

# Notice of Annual General Meeting 2018

## Letter from the Chairman

15 March 2018

Dear Shareholder

I am pleased to invite you to attend the annual general meeting of Spectris plc (the '**Company**') to be held at Great Fosters, Stroude Road, Egham, Surrey TW20 9UR on Friday 25 May 2018 at 12.30pm (the '**AGM**').

As a shareholder you are entitled to attend, speak and vote at the AGM. It gives you the opportunity to vote on various company matters, either by attending the AGM and voting in person or by appointing a proxy to exercise all or any of your rights. Details for appointing a proxy are contained in the Notes section on pages 9 to 10.

The formal notice of AGM (the '**AGM Notice**') is set out on pages 2 to 3 of this document and explanatory notes on the business to be considered is set out on pages 4 to 6.

In addition to the usual items of business, your Board of Directors is also seeking shareholder approval of a new all-employee Share Incentive Plan ('**SIP**'), which it believes will help to further align the interests of the Company's employees with those of the Company's shareholders, assist with retention of its workforce and contribute to the success of the Company. Subject to shareholder approval, it is intended that the SIP will replace the Company's current all-employee Savings Related Share Option Scheme ('**SAYE**') and that no further grants will be made under the SAYE. This proposal is set out in Resolution 15 on page 2 and the associated explanatory notes on page 4. The principal terms of the SIP are summarised in Appendix I to the AGM Notice on pages 7 to 8.

Each shareholder on the register of members of the Company at 6.30pm on 23 May 2018 is entitled to vote on all resolutions contained in the AGM Notice (the '**Resolutions**'). If you would like to vote on the Resolutions but cannot attend the AGM, please complete the proxy form sent to you with this document and return it to Equiniti, the Company's registrar, as soon as possible and in any event not later than 12.30 p.m. on 23 May 2018.

Your Board of Directors believe that the proposals described in this document are in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of all of the Resolutions. The Directors intend to do so in respect of their own shareholdings.

On behalf of the Board of Directors, I would like to thank you for your continued support and look forward to meeting you at the AGM.

Yours faithfully

**Mark Williamson**  
Chairman

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any of the contents of this document or the action you should take you are recommended to consult an independent advisor authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Spectris plc, you should forward this document and the accompanying form of proxy to your bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Notice of Annual General Meeting 2018

Notice is hereby given that the 2018 AGM of the Company will be held at Great Fosters, Stroude Road, Egham, Surrey TW20 9UR on Friday 25 May 2018 at 12.30pm to consider and, if thought fit, pass the Resolutions detailed below.

Resolutions 1 to 16 (inclusive) are proposed as ordinary resolutions, requiring more than half of the votes cast to be in favour for each of those Resolutions to be passed. Resolutions 17 to 20 (inclusive) are proposed as special resolutions, requiring at least three-quarters of the votes cast to be in favour for each of those Resolutions to be passed.

## Annual Report and Accounts

1. To receive the annual report and accounts of the Company for the financial year ended 31 December 2017 (the '**Annual Report**').

## Directors' Remuneration Report

2. To approve the Directors' Remuneration Report set out on pages 64 to 78 of the Annual Report.

## Final dividend

3. To declare a final dividend of 37.5p per ordinary share for the financial year ended 31 December 2017 to be paid on 29 June 2018 to those shareholders on the register at the close of business on 25 May 2018.

## Election and re-election of directors

4. To elect Karim Bitar as a Non-Executive Director of the Company.
5. To elect Mark Williamson as a Non-Executive Director of the Company.
6. To re-elect John O'Higgins as an Executive Director of the Company.
7. To re-elect Clive Watson as an Executive Director of the Company.
8. To re-elect Russell King as a Non-Executive Director of the Company.
9. To re-elect Ulf Quellmann as a Non-Executive Director of the Company.
10. To re-elect William (Bill) Seeger as a Non-Executive Director of the Company.
11. To re-elect Kjersti Wiklund as a Non-Executive Director of the Company.
12. To re-elect Martha Wyrsh as a Non-Executive Director of the Company.

## Re-appointment and remuneration of auditor

13. To re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
14. To authorise the Directors, acting through the Audit and Risk Committee, to agree the remuneration of Deloitte LLP as auditor of the Company.

