



ESSENTRA

# NOTICE OF ANNUAL GENERAL MEETING

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

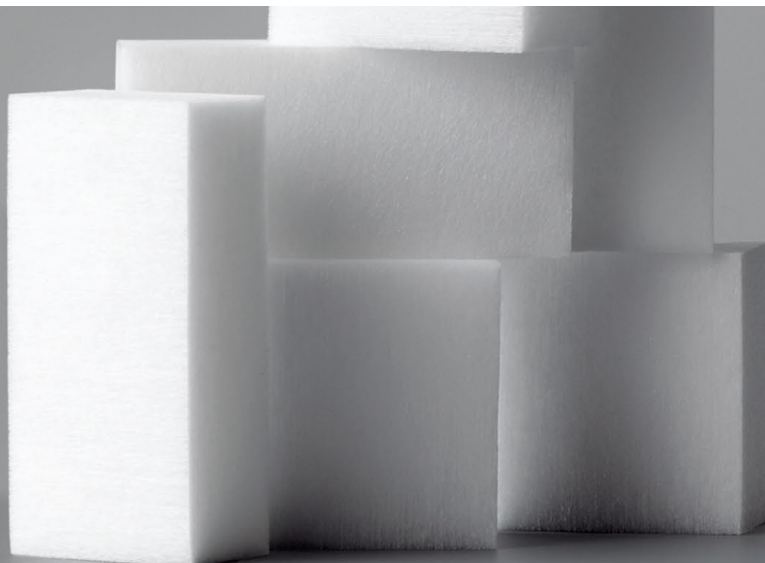
If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately seek your own advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please pass this document together with the accompanying form of proxy 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 the Annual General Meeting of the Company to be held at the Holiday Inn Hotel, 500 Saxon Gate West, Milton Keynes, Buckinghamshire, MK9 2HQ on Tuesday 29 April 2014 at 12 noon is set out at the end of this document.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be completed, signed and received by 12 noon on Friday 25 April 2014.

Completion and return of a form of proxy will not preclude shareholders from attending and voting at the Annual General Meeting should they choose to do so. Further instructions relating to the form of proxy are set out in this document.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2014 Annual General Meeting of Essentra plc (the '**Company**') will be held at the Holiday Inn Hotel, 500 Saxon Gate West, Milton Keynes, Buckinghamshire, MK9 2HQ on Tuesday 29 April 2014 at 12 noon.

A form of proxy for use in connection with this meeting is enclosed with this document. Whether or not you propose to attend the Annual General Meeting (**AGM**), please fill in the proxy form and return it to the registrars as soon as possible. They must receive it by 12 noon on Friday 25 April 2014. You will be asked to consider and pass the resolutions below.

The Board considers that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them in respect of their own shareholdings and unanimously recommends that you do so as well.

All resolutions will be put to vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the AGM but who appoint a proxy for the AGM. On a poll, each shareholder has one vote for every share held.

Resolutions 1 to 16 (inclusive) will be proposed as ordinary resolutions. Resolutions 17 to 19 (inclusive) will be proposed as special resolutions.

1. To receive and adopt the accounts for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors and the Strategic Report.
2. To approve the Remuneration Committee Chairman's Letter and the Annual Report on Remuneration for the financial year ended 31 December 2013, as set out on pages 66 and 75 to 84 respectively of the Company's 2013 Annual Report Book 1.
3. To approve the Directors' Remuneration Policy Report as set out on pages 67 to 74 of the Company's 2013 Annual Report Book 1.
4. To declare a final dividend for the financial year ended 31 December 2013 of 10.6 pence per ordinary share.
5. To elect Peter Hill as a Director of the Company.
6. To elect Lorraine Trainer as a Director of the Company.
7. To re-elect Jeff Harris as a Director of the Company.
8. To re-elect Colin Day as a Director of the Company.
9. To re-elect Paul Drechsler as a Director of the Company.
10. To re-elect Matthew Gregory as a Director of the Company.
11. To re-elect Terry Twigger as a Director of the Company.
12. To appoint KPMG Audit LLP as Auditor until the conclusion of the next general meeting at which audited accounts are laid before the Company.
13. To authorise the Directors to fix the Auditor's remuneration.

