

# NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

**If you have sold or transferred all of your ordinary shares in Treatt plc, you should pass this document, together with the accompanying form of proxy, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.**

Notice of the Annual General Meeting which has been convened for 26 January 2018 at 10.30 am at The Athenaeum, Angel Hill, Town Centre, Bury St. Edmunds, Suffolk, IP33 1LU is set out below.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Link Asset Services (formally Capita Asset Services), PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible and in any event not later than 48 hours (excluding weekends and public holidays) before the time appointed for holding the meeting.

Notice is hereby given that the Annual General Meeting of the Shareholders of Treatt plc (the "Company") will be held at The Athenaeum, Angel Hill, Town Centre, Bury St. Edmunds, Suffolk, IP33 1LU on 26 January 2018, at 10.30 am for the transaction of the following business:

## Ordinary Business

1. To receive the audited accounts and related reports of the Directors and Auditors for the year ended 30 September 2017.
2. To approve the Directors' Remuneration Report.
3. To approve a final dividend of 3.35p per share on the ordinary shares of the Company for the year ended 30 September 2017.
4. To re-elect Tim Jones as a Director of the Company.
5. To re-elect Richard Hope as a Director of the Company.
6. To re-appoint RSM UK Audit LLP as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.
7. To authorise the Directors to determine the remuneration of the Auditors of the Company.

## Special Business

To consider and, if thought fit, to pass the following resolutions, of which Resolutions 8 and 9 will be proposed as Ordinary Resolutions and Resolutions 10 and 11 will be proposed as Special Resolutions.

8. Approval of Remuneration Policy

THAT:

The Remuneration Policy be and is hereby approved.

9. Authority to allot securities

THAT:

In accordance with section 551 of the Companies Act 2006 (the "Act") the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (the "Rights") within the terms of the restrictions and provisions following; namely:

- (i) this authority shall (unless previously revoked, varied or renewed) expire on the earlier of the date of the next Annual General Meeting of the Company following the passing of this resolution number 9 and 26 April 2019; and
- (ii) this authority shall be limited up to an aggregate nominal amount of £349,174 (representing approximately 33 per cent of the existing issued share capital of the Company as at the date of this notice).

The power granted pursuant to this resolution shall allow and enable the Directors to make offers, and enter into agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights under any such offer or agreement as if the power conferred hereby had not expired.

# NOTICE OF ANNUAL GENERAL MEETING (continued)

10. Disapplication of pre-emption rights for up to 5% of existing share capital

THAT:

Conditionally upon the passing of resolution 9 above and in accordance with Section 570 of the Act, the Directors be and are hereby given power to allot equity securities pursuant to the authority conferred by resolution 9 above as if Section 561 of the said Act did not apply to any such allotment provided that:

(i) the power hereby granted shall be limited:

(aa) to the allotment of equity securities in connection with or pursuant to an offer by way of a rights issue to the holders of shares in the Company and other persons entitled to participate therein, in the proportion (as nearly as may be) to such holders' holdings of such shares (or, as appropriate, to the number of shares which such other persons are for these purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory; and

(bb) to the allotment (otherwise than pursuant to subparagraph (i)(aa) of this resolution) of equity securities up to an aggregate nominal amount of £52,905 (representing approximately 5 per cent of the existing issued share capital of the Company as at the date of this notice);

(ii) the power hereby granted shall expire on the earlier of the date of the next Annual General Meeting of the Company following the passing of this Resolution and 26 April 2019;

The said power shall allow and enable the Directors to make an offer or agreement before the expiry of this power which would or might require securities to be allotted (or treasury shares to be sold) after such expiry of this power and the Directors may allot equity securities (or sell treasury shares) pursuant to such offer or agreement as if the power conferred herein had not expired

11. Authority to purchase own shares

THAT:

The Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 2p each in the capital of the Company ("ordinary shares") provided that:

(i) the maximum number of ordinary shares authorised to be purchased is 5,290,517 (representing approximately 10 per cent of the present issued share capital of the Company);

(ii) the minimum price (excluding stamp duty, dealing or other costs) which may be paid for an ordinary share so purchased is 2p;

(iii) the maximum price which may be paid for an ordinary share so purchased is an amount equal to 5 per cent above the average of the middle market quotations shown for an ordinary share in The London Stock Exchange Daily Official List on the five business days immediately preceding the day on which that ordinary share is purchased;

(iv) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019, unless such authority is renewed, varied or revoked prior to such time; and

(v) the Company may prior to the expiry of such authority make a contract to purchase ordinary shares under the authority hereby conferred 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.

