

This Document is Important and Requires your Immediate Attention

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial advisor.

If you have recently sold or transferred all of your shares in the Company, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

NOTICE OF ANNUAL GENERAL MEETING

Microsaic Systems plc ("Company")
(Registered in England and Wales with company number 03568010)

GMS House,
Boundary Road,
Woking,
Surrey, GU21 5BX

1 June 2020

Dear Shareholder

I am pleased to write to you with details of the Annual General Meeting ("AGM" or "Meeting") of the Company which will be held at the Company's registered office at GMS House, Boundary Road, Woking, Surrey, GU21 5BX on Thursday 25 June 2020 at 11.00 a.m. for the purpose of considering and, if thought fit, passing 5 resolutions ("Resolutions") of which Resolutions 1 to 4 (inclusive) shall be proposed as ordinary resolutions and Resolution 5 shall be proposed as a special resolution. Formal notice of the Company's AGM is set out later in this document and explanatory comments on the proposed Resolutions and notes regarding the AGM and proxy voting are set out at the end of this document.

Important Information in relation to Coronavirus (Covid-19)

Under normal circumstances, the board of the Company ("Board") greatly values the opportunity to meet the Company's shareholders in person. However, the Board considers the safety and wellbeing of both its shareholders and employees to be of paramount importance and, with this in mind, has made arrangements to comply with the current measures regarding restrictions on travel, limited gatherings and social distancing introduced by the UK Government.

The Chairman of the Meeting and one other person will attend the AGM thus fulfilling the quorum requirements of the Company's articles of association ("Articles") of two persons entitled to vote upon the business to be transacted at the AGM being present at such meeting in person or by proxy. Accordingly, other shareholders and proxies for shareholders should not and, in any event, will not be permitted to attend the AGM and shareholders are instead urged to submit proxy votes.

The Board always welcomes questions from shareholders at the AGM. This year, shareholders should submit their questions directly to the Company in advance of the Meeting. Shareholders should submit questions up until 11.00 am on Tuesday 23 June 2020 by emailing them to info@microsaic.com. The Company will publish relevant questions received, together with answers, on the Company's website as soon as practicable after the deadline for receipt. The questions may be grouped into generic classes as the directors of the Company ("Directors") deem appropriate and answers will not include any price-sensitive information that has not previously been made public in a Regulatory News Service announcement ("RNS").

The current situation around the Covid-19 pandemic is evolving and the Company may therefore make further announcements by way of a RNS and on its website in relation to these matters.

Appointment of a Proxy

Shareholders can vote on the AGM resolutions without being physically present by appointing the Chairman of the Meeting as their proxy to attend the AGM and vote on their behalf. A hard copy form of proxy ("Form of Proxy") is enclosed for use at the AGM. The Company recommends that shareholders complete, sign and return a Form of Proxy to the Company's registrars Neville Registrars Limited, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD. Forms of Proxy must be returned so as to be received by Neville Registrars Limited by 11.00 a.m. on Tuesday 23 June 2020. Further details as to how to complete and return a Form of Proxy are set out in the notes to the notice of AGM at the end of this document and also on the Form of Proxy itself.

If you hold your shares through a nominee service, please contact the relevant nominee service provider regarding the process for appointing a proxy and voting on the Resolutions to be approved at the AGM. The deadline for doing so will depend on your nominee service provider but is likely to be before Tuesday 23 June 2020.

Voting on resolutions at and results of the AGM

At the AGM, instead of the usual practice of each Resolution being voted on initially by a show of hands, the Chairman of the Meeting shall exercise his right to demand a poll on each Resolution which shall be taken immediately. This will enable those votes cast by those shareholders of the Company who have submitted a Form of Proxy to be recorded and used as the basis for determining whether or not a Resolution has been passed at the AGM. Results of the votes cast on each Resolution will be disclosed in the RNS that follows the AGM confirming the outcome of the Meeting.

Recommendation

The Board considers the Resolutions to be approved by the Company's shareholders at the AGM are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of each of the Resolutions to be considered and voted on at the AGM, as they intend to do in respect of their own beneficial shareholdings.