## 14. Essentra UK Sharesave Plan (ordinary resolution)

That the rules of the Essentra Sharesave Plan (the "Sharesave") in the proposed updated form referred to in the Chairman of the Board's letter and first Appendix to the Notice of AGM and produced in draft to this meeting (the "Updated Sharesave") and, for the purposes of identification, initialled by the Chairman of the Board, be approved and the Directors be authorised to:

(i) make such modifications to the Updated Sharesave as they may consider appropriate to take account of the requirements of HMRC and best practice and for the implementation of the Updated Sharesave and to adopt the Updated Sharesave as so modified and to do all such other acts and things as they may consider appropriate to implement the Updated Sharesave; and

(ii) operate other plans based on the Updated Sharesave but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Updated Sharesave.

## 15. Essentra US Stock Purchase Plan (ordinary resolution)

That the rules of the Essentra US Stock Purchase Plan (the "US Plan") referred to in the Chairman of the Board's letter and second Appendix to the Notice of AGM and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman of the Board, be approved and the Directors be authorised to make such modifications to the US Plan as they may consider appropriate to take account of the requirements of US tax law and best practice and for the implementation of the US Plan and to adopt the US Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the US Plan.

## 16. General power to allot (ordinary resolution)

The Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

(a) up to a nominal amount of £19,643,829 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such sum); and

(b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £39,287,658 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory

or any other matter, such authorities to apply until the end of next year's AGM (or, if earlier, until the close of business on 28 June 2015) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

### **17. General power to disapply pre-emption rights (special resolution)**

That if resolution 16 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and / or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

- (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 16, by way of a rights issue only):

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities, as required by the rights of those securities, or, as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) in the case of the authority granted under paragraph (a) of resolution 16 and / or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £3,366,571,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 28 June 2015) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

### **18. Purchase of own shares (special resolution)**

That the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 25 pence each ('**Ordinary Shares**'), such power to be limited:

- (a) to a maximum number of 23,572,594 Ordinary Shares;
- (b) by the condition that the minimum price which may be paid for an Ordinary Share is the nominal amount of that share and the

maximum price which may be paid for an Ordinary Share is the highest of:

- (i) an amount equal to 5 per cent. above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of next year's AGM (or, if earlier, 28 June 2015) but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

### **19. Notice of general meetings (special resolution)**

That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

**Jon Green**  
Company Secretary  
7 March 2014

Registered Office:  
Avebury House  
201-249 Avebury Boulevard  
Milton Keynes  
Buckinghamshire MK9 1AU

Registered in England and Wales No. 05444653

### Inspection of documents

The following documents will be available for inspection at the Company's registered office at Avebury House, 201 – 249 Avebury Boulevard, Milton Keynes, Buckinghamshire MK9 1AU between 8.30 am and 5.00 pm on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the date of the AGM and at the Holiday Inn Hotel, 500 Saxon Gate West, Milton Keynes, Buckinghamshire, MK9 2HQ from 15 minutes before the AGM until it ends:

- > Copies of the Executive Directors' service contracts
- > Copies of letters of appointment of the Non-Executive Directors
- > A copy of the Articles of Association of the Company
- > A copy of the draft rules of the Essentra Sharesave Plan in the proposed updated form, these rules will also be available for inspection at the offices of New Bridge Street (an Aon Consulting company) at 10 Devonshire Square, London EC2M 4YP the offices of New Bridge Street
- > A copy of the Essentra US Stock Purchase Plan, these rules will also be available for inspection at the offices of New Bridge Street (an Aon Consulting company) at 10 Devonshire Square, London EC2M 4YP the offices of New Bridge Street.

### Notes

**1.** Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services Plc on 0870 703 6394.

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).

**2.** To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or if you prefer, electronically via the internet at [www.computershare.com](http://www.computershare.com) or, if you are a CREST member, via CREST, in each case no later than Friday 25 April 2014 or not less than 48 hours before any adjourned meeting.

**3.** The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the AGM and voting in person if he / she wishes to do so.

**4.** To vote using the internet go to [www.epoxyappointment.com](http://www.epoxyappointment.com). You will be asked to enter the Shareholder Reference Number, control number and PIN number as printed on your form of proxy, and to agree to certain terms and conditions. For best results it is recommended that the last vendor supported releases are used for internet browsers.

**5.** Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him / her and the shareholder by whom he / she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he / she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

**6.** The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

**7.** To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by close of business on 25 April 2014 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.

**8.** As at 7 March 2014 (being the last business day prior to the publication of this Notice) the Company holds 4,743,461 shares as treasury shares within the meaning of section 724 of the Companies Act 2006, representing approximately 1.97% of the total ordinary share capital of the Company in issue. The Company's issued share capital consists of 240,469,409 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 7 March 2014 are 235,725,948.