## Share Incentive Plan

15. That:
  - (i) the trust deed and rules of the Spectris Share Incentive Plan (the '**SIP**'), produced in draft to the meeting and initialled by the Chairman for the purposes of identification, be and are hereby approved; and
  - (ii) the Board of Directors of the Company be authorised to:
    - a. do all such acts and things which it may consider necessary or desirable to carry the SIP into effect; and
    - b. establish schedules to, or further plans based on, the SIP but modified to take account of local tax, exchange control or securities laws in overseas territories, including (but not limited to) establishing a further plan as a US tax-advantaged employee stock purchase plan under section 423 of the US Internal Revenue Code, provided that any shares made available under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the SIP.

## Directors' authority to allot shares

16. That, in substitution for all subsisting authorities, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the '**Act**') 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 up to a maximum aggregate nominal amount of £1,986,000 for a period expiring (unless previously revoked, varied or renewed) at the end of the Company's 2019 annual general meeting or, if sooner, 25 August 2019, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after this authority expires and the Directors may allot shares or grant rights to subscribe for or convert any securities into shares in pursuance of such offer or agreement as if this authority had not expired.

## Disapplication of pre-emption rights

17. That, subject to the passing of Resolution 16 above, and in substitution for all subsisting authorities, the Directors be and are hereby authorised pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 16 above and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case free of restriction in section 561(1) of the Act, provided that such authority shall be limited:
  - (i) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer or issue of or invitation to apply for equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (or as nearly as practicable) to the respective numbers of ordinary shares held by them or, in the case of other equity securities, in proportion to the number of ordinary shares into which they would convert, or such other basis of allocation as the Directors consider to be fair

and reasonable, but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems under the laws of any territory or the requirements of any regulatory authority or stock exchange in any territory or otherwise; and

- (ii) otherwise than pursuant to paragraph (i) of this Resolution, up to an aggregate nominal amount of £298,005, and any such authority shall expire at the end of the Company's 2019 annual general meeting or, if sooner, 25 August 2019 (save that the Company may, before the expiry of the power hereby conferred, make any offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired). This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this Resolution the words "pursuant to the authority conferred by Resolution 16 above" were omitted.
18. That, subject to the passing of Resolution 16 above, and in place of all existing and unused powers, the Directors be and are hereby authorised in addition to any authority granted under Resolution 17 above and pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 16 above, as if section 561(1) of the Act did not apply to any such allotment, provided that such power shall be:
- (i) limited to the allotment of equity securities up to an aggregate nominal amount of £298,005 (being 5 per cent. of the issued share capital of the Company (excluding treasury shares) on 14 March 2018, the last practicable date prior to the publication of this notice); and
- (ii) 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 Directors determine 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, and any such authority shall expire at the end of the Company's 2019 annual general meeting or, if sooner, 25 August 2019 (save that the Company may, before the expiry of the power hereby conferred, make any offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired).
- This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this Resolution the words "pursuant to the authority conferred by Resolution 16 above" were omitted.

### Share buybacks

19. That the Company is hereby 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 the ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares the Company may use them for the purposes of its employee share schemes, provided that:
- (i) the maximum number of ordinary shares which may be purchased is 11,920,218;
- (ii) the minimum price which may be paid for each ordinary share is 5p (exclusive of all expenses);
- (iii) the maximum price which may be paid for each ordinary share shall not be more than the higher of (a) 105 per cent. of the average of the middle market quotation for an ordinary share of the Company (as derived from The London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which the purchase is made and (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;
- (iv) unless previously renewed, revoked or varied, this authority shall expire at the end of the Company's 2019 annual general meeting or, if earlier, 25 August 2019; and
- (v) under this authority the Company may make a contract to purchase ordinary shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to that contract as if this authority had not expired.

### Notice of general meetings

20. That the period of notice required for general meetings of the Company (other than annual general meetings) shall be not less than 14 clear days' notice.

By order of the Board



**Mark Serföző**  
Company Secretary  
15 March 2018

Registered office: Heritage House, Church Road, Egham, Surrey TW20 9QD

Registered in England and Wales

Registered number: 2025003

## **Resolution 1 Annual Report and Accounts**

The Board of Directors will present the audited accounts for the financial year ended 31 December 2017, together with the strategic report, directors' report, directors' remuneration report and auditors' reports on those accounts.