Yours faithfully

Peter Grant
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2020 Annual General Meeting (“Meeting” or “AGM”) of Microsaic Systems plc (“Company”) will be held at the Company’s registered office at GMS House, Boundary Road, Woking, Surrey, GU21 5BX on Thursday 25 June 2020 at 11.00 a.m. to consider and if thought fit pass the following resolutions (“Resolutions”): Resolutions 1 to 4 (inclusive) will be proposed as ordinary resolutions and Resolution 5 will be proposed as a special resolution:

Ordinary resolutions

1. THAT, the audited accounts of the Company for the year ended 31 December 2019, together with the Directors’ Report and Auditors’ Report thereon, be and are hereby received and adopted;
2. THAT, upon the recommendation of the Directors, Saffery Champness LLP be and are hereby reappointed as auditors to the Company, and that the Board be authorised to fix the remuneration of the auditors;
3. THAT, Bevan Metcalf be and hereby is re-appointed as a Director of the Company, following his retirement pursuant to Article 81.1(c) of the Company’s articles of association (“Articles”);
4. THAT, the Directors 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 equity securities (as defined by section 560 of the Act) up to an aggregate nominal value of £380,304 representing one third of the Company’s issued share capital at the date of this document, provided that this authority shall (unless renewed, varied or extended by the Company in a general meeting) expire on the date which is 15 months after the date on which this resolution is passed or, if earlier, on the conclusion of the next AGM of the Company, 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 such equity securities in pursuance of such offer or agreement as if this authority had not expired, and provided further that this authority shall revoke and replace all unexercised authorities previously granted to the Directors to allot shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;

Special resolution

5. THAT, subject to and conditional on the passing of Resolution 4, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities of the Company for cash, pursuant to the authority conferred on them by Resolution 4, and/or to sell treasury shares (as detailed in section 560(3) of the Act) for cash, in each case as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue, open or other offers of equity securities in favour of holders of ordinary shares in the capital of the Company on the register of members at such record date as the Directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interest of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of the ordinary shares in the Company held or deemed to be held by them on such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, treasury shares or legal or practical problems arising under the laws of any territory or the requirements of any other regulatory body or stock exchange by virtue of shares being represented by depository receipts or any other matter whatever; and/or

- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal value of £228,182 representing 20 per cent. of the Company's issued share capital at the date of this document, for general corporate purposes on or prior to 30 September 2020 or such later date as published in any revised guidelines of the Pre-Emption Group in relation to such matters (such later date being no later than 15 months after the date on which this Resolution is passed or, if earlier, the conclusion of the next AGM of the Company) ("Temporary Authority Date"); and/or
- (iii) to the extent that equity securities have not been allotted pursuant to sub-paragraph (ii) above, the allotment (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal value of £57,045 representing five per cent. of the Company's issued share capital at the date of this document for general corporate purposes after the Temporary Authority Date; and
- (iv) the allotment (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal value of £57,045 representing five per cent. of the Company's issued share capital at the date of this document for acquisitions or specified capital investments.

Unless specified, this authority shall (unless renewed, varied or extended by the Company in a general meeting) expire on the date which is 15 months after the date on which this Resolution is passed or, if earlier, on the conclusion of the next AGM of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares sold after such expiry, and the Directors may allot such equity securities or sell treasury shares in pursuance of such offer or agreement as if this authority had not expired, and provided further that this authority shall revoke and replace all unexercised authorities previously granted to the Directors to allot shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

By order of the Board

Bevan Metcalf

Company Secretary
1 June 2020

Registered Office

GMS House
Boundary Road
Woking
Surrey
GU21 5BX

EXPLANATORY COMMENTS ON THE RESOLUTIONS TO BE PROPOSED AT THE AGM

These comments provide additional explanation of the Resolutions to be considered at the AGM of the Company to be held at the Company's registered office at GMS House, Boundary Road, Woking, Surrey, GU21 5BX, on Thursday 25 June 2020 at 11.00 a.m.

Resolution 1 – Receiving the Annual Report and Accounts

The Company is required by its articles of association ("Articles") and by the Companies Act 2006 to lay the audited accounts together with the Directors' and Auditors' Reports ("Annual Report") before its shareholders each year at the AGM.

Resolution 2 – Approving the re-appointment of the auditors and the auditors' remuneration

The Company is required to re-appoint auditors at each general meeting at which accounts are laid before shareholders, who then hold office until the conclusion of the next such meeting. This Resolution concerns the re-appointment of Saffery Champness LLP, recommended by the Directors, as auditors to the Company. Whilst resolving to reappoint Saffery Champness LLP as auditors to the Company, the resolution also authorises the Board to fix the auditors' remuneration.

Resolution 3 – Re-election of Mr Bevan Metcalf

All Directors have been appointed or reappointed at one of the two previous annual general meetings held by the Company. The Articles state that if at any AGM of the Company, the number of Directors required to retire is less than one-third of the total number of Directors (as is the case at this AGM), such number of additional Directors will be asked to retire to constitute the relevant one-third (rounded down to the nearest whole number). Accordingly only one Director of the Company is required to be re-appointed at this AGM given that the Board is made up of five Directors. In this case Bevan Metcalf has been selected to retire and, being eligible and willing, to be re-elected as a Director of the Company. Biographies of the Directors are contained in the Annual Report and on the Company's website.