**9.** CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.

**10.** In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 3RA50) by 12 noon Friday 25 April 2014 or 48 hours prior to any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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.

**11.** CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

**12.** 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.

**13.** Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

**14.** Under section 527 of the Companies Act 2006 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 AGM; 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 Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, 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 AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

**15.** Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

**16.** You may not use any electronic address provided either in this notice of AGM or any related documents (including the chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

**17.** A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at [www.essentra.com](http://www.essentra.com).

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 16 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 17 to 19 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### 1. Dividend (ordinary resolution 4)

A final dividend for the financial year ended 31 December 2013 of 10.6 pence per ordinary share is recommended by the Directors and is put to the shareholders for their approval. If approved, the dividend will be paid on 3 May 2014 to shareholders on the Register of Members of the Company at the close of business on 11 April 2014 making a total dividend in respect of the financial year ended 31 December 2013 of 15.4 pence per ordinary share. In accordance with the Articles of Association of the Company, the shareholders cannot resolve to pay an amount greater than that recommended by the Directors.

### 2. Approval of (i) Remuneration Committee Chairman's Letter and Annual Report on Remuneration and (ii) the Directors' Remuneration Policy Report (ordinary resolutions 2 and 3)

Under new legislation that came into force in the UK on 1 October 2013, the Company is required to offer an advisory vote on the implementation of the Company's existing remuneration policy in terms of the payments and share awards made to directors during the year (the Remuneration Committee Chairman's Letter and the Annual Report on Remuneration) and a separate binding vote on the Company's forward looking remuneration policy (the Directors' Remuneration Policy Report).

Resolution 2 seeks shareholder approval for the Remuneration Committee Chairman's letter and the Annual Report on Remuneration Committee as set out on pages 66 and 75 to 84 respectively of the 2013 Annual Report Book 1.

Resolution 3 seeks shareholder approval for the Directors' Remuneration Policy Report, which is set out in the first part of the Report of the Remuneration Committee, on pages 67 to 74 of the 2013 Annual Report Book 1.

Subject to such approval, the proposed effective date of the Remuneration Committee's Policy Report is 29 April 2014, being the date of this AGM.

### 3. Directors (ordinary resolutions 5, 6, 7, 8 9, 10 and 11)

Biographical details of the Directors to be elected or re-elected can be found on page 51 of the 2013 Annual Report Book 1 and on the Company website [www.essentra.com](http://www.essentra.com).

The Board, considers, following external performance evaluation (as referred to on page 58 to 59 of the 2013 Annual Report Book 1), that each Director offers themselves for re-election continues to contribute effectively and to demonstrate commitment to his role (including commitment for Board and Committee meetings and other duties.

In accordance with provision B.7.1 of the UK Corporate Governance Code:

- (a) Peter Hill having been appointed as a Director since the 2013 AGM is putting himself up for election. Peter is a Non-Executive Director appointed on 1 July 2013 and is a member of the Audit, Nomination and Remuneration Committees.
- (b) Lorraine Trainer having been appointed as a Director since the 2013 AGM is putting herself up for election. Lorraine is a Non-Executive Director appointed on 1 July 2013. Following the conclusion of the 2014 AGM and providing Lorraine is elected as a Director of the Company Lorraine will be appointed as the Chairman of the Remuneration 2014 Committee.
- (c) Jeff Harris retires and being eligible offers himself up for re-election. Jeff is the Non-Executive Chairman;
- (d) Colin Day retires and being eligible, offers himself up for re-election. Colin is the Chief Executive Director
- (e) Paul Drechsler retires and being eligible, offers himself up for re-election. Following the conclusion of the 2014 AGM and providing Paul is re-elected as a director of the Company Paul will stand down as a member of the Committees, as the Chairman of the Remuneration Committee and as the Senior Independent Non-Executive Director as he will no longer be regarded as independent for the purposes of the UK Corporate Governance Code from May 2014
- (f) Matthew Gregory retires and being eligible, offers himself up for re-election. Matthew is the Group Finance Director
- (g) Terry Twigger retires and being eligible offers himself up for re-election. Terry is a Non-Executive Director and Chairman of the Audit Committee. Following the conclusion of the 2014 AGM and subject to Terry being re-elected as a director of the Company he will be appointed as the Senior Independent Non-Executive Director

### 4. Appointment of KPMG LLP as Auditors (ordinary resolution 12)

The Company's external Auditors KPMG Plc has instigated an orderly wind down of its business. The Board has decided to put KPMG LLP forward to be appointed as the replacement auditor.