By order of the Board

**ANITA STEER**

Secretary  
14 December 2017

Registered Office:

Northern Way  
Bury St. Edmunds  
Suffolk IP32 6NL

**The note on voting procedures and general rights of shareholders, together with explanatory notes on the resolutions to be put to the meeting, which follow on pages 99 to 101 form part of this notice.**

**Due to the level of shareholder attendance in recent years, and capacity restraints, we are unfortunately unable to hold our AGM at our site in Northern Way, Bury St. Edmunds in 2018. We are therefore moving the location of the AGM to the Athenaeum in Bury St. Edmunds (address above). We appreciate a benefit of holding the AGM on site is that it provides shareholders with an opportunity to attend a site tour and consequently we plan to hold a 'Shareholder Open Day' in the spring/summer of 2018, participation permitting. To receive further details in due course please register your interest by emailing [cosec@treatt.com](mailto:cosec@treatt.com) or calling the CoSec team on 01284 702500.**

## NOTE ON VOTING PROCEDURES AND GENERAL RIGHTS OF SHAREHOLDERS:

Only those persons entered in the Register of Members of the Company (the Register) as at close of business on 24 January 2018 (the Record Date) shall be entitled to attend or vote at the AGM in respect of the number of ordinary shares in the capital of the Company registered in their names at that time. Changes to entries on the Register for certificated or uncertificated shares of the Company after the Record Date shall be disregarded in determining the rights of any person to attend or vote at the AGM. Should the AGM be adjourned to a time not more than 48 hours after the Record Date, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned AGM. Should the AGM be adjourned for a longer period, to be so entitled, members must have been entered on the Register by close of business two days prior to the adjourned AGM (excluding weekends and public holidays) or, if the Company gives notice of the adjourned AGM, at the time specified in such notice.

Voting at the meeting will be conducted by poll rather than on a show of hands, which the Board believes provides a more accurate reflection of shareholder views and takes into account the number of shares held by each member. Those shareholders who are unable to attend the meeting should submit a form of proxy as detailed below. Shareholders attending the meeting may also wish to vote in advance of the meeting by submitting a form of proxy. Members who have done so will not need to vote at the meeting unless they wish to change their vote or the way in which the proxy is instructed to vote.

A member entitled to attend and vote at this meeting may appoint a proxy or proxies to attend and vote instead of him or her. The proxy need not be a member of the Company. A form of proxy is provided with this notice and instructions for use are shown on the form. Additional forms of proxy can be obtained from the Company's registrars on tel no 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Instruments appointing proxies must be lodged with the Company's registrars not less than 48 hours before the time fixed for the meeting to be effective. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting or any adjournment of the meeting. Alternatively, you may submit a proxy vote online through using the Signal Shares share portal service at [www.signalshares.com](http://www.signalshares.com) no later than 10:30 am on 24 January 2018 (or in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting).

An abstention option is provided on the form of proxy to enable you to instruct your proxy to abstain on any particular resolution, however, it should be noted that an abstention in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

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 to be held on 26 January 2018 and any adjournment(s) of the meeting by using 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:

- a) 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 ("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 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 the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of the Annual General 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.
- b) CREST members and, where applicable, their CREST sponsors or voting service providers 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 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.
- c) 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.

Members may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

# NOTICE OF ANNUAL GENERAL MEETING (continued)

Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the AGM includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

Members satisfying the thresholds in Section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting details the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website [www.treatt.com](http://www.treatt.com).

As at 23 November 2017 the Company's issued share capital consists of 52,905,170 ordinary shares. The total number of voting rights in the Company as at 23 November 2017 (the latest practicable reporting date prior to publication of this document) is 52,204,016.

A statement of Directors' share transactions and copies of their service contracts and the letters of appointment of the Non-executive Directors are available for inspection during usual business hours at the registered office of the Company from the date of this notice until the date of the AGM (Saturdays, Sundays and public holidays excluded) and will be available at the place of the meeting for fifteen minutes prior to and during the meeting.

Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so using the following means:

Calling the Company Secretary on +44 1284 702500;

Emailing the Company Secretary on [coscec@treatt.com](mailto:coscec@treatt.com); or

Writing to: The Company Secretary, Treatt plc, Northern Way, Bury St. Edmunds, Suffolk, IP32 6NL.

## EXPLANATORY NOTES

### *Report and Accounts (Resolution 1)*

The Directors of the Company must present the accounts to the meeting.