Resolution 4 – Power to allot equity securities

This Resolution concerns the authority of the Directors to allot up to one third of the Company's existing issued share capital. If given, the authority granted by this will expire at the earlier of the conclusion of the Company's 2021 annual general meeting and the date falling 15 months following the passing of this Resolution.

Resolution 5 – Power to allot equity securities for cash

Section 570 of the Act provides that any issue of equity capital for cash made by the Company other than to existing shareholders on a pro-rata basis requires the consent of shareholders of the Company, unless the Company has previously obtained the authority of the shareholders under section 570 of the Act. This Resolution is for that purpose.

Previous authorities have been to disapply pre-emption rights to be able to issue up to five per cent. of the Company's issued share capital for cash for general corporate purposes and up to five per cent. of the Company's issued share capital for cash for acquisitions or specified capital investments. Although, as an AIM-quoted company, the Company is not obliged to follow the Pre-Emption Group guidelines, the Directors believe that it would be better to come in line with those best practice guidelines. In response to Covid-19 the Pre-Emption Group ("PEG") has updated its guidelines to allow for a higher level of disapplication of pre-emption rights for a temporary period and the directors believe that it is prudent for the Company to have the additional flexibility in these times. As set out in the resolution, the authority will persist until 30 September 2020, or any later date applicable in any revised Pre-Emption Group guidelines. The Directors would consult with major shareholders prior to making use of the higher level of disapplication of pre-emption rights and would explain the reasons for doing so.

Sub-paragraph (i) of this Resolution 5 is a special resolution and authorises the Directors to issue equity securities for cash other than on a strictly pro rata basis (for example, in a placing of shares by way of a rights or pursuant to an open offer) when they consider that it is expedient to do so.

Sub-paragraph (ii) of Resolution 5 also allows Directors to issue shares and/or equity securities with a nominal value of up to an additional £228,182 (representing approximately 20 per cent. of the Company's issued ordinary share capital as at the date of this document) without restriction prior to 30 September 2020. As further explained below, this 20 per cent. authority follows recent guidance from the Pre-Emption Group, and must be allotted on or prior to 30 September 2020 or such later date as published in any revised PEG guidelines (such later date being no later than 15 months after the date on which this Resolution is passed or, if earlier, the conclusion of the next annual general meeting of the Company).

Following the Temporary Authority Date, to the extent that the authority under sub-paragraph (ii) of Resolution 5 has not been exercised, sub-paragraph (iii) would provide authority for equity securities representing up to five per cent. of the Company's issued shares to be allotted as if statutory pre-emption rights did not apply.

In addition to the authorities granted by sub-paragraphs (ii) and (iii) of Resolution 5, sub-paragraph (iv) of Resolution 5 authorises the Directors to issue equity securities of up to five per cent. of the Company's issued ordinary shares for cash other than on a pro-rata basis for acquisitions or specified capital investments.

Please also read the notes below which provide further information in respect of the Meeting.

Notes to the Notice of AGM:

Quorum

1. The quorum for the Meeting shall be two shareholders present in person or by proxy. If, within fifteen minutes from the appointed time for the Meeting, or such longer interval not exceeding an hour as the Chairman in his absolute discretion thinks fit) a quorum is not present, then the Meeting will stand adjourned to the same day in the next week (or if that day is a public holiday to the next working day thereafter) at the same time and place or to such other day, time or place as the Directors may determine and no notice of such adjournment need be given. At an adjourned Meeting, shareholders present in person or by proxy will form a quorum. As mentioned previously, the Chairman of the Meeting and one other person will attend the AGM thus fulfilling the quorum requirement of the Company's Articles. In light of the current restrictions on gatherings of people and rules around social distancing due to the Covid-19 pandemic, shareholders should not attend the AGM. Shareholders who intend to attend the AGM in breach of these measures will not be permitted to attend the Meeting. If restrictions on gatherings and social distancing are relaxed or lifted by the UK Government prior to the date of the AGM, the Company will notify shareholders of any resulting change which may affect their ability to attend the AGM by way of a RNS and/or on the Company's website.

Website address

2. Information regarding the Meeting, including information required by section 311A of the Companies Act 2006, is available from www.microsaic.com.