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

The Directors' Remuneration Report is set out on pages 64 to 78 of the Annual Report and provides details of both Executive Directors' and Non-executive Directors' remuneration for the year ended 31 December 2017 in accordance with the Directors' Remuneration Policy, which was approved for a three year period at the 2017 annual general meeting. This is an advisory vote by shareholders and the Directors' entitlement to remuneration received or receivable for the year ended 31 December 2017 is not conditional on it.

The Company's external auditor, Deloitte LLP, has audited those parts of the Annual Report on remuneration that are required to be audited and their report can be found on pages 84 to 91 of the Annual Report.

## **Resolution 3 Final dividend**

A final dividend can only be paid following shareholder approval at general meeting. A final dividend of 37.5p per share for the year ended 31 December 2017 is recommended by the Directors. If approved, the recommended final dividend will be paid on 29 June 2018 to shareholders on the register at the close of business on 25 May 2018.

A Dividend Re-Investment Plan ('**DRIP**') is available in respect of this dividend. A DRIP booklet and application form are available from Equiniti, the Company's registrar, at the address provided at the investors section of the Company's website [www.spectris.com](http://www.spectris.com)

## **Resolutions 4 to 12 (inclusive) Election and re-election of Directors**

In accordance with the Company's Articles of Association and in line with the provisions of the UK Corporate Governance Code, each new Director appointed to the Board is subject to election by shareholders at the first annual general meeting following their appointment and each of the existing Directors of the Company are required to stand for re-election at the AGM.

Biographical details for each Director can be found on pages 50 to 51 of the Annual Report and on the Company's website [www.spectris.com](http://www.spectris.com)

On 26 May 2017, Mark Williamson was appointed Chairman. Mark is a chartered accountant with a strong financial background combined with considerable managerial experience. He was chief financial officer of International Power plc until 2012 and is experienced in managing relationships with the investor and financial communities. Prior to joining International Power plc, Mark was group financial controller and group chief accountant of Simon Group. He is also a former senior independent non-executive director and chairman of the audit committee of Alent plc. Mark is currently appointed as Chairman of Imperial Brands plc and senior independent non-executive director and chairman of the audit committee of National Grid plc.

On 3 July 2017, Karim Bitar was appointed a Non-Executive Director. Karim has extensive experience of leading international,

technology-focused organisations and is currently chief executive of Genus plc. Prior to joining Genus, Karim worked for more than 15 years for Eli Lilly and Company, where he was president of Lilly Europe, Canada and Australia. An ex-McKinsey and Company consultant, he also held management roles at Johnson and Johnson, and the Dow Chemical Company. Member of University of Michigan Ross School of Business Advisory Board.

Having considered the performance of and contribution made by each Director, and the independence of each Non-executive Director (particularly in respect of those who have served in excess of six years), the Board is satisfied that all Directors continue to be effective and continue to demonstrate a great deal of commitment to their roles and that their respective skills complement each other to enhance the overall operation of the Board of Directors. As such, the Board unanimously recommends their election or re-election.

## **Resolutions 13 and 14 Re-appointment and remuneration of auditor**

The Company is required to appoint an external auditor at each general meeting at which accounts are laid before the Company, to hold office from the conclusion of that general meeting until the conclusion of the next general meeting. The Board recommends the re-appointment of the current auditor, Deloitte LLP, who were appointed for the first time at the 2017 annual general meeting following a competitive tender process.

Further, it is recommended that the Directors, acting through the Audit and Risk Committee, be authorised to determine the auditors' remuneration.

## **Resolution 15 To approve the Spectris Share Incentive Plan (the 'SIP')**

The principal terms of the SIP are summarised in Appendix I to the AGM Notice on pages 7 to 8. The SIP is a UK tax advantaged plan through which shares can be provided to all employees. By virtue of the SIP being an all employee plan, all UK employees who meet the statutory criteria must be offered the opportunity to participate whenever the SIP is operated. Certain other employees may be permitted to participate in the SIP.

The Board believes that the SIP will help align the interests of the Company's UK employees with those of the Company's shareholders, assist with retention of its UK workforce and contribute to the success of the Company.