### *Directors' Remuneration Report (Resolution 2)*

The Companies Act 2006, implemented by the Enterprise and Regulatory Reform Act 2013, provides that a quoted company may not make a remuneration payment to a Director of the Company unless the payment is consistent with the Company's Remuneration Policy, as approved by shareholders, or the payment is approved by a Shareholders' Resolution. The legislation requires two resolutions to be put to shareholders on separate sections of the Directors' Remuneration Report. The first of these is an advisory resolution on the Implementation Section of the Directors' Remuneration Report, which details the remuneration packages paid to Directors during the year ended 30 September 2017. You can find the Implementation Section of the Directors' Remuneration Report on pages 52 to 55.

### *Declaration of a dividend (Resolution 3)*

A final dividend can only be paid after the shareholders at a general meeting have approved it. A final dividend of 3.35 pence per ordinary share is recommended by the Directors for payment to shareholders who are on the register of members at the close of business on 16 February 2018. If approved, the date of payment of the final dividend will be 22 March 2018. An interim dividend of 1.45 pence per ordinary share was paid on 17 August 2017. This represents an increase of 0.45 pence per share, or 10.4 per cent, on the total 2016 dividend.

### *Re-election of Directors (Resolutions 4 and 5)*

In accordance with the Articles of Association, all Directors retire at least every three years and all newly appointed Directors retire at the first Annual General Meeting following their appointment. Furthermore, any Non-executive Director having been in post for nine years or more is subject to annual re-election.

At this meeting, Tim Jones and Richard Hope will retire and stand for re-election as Directors. Short biographies of these Directors are given on page 23. Having considered the performance of, and contribution made, by each of the Directors standing for re-election the Board remains satisfied that the performance of each of the relevant Directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election.

### *Reappointment and remuneration of auditors (Resolutions 6 and 7)*

Resolutions 6 and 7 propose the reappointment of RSM UK Audit LLP as Auditors of the Company and authorise the Directors to set their remuneration.

### **Remuneration Policy Report (Resolution 8)**

As referred to under Resolution 2 above, two resolutions are required to be put to shareholders on separate sections of the Directors' Remuneration Report. The second of these is a binding resolution, passed by a majority, to approve the Company's Remuneration Policy. Although the policy was approved at the 2017 Annual General Meeting, it has been revised to remove the overarching flexibility and to make minor technical changes to bring it into line with the policies operated by other FTSE SmallCap companies and therefore requires the approval of Shareholders. Once approved, a Remuneration Policy only requires Shareholder approval every three years unless any revisions are required. The policy, which is set out on pages 46 to 51, will apply to all payments made to Directors from the date the policy is approved by shareholders. In the event that this resolution is not passed at the Annual General Meeting, the version of the Remuneration Policy approved by shareholders in 2017 will continue in force.

### **Directors' authority to allot securities (Resolution 9)**

The Company may only allot ordinary shares or grant rights over ordinary shares if authorised to do so by shareholders. This resolution seeks to grant authority to the Directors to allot unissued share capital of the Company and grant rights and will expire at the conclusion of the next Annual General Meeting of the Company in 2019 or, if earlier, on 26 April 2019 (the date which is 15 months after the date of passing of the resolution). There is no present intention of exercising this authority, which would give Directors authority to allot relevant securities up to an aggregate nominal value of £349,174 approximately 33 per cent of the Company's issued ordinary share capital as at 23 November 2017.

### **Disapplication of pre-emption rights (Resolution 10)**

Under Section 561 of the Act, if the Directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Resolution 10 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of shares for cash up to a maximum aggregate nominal value of £52,905 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which is equivalent to approximately 5 per cent of the Company's issued ordinary share capital as at 23 November 2017. Shareholders will note that this resolution also relates to treasury shares and will be proposed as a Special Resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next Annual General Meeting of the Company in 2019 or, if earlier, 26 April 2019 (the date which is 15 months after the date of passing of the resolution).

The Directors intend to adhere to the provisions in the Pre-emption Group's Statement of Principles and to not allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 10 (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company; or (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three-year period, without prior consultation with shareholders.

### **Authority to purchase own shares (Resolution 11)**

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 11 seeks the authority from shareholders to continue to do so. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority.

Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly, save that the Company may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

The resolution specifies the maximum number of ordinary shares that may be acquired (approximately 10 per cent of the Company's issued ordinary share capital as at 23 November 2017) and the maximum and minimum prices at which they may be bought.

The total number of options to subscribe for ordinary shares that were outstanding at 23 November 2017 (the latest practicable reporting date prior to publication of this document) was 2,055,870. The proportion of issued share capital that they represented at that time was 3.8 per cent and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 4.3 per cent.

Resolution 11 will be proposed as a Special Resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next Annual General Meeting of the Company in 2019 or, if earlier, 26 April 2019 (the date which is 15 months after the date of passing of the resolution).

The Directors intend to seek renewal of this power at subsequent Annual General Meetings.