### 5. Essentra Sharesave Plan (ordinary resolution 14)

The Company currently operates a HMRC tax favoured savings-related share option plan (the "Sharesave") for the benefit of its UK based employees.

Under the Sharesave, which must be operated on an all-employee basis in the UK, participants may sign up to savings contracts to save up to £500 per month (currently £250, increasing from 6 April 2014), over a three or five year savings term. On the maturity of the contracts, participants can elect to use their savings (and any interest) to exercise a linked discounted share option to acquire shares on tax favoured terms or ask for the return of the savings (and any interest).

Authority to make grants under the current Sharesave will expire in 2015. The intention is to continue to focus the Company's all employee share scheme policy through saving related share option scheme participation. The Company is therefore seeking authority to revise the rules of the Sharesave to incorporate minor modifications to reflect the current legislation relating to sharesaves and to extend the operation of the Sharesave for another ten years.

A summary of the principal terms of the Sharesave in the proposed updated form is set out in Appendix 1.

#### **6. Essentra US Stock Purchase Plan (ordinary resolution 15)**

The Company wishes to establish a similar arrangement to the Sharesave for the benefit of its US based employees in the form of a tax favoured stock purchase plan (the "US Plan").

The US Plan will allow US employees to acquire shares under discounted share options with savings made over a two-year period. This type of share scheme is commonly operated by US companies and may deliver tax benefits to participants where shares are retained for at least one year following acquisition.

A summary of the principal terms of the US Plan is set out in Appendix 2.

#### **7. Renewal of Directors power to allot shares (ordinary resolution 16)**

Paragraph (a) of this resolution would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £19,643,829 (representing 78,575,316 ordinary shares of 25p each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 7 March 2014, the latest practicable date prior to publication of this Notice.

In line with guidance issued by the Association of British Insurers, paragraph (b) of this resolution would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £39,287,658 (representing 157,150,632 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 7 March 2014, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the earlier of 28 June 2015 and the conclusion of the Annual General Meeting of the Company held in 2015.

The Directors have no present intention to exercise either of the authorities sought under this resolution. However, if they do exercise the authorities, the Directors intend to follow ABI recommendations concerning their use (including as regards the Directors standing for re-election in certain cases).

As at the date of this Notice, 4,743,461 ordinary shares are held by the Company in Treasury representing 1.97% of the issued ordinary share capital (excluding treasury shares).

#### **8. General power to disapply pre-emption rights (special resolution 17)**

This resolution will be proposed as a special resolution, which requires a 75% majority of the votes to be cast in favour. It would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be, similar to previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £3,366,571 (representing 13,466,287 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 7 March 2014 latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 28 June 2015 and the conclusion of the Annual General Meeting of the Company held in 2015.

#### **9. Purchase of own shares (special resolution 18)**

Authority is sought for the Company to purchase up to 10% of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The Company purchased no ordinary shares in the period from the last annual general meeting to 7 March 2014 under the existing authority.

The Directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The Directors will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in the earnings per shares of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any ordinary shares the Company may purchase as treasury shares. The Company currently has 4,743,461 ordinary shares in Treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is its nominal value. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 105% of the average market value for an ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 8,408,594 ordinary shares, representing 3.57% of the Company's ordinary issued share capital (excluding treasury shares) as at 7 March 2014. If the authority given by resolution 18 were to be fully used, these would represent 3.96% of the Company's ordinary issued share capital (excluding treasury shares) at that date.

The authority will expire at the earlier of 28 June 2015 and the conclusion of the Annual General Meeting of the Company held in 2015.

#### **10. Notice of general meetings (special resolution 19)**

The Companies (Shareholders' Rights) Regulations 2009 have increased the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

Before the coming into force of the Companies (Shareholders' Rights) Regulations on 3 August 2009, the Company was able to call General Meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 19 seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

The shorter 14 clear days' notice period will not be used as a matter of routine for such meetings, but only where such flexibility is merited by the business of the meeting and thought to be in the interests of shareholders as a whole.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.



## APPENDIX 1

### Summary of the principal terms of the proposed updated form of the Essentra Sharesave Plan (the "Sharesave")

#### Operation

The operation of the Sharesave is supervised by the Board of Directors of the Company (the "**Board**"). Approval for the extension to the life of the Sharesave and the minor updates will be sought from HM Revenue & Customs ("**HMRC**") in order to continue to provide UK tax-advantaged options to UK employees.