Resolution 15 proposes that the SIP be established, and gives the Board authority to establish schedules or separate plans to the SIP for the purpose of making awards to employees who are based overseas, including (but not limited to) establishing a further schedule or plan as a US tax-advantaged employee stock purchase plan under section 423 of the US Internal Revenue Code. Any shares available under such schedules or separate plans will count towards the limits on individual and overall participation in the SIP.

A copy of the SIP trust deed and rules is available upon request from the Company Secretary and these will be available for inspection at the Company's registered office at Heritage House, Church Road, Egham, Surrey, England, TW20 9QD and the offices of PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH during normal business hours on Monday to Friday each week (public holidays excepted) from the date of this AGM Notice until the close of the meeting. Copies will be available for inspection for 15 minutes prior to and during the meeting.

## **Resolution 16 Directors' authority to allot shares**

Under the Act, the Directors of the Company may generally only allot shares or grant rights over shares if authorised to do so by the shareholders. In accordance with the current guidelines issued by the Investment Association (the 'IA'), the Directors confirm their intention to seek renewal of the authority granted at the 2017 annual general meeting which expires at the end of the forthcoming AGM or, if sooner, 26 August 2018. The renewed authority is to be limited to shares up to an aggregate nominal amount of £1,986,000 (being just less than one-third of the issued share capital of the Company (excluding treasury shares) as at 14 March 2018 (the last practicable date prior to the publication of the AGM Notice)). The Company held 5,728,340 shares in treasury at 14 March 2018, (being 4.81 per cent of the issued share capital of the Company (excluding treasury shares) on that date).

The authority conferred by this Resolution shall (unless previously revoked, varied or renewed) expire at the end of the Company's 2019 annual general meeting or, if sooner, 25 August 2019. However, the Company may make an offer or agreement prior to the expiry of this authority which would or might require relevant securities to be allotted after the expiry of this authority and in such a case the Directors will be permitted to allot securities pursuant to such offer or agreement as if this authority had not expired.

Other than in respect of the Company's obligations under its employee share schemes, the Directors have no present intention of issuing any shares under this authority, but they believe it to be in the best interests of the Company that they should continue to have this authority so that such allotments can take place to finance appropriate opportunities that may arise.

## **Resolutions 17 and 18 Disapplication of pre-emption rights**

Your Directors also require additional authority from shareholders to allot shares, grant rights over shares or sell treasury shares where they propose to do so for cash otherwise than to existing shareholders pro rata to their holdings. Circumstances may arise in which it would be in the best interests of the Company for the Directors to have the power to issue a limited number of shares or sell treasury shares for cash otherwise than to existing shareholders, to take advantage of business opportunities as these arise or to manage the Company's capital base more effectively.

Your Board proposes that the authority granted at the 2017 annual general meeting be renewed, in accordance with IA guidelines, to expire at the end of the Company's 2019 annual general meeting or, if sooner, 26 August 2019, thereby enabling the Directors to allot ordinary shares and sell treasury shares for cash free of statutory pre-emption rights (i) in the case of Resolution 17 up to an aggregate nominal amount of £298,005 (being just less than 5 per cent. of the issued share capital of the Company (excluding treasury shares) as at 14 March 2018 (the last practicable date prior to the publication of the AGM Notice)), and (ii) in the case of Resolution 18 and in relation to an acquisition or other capital investment, as defined by the Pre-emption Group's Statement of Principles, up to an additional aggregate nominal amount of £298,005 (being just less than 5 per cent. of the issued share capital of the Company (excluding treasury shares) as at 14 March 2018 (the last practicable date prior to the publication of the AGM Notice)).

The Directors intend to adhere to the provisions of the Pre-Emption Group's Statement of Principles, as updated in March 2015, and not allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 16;

- (i) in excess of an amount equal to 5 per cent. of the total issued share capital of the Company excluding treasury shares; or
- (ii) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

## **Resolution 19 Share buybacks**

The authority given to the Company at the 2017 annual general meeting to purchase its own shares expires on the date of the forthcoming annual general meeting or, if sooner, 26 August 2018.