Entitlement to attend and vote

3. Only those holders of ordinary shares of 0.25p each in the capital of the Company ("Shares") registered on the Company's register of members at 6.00 p.m. on Tuesday 23 June 2020 shall be entitled to attend and vote at the Meeting. In light of the current restrictions on gatherings of people and rules around social distancing due to the Covid-19 pandemic, shareholders should not attend the AGM. Shareholders who intend to attend the AGM in breach of these measures will not be permitted to join the Meeting.

Appointment of proxies

4. Members entitled to attend, speak and vote at the Meeting (in accordance with Note 3 above) are entitled to appoint one or more proxies to attend, speak and vote in their place. If you wish to appoint a proxy please use the form of proxy enclosed with this document (the "Form of Proxy"). The Board encourages all shareholders to exercise their votes by appointing the Chairman of the Meeting as their proxy rather than another person who will not be permitted to attend the Meeting given the current restrictions in place due to the Covid-19 pandemic. In the case of joint members, only one need sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. Although the completion and return of the Form of Proxy will not stop you attending and voting in person at the Meeting should you wish to do so, at the current time shareholders other than those forming the quorum will not be permitted to attend the Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies use a separate copy of the Form of Proxy (which you may photocopy) for each proxy, and indicate after the proxy's name the number of shares in relation to which they are authorised to act (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 returned in the same envelope.
5. You can appoint the Chairman of the Meeting, or any other person, as your proxy. As previously stated, in light of Covid-19, the Board encourages all shareholders to exercise their votes by appointing the Chairman of the Meeting as their proxy rather than another person who will not be permitted to attend the Meeting. If you wish to appoint someone other than the Chairman, cross out the words "the Chairman of the Meeting" on the Form of Proxy and insert the full name of your appointee.
6. You can instruct your proxy how to vote on each resolution by ticking the "For" and "Against" boxes as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution, please tick the box which is marked "Withheld". It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.

If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if how so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the Meeting.

A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint the Chairman of the Meeting to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in Notes 4 to 6 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles and the relevant provisions of the Companies Act 2006.

A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

7. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD no later than at 11.00 a.m. on Tuesday 23 June 2020 in respect of the Meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Neville Registrars Limited no later than 48 hours (excluding non-working days) before the rescheduled Meeting.

On completing the Form of Proxy, sign it and return it to Neville Registrars Limited at the address shown on the reverse of the Form of Proxy. As postage has been prepaid no stamp is required. You may, if you prefer, return the Form of Proxy in a sealed envelope to the following address: FREEPOST NEVILLE REGISTRARS (this is all that is required on the envelope).

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company. Please send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD.

In the case of a member which is a company incorporated in England and Wales or Northern Ireland, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.

If you attempt to revoke your proxy appointment but the revocation is received after the time of the Meeting or the taking of the vote at which the proxy is used, then, subject to the paragraph directly below, your proxy will remain valid.

If you submit more than one valid proxy appointment in respect of the same Shares, the appointment received last before the latest time for receipt of proxies will take precedence.

Completion of a Form of Proxy will not, of itself, preclude a member from attending and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will be automatically terminated. However, as outlined above, given the current restrictions in place due to the Covid-19 pandemic, shareholders and persons other than the Chairman of the Meeting and the other person chosen to form a quorum at the AGM will not be permitted entry to the Meeting.

Issued shares and total voting rights

9. The total number of Shares in issue in the capital of the Company as at close of business on the last practical date prior to the printing of this Notice is 456,365,146 Shares.

On a vote by a show of hands, every holder of Shares who (being an individual) is present in person, by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member, shall have one vote. On a poll every holder of Shares who is present in person or by proxy shall have one vote for every complete Share held by him and such proportion of a vote that represents the number of fractions of a Share so held.

Given the Covid-19 pandemic and the restrictions as to attendance at the AGM, it is proposed that instead of the usual practice of each resolution being voted on initially by a show of hands, the Chairman of the Meeting shall exercise his right to demand a poll on each resolution that shall be taken immediately. This will enable those votes cast by those members who have submitted a Form of Proxy to be recorded and used as the basis for determining whether or not a resolution has been passed at the AGM.

Communication

10. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- calling the Neville Registrars Limited shareholder helpline (lines are open from 9.00 a.m. to 5.00 p.m. Monday to Friday, excluding public holidays):
 - (i) From the UK: 0121 585 1131;
 - (ii) From outside the UK: +44 (0) 121 585 1131 (calls from outside the UK are charged at applicable international rates); or
 - in writing to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD.

You may not use any electronic address provided either:

- in this notice of Meeting; or
- any related documents (including the Form of Proxy for this Meeting), to communicate with the Company for any purposes other than those expressly stated.