#### Eligibility

Employees and full-time directors of the Company and any designated participating subsidiary who are UK resident tax payers are eligible to participate. The Board may require employees to have completed a qualifying period of employment of up to five years before the grant of options. The Board may allow other employees to participate.

#### Grant of options

Options can only be granted to employees who enter into HMRC approved savings contracts, under which monthly savings are normally made over a period of three or five years. Options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set. The number of shares over which an option is granted will be such that the total option price payable for those shares will correspond to the proceeds on maturity of the related savings contract.

An option may not be granted more than 10 years after the date on which the updated form of the Sharesave is approved by the Company's shareholders of the 2014 Annual General Meeting of the Company. Options are not transferable, except on death. Options are not pensionable.

#### Individual participation

Monthly savings by an employee under all savings contracts linked to options granted under any sharesave scheme may not exceed the prevailing statutory maximum (increasing to £500 for invitations after 6 April 2014). The Board may set a lower limit in relation to any particular grant.

#### Option price

The price per Share payable upon the exercise of an option will not be less than the higher of:

- > 80 per cent. of the middle-market quotation of a share on the London Stock Exchange on a date falling within the three days preceding a date specified in an invitation to participate in the Sharesave (or such other day or days as may be agreed with HMRC) or the average of the middle-market quotation over the 5 dealing days ending on such date; and
- > if the option relates only to new issue shares, the nominal value of a share.

The option price will be determined by reference to dealing days which fall within the six weeks following the announcement by the Company of its results for any period or at any other time when the Board considers there are exceptional circumstances which justify offering options under the Sharesave.

#### Exercise of options

Options will normally be exercisable for a six month period from the third or fifth anniversary of the commencement of the related savings contracts. Earlier exercise is permitted, however, in the following circumstances:

- > following cessation of employment by reason of death, injury, disability, redundancy, retirement, a relevant transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the business or company that the employee works for ceasing to be part of the Company's group;
- > where employment ceases more than three years from grant for any reason other than dismissal for misconduct; and
- > in the event of a takeover, scheme of arrangement or winding-up of the Company, except in the case of an internal corporate re-organisation in which case the Board may decide to exchange existing options for equivalent new options over shares in a new holding company.

Except as stated above, options will lapse on cessation of employment or directorship with the Company's group.

Shares will be allotted or transferred to participants within 30 days of exercise.

#### Overall plan limits

The Sharesave may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent of the issued ordinary share capital of the Company under the Sharesave and any other employee share scheme adopted by the Company.

Treasury shares will count as new issue shares for the purposes of these limits unless the institutional investors decide that they need not count.

#### Variation of capital

If there is a variation in the Company's share capital then the Board may, subject to HMRC approval, make such adjustment as it considers appropriate to the number of shares under option and the option price.

#### Rights attaching to Shares

Any shares allotted when an option is exercised under the sharesave will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

### Alterations to the Sharesave

The Board may amend the provisions of the Sharesave in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Sharesave, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

### Overseas Schemes

The shareholder resolution to approve the renewal of the Sharesave will allow the Board, without further shareholder approval, to operate other plans for overseas territories, any such scheme to be similar to the Sharesave, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Sharesave.

## APPENDIX 2

### Summary of the principal terms of the Essentra US Stock Purchase Plan (the "US Plan")

#### Operation

The US Plan is an all-employee savings related stock purchase plan and has been designed to qualify under section 423 of the US Internal Revenue Code of 1986 (as amended) giving and thereby give participants' tax and social security benefits on any gains made under the US Plan.

The operation of the US Plan will be supervised by the Board or a duly authorised committee of the Board.

#### General

Options granted under the US Plan are not transferable other than to the participant's personal representative in the event of his or her death. No benefits received under the US Plan will be pensionable.

#### Eligibility

Any employee or full-time director of the Company's group who is a US resident tax payer is eligible to participate in the US Plan, although participation can be restricted to employees who have completed a qualifying period of service.

#### Savings

Participants must make contributions to a savings contract related to their options granted under the US Plan. Savings contracts may not exceed 24 months in length. The total contributions a participant can make under the US Plan will be limited to the dollar equivalent of the UK maximum savings limit for the UK Sharesave (£500 a month after 6 April 2014) or such other amount as the Board shall determine within the US Plan's limits.