Your Directors continue to believe that it is in the best interests of shareholders that the Company should be able to purchase its own shares in circumstances which, in the opinion of the Directors, should result in an improvement in earnings per share for the remaining shareholders. Your Directors consider that it would be prudent to be able to act at short notice in making such purchases if it will be likely to promote the success of the Company for the benefit of its members as a whole, having regard to other investment opportunities open to the Company. In reaching any decision to purchase ordinary shares, the Directors will take into account the Company's cash resources and capital requirements and the effect of any purchase on gearing levels and on earnings per share.

The Act permits the Company to cancel any shares purchased under this authority or to hold them as treasury shares with a view to reselling them at a future date or to use them for the purpose of employee share schemes. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and provide the Company with additional flexibility in the management of its capital base. Any transfers of treasury shares for the purposes of the Company's employee share schemes will be made within the recommended 10 per cent. anti-dilution limit set by the IA and no dividends would be paid on, and no voting rights would be exercised in respect of, treasury shares.

Your Directors are seeking the authority to make market purchases of up to 11,920,218 ordinary shares, representing just under 10 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 14 March 2018 (the last practicable date prior to the publication of the AGM Notice). The maximum price to be paid for an ordinary share of the Company on any occasion will be the higher of (i) 105 per cent. of the average of the middle market quotations for an ordinary share of the Company (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade and the highest independent bid on the trading venue where the purchase is carried out (in each case exclusive of all expenses). The minimum price to be paid for an ordinary share of the Company will be 5p (the nominal value of an ordinary share) (exclusive of expenses).



The authority conferred shall (unless previously revoked, varied or renewed) expire at the end of the Company's 2019 annual general meeting or, if sooner, 25 August 2019. However, if a contract for the purchase of ordinary shares is concluded before the expiry of this authority but the relevant purchase will or may be executed in whole or in part after the expiry of this authority, the Company is authorised to execute such purchase as if this authority had not expired. The Directors intend to seek renewal of this authority at subsequent annual general meetings.

On 19 February 2018, the Directors announced their intention to undertake a £100 million on-market share buyback programme which commenced on 5 March 2018 and is expected to be completed in the period up to 5 June 2019. Shares purchased under this programme will be cancelled.

For information, the Company has no warrants outstanding and the total number of options to subscribe for equity shares outstanding on 14 March 2018 was 1,602,257, representing 1.34 per cent. of the issued share capital of the Company (excluding treasury shares) on that date. If the full authority to buy back shares were to be used, the said outstanding options would represent 1.49 per cent. of the issued share capital of the Company (excluding treasury shares) on that date.

### **Resolution 20 Notice of general meetings**

The notice period required by the Act for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. Annual general meetings must always be held on at least 21 clear days' notice. If prior shareholder approval has been obtained, companies may still hold general meetings (other than annual general meetings) on 14 clear days' notice provided electronic voting is made available to all shareholders. Your Directors therefore request authority to hold general meetings in the forthcoming year on 14 clear days' notice ('**Short Notice**'), as they believe this gives greater flexibility and the ability for a faster response if an unexpected meeting is required. Such authority will be effective until the Company's 2019 annual general meeting when it is intended that a similar resolution will be proposed. It is intended that general meetings will not be called on Short Notice as a matter of routine, but that Short Notice will only be used, in accordance with the UK Corporate Governance Code, when the flexibility of using it is merited by the business of the meeting, the circumstances surrounding that business and where calling a general meeting on Short Notice is in the interests of the shareholders as a whole.

## Summary of the principal terms of the Spectris Share Incentive Plan ('SIP')

**IMPORTANT NOTE:** This summary does not form part of the trust deed and rules of the SIP. In the event of any discrepancy between this summary and the trust deed and rules of the SIP, the trust deed and rules of the SIP will prevail.

### 1. General

The SIP is a UK all-employee share ownership plan. The SIP has been designed to comply with the relevant UK legislation in order to provide ordinary shares in the capital of the Company ('Shares') to UK employees in a tax-efficient manner.

The operation of the SIP will be overseen by the board of directors of the Company or a duly authorised sub-committee of it (the 'Board'). Decisions of the Board are final and conclusive in all respects.

Under the SIP, eligible employees may be:

- (i) awarded up to £3,600 worth of free Shares ('Free Shares') each year;
- (ii) offered the opportunity to buy Shares with a value up to the lower of £1,800 and 10% of the employee's pre-tax salary ('Partnership Shares') each year;
- (iii) given up to two free Shares ('Matching Shares') for each Partnership Share bought; and/or
- (iv) allowed or required to purchase Shares using any dividends received on Shares held in the SIP ('Dividend Shares').

