vote

Only those shareholders registered in the Company's register of members at:

- 1.1 6pm on 21 October 2015; or
- 1.2 if this meeting is adjourned, at 6pm on the day two days prior to the adjourned meeting;

shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares of 1p each in the capital of the Company registered in their name at that time. Subsequent changes to entries in the register of members shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

### 2. Appointment of proxies

- 2.1 As a shareholder of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. Completion of the appropriate proxy form does not prevent a shareholder from attending and voting in person if he/she is entitled to do so and so wishes.
- 2.2 A proxy does not need to be a shareholder of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 2.3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form and indicate on each form 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.
- 2.4 If you do not give your proxy an indication of how to vote on any resolution, 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 Meeting. 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.

#### Appointment of proxy using hard copy proxy form

- 2.5 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by the Company's registrars, Capita Asset Services, no later than 10am on 21 October 2015 (or, if the Meeting is adjourned, no later than 48 hours before the time and date of the adjourned meeting);

In the case of a shareholder 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.

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.

Proxies may be lodged electronically using Capita's Share Portal service at [www.capitashareportal.com](http://www.capitashareportal.com) where full instructions are given. The investor code printed on the proxy card will be required.

**Notes** *continued***2. Appointment of proxies** *continued***Appointment of proxy through CREST**

- 2.6 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting convened by this notice and any adjournment(s) thereof by utilising the procedures described in the CREST manual (available from [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI)). 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(s) or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in note 2.5. 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.

CREST members and, where applicable, their CREST sponsor(s) or voting service provider(s) should note that EUI 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(s), to procure that his CREST sponsor(s) 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 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.

**Appointment of proxy by joint shareholders**

- 2.7 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 names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

**Changing proxy instructions**

- 2.8 To change your proxy instructions simply submit a new proxy appointment using the methods set out in these notes. Note that the cut-off time for receipt of proxy appointments as set out in note 2.5 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 using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

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.

**Notes** *continued***2. Appointment of proxies** *continued*

## Termination of proxy appointments

- 2.9 In order to revoke a proxy instruction you will need to send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

Any revocation notice must be received by the Company's registrars, Capita Asset Services, at the address above no later than 10am on 21 October 2015.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

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.

**3. Corporate representative**

A corporation that is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

**4. Documents on display**

Copies of the Directors' service contracts or letters of appointment with the Company will be available for inspection at the Company's registered office during normal business hours from the date of this notice until the conclusion of the Meeting.

**5. Communication**

Except as provided above, shareholders who have general queries about the AGM should contact the Company Secretary at NETPark, Thomas Wright Way, Sedgefield, County Durham, TS21 3FD or on 01740 626 060 (no other methods of communication will be accepted).

You may not use any electronic address provided either in this notice of AGM or any related documents to communicate with the Company for any purposes other than those expressly stated.

## Explanatory Notes

### 1. Ordinary Business

Resolution 1 seeks approval of the Company's annual report and accounts for the year ended 30 April 2015 which have been circulated to shareholders at the same time as the notice of AGM.

Resolutions 2 to 5 relate to the re-election of Directors of the Company. In accordance with the articles of association of the Company Sir Peter Williams CBE, Dr Arnab Basu MBE, Dr Graeme Speirs and Professor Brian Tanner are offering themselves for re-election at this AGM. Biographical details of the Directors are set out in the Company's annual report and accounts (with the exception of Sir Peter Williams CBE, whose details can be found in the Company's recent announcement regarding his appointment).

Resolutions 6 and 7 are to approve the reappointment of Deloitte LLP as auditors and to authorise the Directors to agree their remuneration.

### 2. Special Business

The Companies Act 2006 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 8 will be proposed as an ordinary resolution to grant the Directors general authority to allot shares or to grant subscription or conversion rights up to a maximum aggregate nominal amount of £507,287 representing approximately one-third of the current issued share capital of the Company. The Directors have no present intention of exercising this authority and the authority will, unless renewed, varied or revoked by the Company, expire on the date 15 months from the passing of the resolution, or, if earlier, the conclusion of the next AGM of the Company.

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under Section 570 of the Companies Act 2006. Resolution 9 will be proposed as a special resolution to grant the Directors authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with Section 561(1) of the Companies Act 2006, and authorises other allotments of up to a maximum aggregate nominal amount of £76,093 representing approximately 5% of the current issued share capital of the Company. This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury (the Company does not currently hold any such shares). The Directors have no present intention of exercising this authority.

Resolution 10 will be proposed as a special resolution to grant the Company authority to purchase its own shares in the market up to 15,218,608 ordinary shares, representing approximately 10% of the issued share capital of the Company. The price payable shall not be more than 5% above the average market value of an ordinary share for the five business days before the purchase is made and, in any event, not less than 1p per share, being the nominal value of an ordinary share. It is the Directors' intention only to exercise the authority to purchase the Company's shares where it would increase the earnings per share of those ordinary shares that are not repurchased. The Company intends either to cancel such shares or to hold them in treasury. This power will only be used if the Directors consider that to do so would be in the best interests of shareholders generally.