#### Grant of options

Options may be granted over ordinary shares in the capital of the Company ("Shares"). Shares used in connection in the US Plan may be newly issued shares, treasury shares or shares purchased in the market.

The exact number of shares under option will be determined at the time of grant based on the projected proceeds on maturity of the related savings contract. At the end of the savings period the options will become exercisable and Shares can be purchased.

No options may be granted later than ten years after the date on which the US Plan is approved by Company shareholders. In any event, no options may be granted to an individual in a given calendar year over shares worth in excess of \$25,000 (at the time of grant).

As a matter of policy it is currently intended that the US Plan will provide for invitations to enter into savings arrangements under which 24 monthly contributions may be made.

### Option price

The price payable for each Option Share shall be determined by the Board, provided that it is not less than 85% of the fair market value of an ordinary share the date of grant. Unless the Board determines otherwise, the option price set on grant will be calculated by reference to the Company's share price over the preceding five dealing days. The option price will be determined by reference to dealing days which fall within six weeks of the announcement by the Company of its results for any period or the adoption of the US Plan or at any other time when the Board considers there are exceptional circumstances which justify offering options under the US Plan.

### Exercise of options

Provided that an option holder is still an employee of the Company's group at the end of the relevant savings period, he or she can generally exercise his or her option and acquire shares at that time. Options will become exercisable at the maturity of the savings contract and, to the extent they are not exercised or have not already lapsed, they will lapse no later than 27 months from the date of grant.

Earlier exercise is permitted, however, in the following circumstances:

- (i) following cessation of employment by reason of death, injury, disability, redundancy, retirement, the business or company that the employee works for ceasing to be part of the Company's group or any other reason the Board in its discretion determines; and / or
- (ii) in the event of a takeover, scheme of arrangement or winding-up of the Company, except in the case of an internal corporate re-organisation when the acquiring company makes an offer to exchange existing options for equivalent new options over shares in a new holding company.

Except where stated above, options will lapse on cessation of employment and / or directorship with the Company's group.

The exercise of options will only be permitted to the extent of participants' savings at the time of the exercise of the options, unless the Board determines otherwise (for example allowing "top ups" of savings to take account of exchange rate fluctuations).

### Overall Plan limits

The US Plan may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the US Plan and any other employee share plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of these limits unless institutional investors decide that they need not count.

In addition, the maximum number of shares which may be used in connection with the US Plan will be 24,046,940 shares, equal approximately to 10 per cent. of the of the Company's issued share capital as at 7 March 2014.

### Adjustment of options

If there is a variation in the Company's share capital then the Board may make such adjustment as it considers appropriate to the number of shares under option, the option price, the amount payable on exercise or the maximum number of shares that may be used in connection with the US Plan.

### Alterations to the US Plan

The Board may amend the provisions of the US Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the US Plan to take account of a change in legislation or to obtain or maintain favourable tax, exchange control, securities laws or regulatory treatment for participants or for any company in the Company's group.

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## HOW TO GET TO MILTON KEYNES

### By road

From the M1 leave the motorway at Junction 14, following signs to Milton Keynes Central. Go straight over seven roundabouts staying on the H5, Childs Way.

At the eighth roundabout (South Saxon) take the 3rd exit.

The Holiday Inn Hotel is located on the left, immediately after the traffic lights (opposite Debenhams).

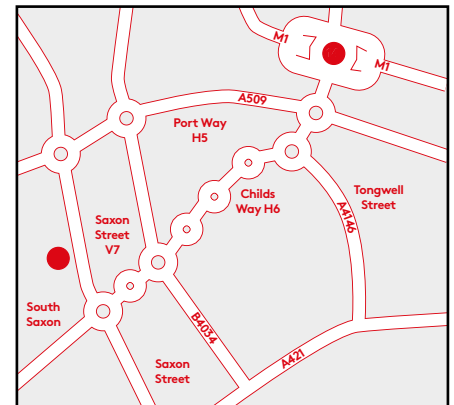
From the M40, follow the A34 to Bicester-Buckingham.

From Buckingham the A421 will take you into Milton Keynes. To get to the Holiday Inn Hotel follow signs to Milton Keynes Central and the hotel is on V7, Saxon Gate West.

### By rail

Virgin Trains and London Midland provide direct and regular train services to Milton Keynes.

For further information, please contact National Rail Enquiries on 08457 48 49 50 (24 hours) or [www.nationalrail.co.uk](http://www.nationalrail.co.uk).



### Holiday Inn Hotel

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Buckinghamshire  
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