The limits set out above are the current limits under the applicable SIP legislation. Different limits may apply in the future, should the relevant legislation change in this respect.

Invitations to participate in the SIP may not be issued after the tenth anniversary of the date when the SIP is approved by the Company's shareholders (which is currently being sought). Any benefits received under the SIP are not pensionable.

### 2. SIP Trust

The SIP operates through a UK-resident trust (the 'SIP Trust'). The SIP Trust may purchase, transfer or subscribe for Shares that are awarded to or purchased on behalf of participants in the SIP.

A participant will be the beneficial owner of any Shares held on the participant's behalf by the trustee(s) of the SIP Trust. Any Shares held in the SIP Trust will rank equally with Shares then in issue, subject to the terms of the SIP.

If a participant ceases to be employed by the group, that participant:

- (i) will be required to withdraw the Free, Partnership, Matching and Dividend Shares which the participant owns from the SIP Trust; and
- (ii) may forfeit the Free Shares or Matching Shares which the participant owns, as described below; and
- (iii) may be required to offer the Partnership or Dividend Shares which the participant owns for sale, as described below.

### 3. Eligibility

Each time that the Board decides to operate the SIP, all UK-resident tax-paying employees (including executive directors of the Company) must be offered the opportunity to participate, provided that they:

- (i) have such period of continuous employment as the Board may determine (not exceeding the relevant statutory limits as apply from time to time);
- (ii) in relation to Free, Partnership and Matching Shares, are not participating at the same time in a SIP established by the Company or a connected company; and

- (iii) if they have participated in more than one tax-advantaged share incentive plan established by the Company or a connected company in that tax year, have not exceeded the relevant statutory limit(s) (which apply on an aggregated basis to the SIP and those plan(s)).

Other employees who meet the eligibility criteria set out above but whom are not UK-resident taxpayers may also be offered the opportunity to participate.

### 4. Plan limit

The SIP may operate over new issue Shares, treasury Shares or Shares purchased in the market.

The rules of the SIP provide that, in any period of 10 years, not more than 10% of the Company's issued ordinary share capital may be issued under the SIP and under any other employees' share scheme adopted by the Company. Shares issued or transferred out of treasury for the SIP will count towards this limit for so long as this is required under the relevant institutional shareholder guidelines.

### 5. Free Shares

Up to £3,600 (or such other maximum limit specified in the relevant legislation from time to time) worth of Free Shares may be awarded to each eligible employee in a tax year. Free Shares must be awarded on the same terms to each eligible employee but the number of Free Shares awarded can be determined by reference to the employee's remuneration, length of continuous service, number of hours worked and/or objective pre-award performance targets based on business results or other specified criteria.

There is a holding period of between 3 and 5 years (the precise duration to be determined by the Board), during which the participant cannot withdraw the Free Shares from the SIP Trust (or otherwise dispose of the Free Shares), unless the participant leaves employment with the group.

The Board may also determine that a forfeiture period of up to 5 years applies, during which the participant will forfeit any Free Shares if the participant ceases employment with the Spectris group of companies (the 'Group'), unless the participant leaves due to death, injury, disability, redundancy, retirement or a transfer of the employing business or company out of the group (each a 'Good Leaver Reason'), or if the participant withdraws the Free Shares from the SIP.

### 6. Partnership Shares

The Board may allow an employee to use pre-tax salary to buy Partnership Shares. The maximum amount of pre-tax salary that can be used to buy Partnership Shares annually is the lower of £1,800 or 10% of pre-tax salary in any tax year (or such other maximum limits as specified in the relevant legislation from time to time). If a minimum amount of deductions is set, it shall not be greater than £10 (or such other amount specified in the relevant legislation from time to time).

The salary deducted in order to purchase Partnership Shares can be accumulated for a period of up to 12 months (the 'Accumulation Period'), after which it will be used to buy the Partnership Shares within 30 days, or alternatively Partnership Shares can be purchased within a specified 30-day period after the relevant deduction is made. If there is an Accumulation Period, the number of Shares purchased may be determined by reference to the market value of Shares at the beginning of the accumulation period, the market value of Shares on the appropriation date or the lower of these values.

## Summary of the principal terms of the Spectris Share Incentive Plan ('SIP') continued

A participant may stop, start and/or vary deductions. Any deductions missed cannot be topped-up and the Board may determine that no more than one stop and re-start of deductions can be made in respect of any Accumulation Period.

Once acquired, Partnership Shares may be withdrawn from the SIP by the participant at any time (subject to any deductions for income tax and National Insurance contributions) and will not be capable of forfeiture. Participants may be required to offer their Partnership Shares for sale at a specified price if they cease employment with the Group within 5 years of acquiring the Partnership Shares.

### 7. Matching Shares

The Board may offer Matching Shares to an eligible employee who purchases Partnership Shares. If awarded, Matching Shares must be awarded on the same basis to all employees up to a maximum of 2 Matching Shares for every Partnership Share purchased (or such other maximum ratio between Matching Shares and Partnership Shares as is permitted by the legislation from time to time).

There is a holding period of between 3 and 5 years (the precise duration to be determined by the Board) during which the participant cannot withdraw the Matching Shares from the SIP Trust (or otherwise dispose of the Matching Shares), unless the participant leaves employment with the group.

The Board may also determine that a forfeiture period of up to 5 years applies, during which the participant will forfeit any Matching Shares if that participant withdraws the associated Partnership Shares from the SIP (save for where the participant is leaving for a Good Leaver Reason or there is a corporate event), or if the participant leaves other than for a Good Leaver Reason or withdraws the Matching Shares from the SIP.

### 8. Dividend Shares

The Board may allow or require a participant to re-invest the whole or part of any dividends paid on Shares held on that participant's behalf in the SIP. Dividend Shares must be held in the SIP Trust for 3 years, unless the participant leaves employment with the group.

Dividend Shares will not be capable of forfeiture. Participants may be required to offer their Dividend Shares for sale at a specified price if they cease employment with the Group within 3 years of acquiring the Dividend Shares.

### 9. Corporate events

In the event of a general offer being made to shareholders (or a similar takeover event taking place) during a holding period, participants will be able to direct the trustee(s) of the SIP Trust as to how to act in relation to their Shares held in the SIP. In the event of a corporate reorganisation, any Shares held by participants may be replaced by equivalent shares in a new holding company.

### 10. Variation of capital

Shares acquired on a variation of share capital of the Company will usually be treated in the same way as the Shares acquired or awarded under the SIP in respect of which the rights were conferred and as if they were acquired or awarded at the same time. In the event of a rights issue during a holding period, participants will be able to direct the trustee(s) of the SIP Trust as to how to act in respect of their Shares held in the SIP.

### 11. Rights attaching to Shares

Any Shares allotted under the SIP will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment), subject to the terms of the SIP.

### 12. Voting rights

The SIP provides that the SIP trustee(s) will not exercise any voting rights in respect of any unappropriated Shares acquired by the SIP trustee(s) pursuant to the SIP. However, any voting rights attributable to the Shares of a participant may be exercised by the SIP trustee(s) at the direction of the relevant participant, if the Company so requests that the SIP trustee(s) invite participants to make such a direction.

### 13. Amendments

The Board (with the agreement of the trustee(s) of the SIP Trust) may amend the rules of the SIP or the SIP trust deed, in each case by way of deed. Alterations which would cause the SIP to cease to be an employees' share scheme within the meaning of UK company law legislation, infringe the rule against perpetuities, or enlarge the obligations or restrict the rights of any participant in respect of Shares already appropriated to them will not be effective.

The prior approval of the Company's shareholders in general meeting must be obtained in the case of any amendment to the advantage of present or future participants which is made to the provisions relating to the persons to or for whom Shares may be provided under the SIP, the limits on the number of Shares which may be issued under the SIP, the basis for determining a participant's entitlement to Shares and any adjustment of such entitlement, the rights of a participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital of the Company, and/or the rule relating to such prior approval. However, there is an exception for any minor changes to benefit the administration of the SIP, which are necessary or desirable in order to ensure that the SIP will be or remain tax advantaged under the current SIP legislation (or maintain tax efficiency under any other enactment), to comply with or take account of the provisions of any proposed or existing legislation (or take account of any changes to legislation), and/or to obtain or maintain favourable tax, exchange control or regulatory treatment of any participating company or any past or future participant.

### 14. Termination

The SIP will terminate on the tenth anniversary of the date when the SIP is approved by the Company's shareholders (which is currently being sought), or at any earlier time if the Board so decides. Termination will not affect any subsisting rights under the SIP.

### 15. Overseas plans

The Board may, at any time, establish further plans for overseas territories, governed by rules similar to the SIP but modified to take account of any relevant local law, regulation or practice. Any Shares made available under such overseas plans must be treated as counting against the limits on individual and overall participation in the SIP.



## Notes

1. As for all annual general meetings held by the Company, each of the Resolutions to be put to the meeting will be voted on by a show of hands. Approval of an ordinary resolution requires that a simple majority of votes cast be in favour of the resolution. Approval of a special resolution requires that a majority of at least three-quarters of votes cast be in favour of the resolution. The results of proxy votes will be published on the Company's website [www.spectris.com](http://www.spectris.com) and notified to the UK Listing Authority as soon as practicable following the conclusion of the AGM.
2. The Company hereby gives notice that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a shareholder must be entered on the Company's register of members no later than 6.30 p.m. on Wednesday, 23 May 2018 or, if the meeting is adjourned, shareholders must be entered on the Company's register of members not later than 6.30 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend and vote at the meeting or adjourned meeting.
3. In accordance with section 319A of the Act, all members of the Company and their proxies have the right to ask questions at the meeting. It would be helpful if you could state your name before you ask a question. The Company must cause to be answered any question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
4. Under sections 338 and 338A of the Act, members meeting the threshold requirements have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person(s) making it, must be received by the Company not later than the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
5. A member is entitled to appoint another person (who need not be a member of the Company) as his proxy to exercise all or any of his rights to attend to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. 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). A proxy form is enclosed with this AGM Notice. All proxies must be submitted at the office of the registrars by post or by hand not later than 48 hours before the time of the meeting. Completion of a form of proxy will not preclude a member attending and voting in person at the meeting. If you require additional forms of proxy, please contact the registrars of the Company, Equiniti, on 0371 384 2586. Telephony provider costs may vary. An overseas helpline number is also available on +44 121 415 7047. Lines are open 8.30 a.m. to 5.30 p.m. (UK time), Monday to Friday (excluding public holidays in England and Wales).
6. 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 25 May 2018 and any adjournment(s) thereof 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.  
  
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 the specifications of Euroclear UK and Ireland Limited ('**Euroclear**') 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 RA19) by the latest time(s) for receipt of proxy appointments specified in the AGM Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.  
  
CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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. The CREST Manual can be reviewed at [www.euroclear.com](http://www.euroclear.com).  
  
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.

### Notes continued

7. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a '**Nominated Person**') may have a right under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
8. The statement of the rights of members in relation to the appointment of proxies in notes 5 and 6 above does not apply to Nominated Persons. The rights described in notes 5 and 6 can only be exercised by members of the Company.
9. A corporate shareholder is entitled to appoint one or more corporate representatives who may exercise on its behalf all of the same powers the relevant corporate shareholder could exercise if it were an individual provided they do not do so in relation to the same shares.
10. Copies of the Directors' service contracts, the Directors' deeds of indemnity, the terms and conditions of appointment of Non-executive Directors and the Spectris Share Incentive Plan rules, will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) up to and including the date of the AGM and at the place of the AGM for at least 15 minutes prior to and during the AGM. The rules of the Spectris Share Incentive Plan will also be available for inspection at those times at the offices of PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH.
11. As at 14 March 2018 (being the last practicable date prior to the publication of this notice) the Company's issued share capital comprised 119,202,186 ordinary shares (excluding treasury shares). Each ordinary share (other than a treasury share) carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 119,202,186. As at 14 March 2018, the Company held 5,728,340 ordinary shares as treasury shares.
12. A copy of this AGM Notice and other information required by section 311A of the Act can be found on the Company's website: [www.spectris.com](http://www.spectris.com)
13. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
14. Shareholders are advised that they may not use any electronic address (within the meaning of section 333(4) of the Act) provided in the Notice of Annual General Meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

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