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If you have sold or transferred all of your ordinary shares in the Company, please pass this document and the Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# **TRANSENSE TECHNOLOGIES PLC**

## **Notice of Annual General Meeting**

### **Proposed Capital Reduction**

### **Proposed amendments to Articles of Association**

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Notice convening the Annual General Meeting of the Company to be held at 1 Landscape Close, Weston on the Green, Oxfordshire OX25 3SX on 17 December 2020 at 10.00 a.m., is set out on pages 8 to 10 of this document. A Form of Proxy accompanies this document. **To be valid, the Form of Proxy must be completed and returned so as to be received at the offices of the Company's registrars, Neville Registrars, Neville House, Steelpark Road, Halesowen B62 8HD not later than 10.00 a.m. on 15 December 2020.** While, normally, the completion and depositing of a Form of Proxy would not preclude you from attending and voting in person at the Annual General Meeting should you wish to do so, this year it will not be possible to attend the AGM which due to the government restrictions relating to the COVID-19 pandemic will be held behind closed doors, with no external parties being admitted.

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## Expected Timetable of Principal Events

Publication date of this document	23 November 2020
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 15 December 2020
Annual General Meeting	10.00 a.m. on 17 December 2020
Court directions hearing	13 January 2021 <sup>1</sup>
Court hearing to confirm the Capital Reduction	26 January 2021 <sup>1</sup>
Registration of Court Order and effective date of the Capital Reduction	27 January 2021 <sup>2</sup>

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

**Notes:**

1. This date is subject to any changes which may be imposed by the Court.
2. This date will depend on, amongst other things, the date on which the Court confirms the Capital Reduction.

## Definitions

<b>“Act”</b>	the Companies Act 2006
<b>“AGM” or “Annual General Meeting”</b>	the annual general meeting of the Company convened for 10.00 a.m. on 17 December 2020, notice of which is set out in the Appendix to this document
<b>“AIM”</b>	the market of that name, operated by the London Stock Exchange
<b>“AIM Rules”</b>	The AIM Rules for Companies published by the London Stock Exchange , as amended from time to time
<b>“Capital Reduction”</b>	the proposed Capital Reduction of capital involving the cancellation of the Deferred Shares and the cancellation of the share premium account of the Company
<b>“Company”</b>	Transense Technologies plc
<b>“Court”</b>	the High Court of Justice of England and Wales
<b>“Court Order”</b>	the order to be sought by the Company from the Court confirming the Capital Reduction
<b>“CREST”</b>	the system for paperless settlement of trades and the holding of uncertificated shares administered through Euroclear UK & Ireland Limited
<b>“Deferred Shares”</b>	the 9,548,948 deferred shares of 40 pence each in the capital of the Company in issue at the date of this document
<b>“Directors” or “the Board”</b>	the directors of the Company as set out on page 4 of this document
<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use in connection with the AGM
<b>“Group”</b>	the Company and its subsidiary undertakings
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Ordinary Share”</b>	ordinary shares of 10p each in the issued share capital of the Company
<b>“Notice”</b>	the formal notice of the AGM which is set out in the Appendix to this document
<b>“Resolutions”</b>	the resolutions set out in the notice of the AGM in the Appendix to this document
<b>“Shareholders”</b>	person(s) who is/are registered as holder(s) of ordinary shares of the Company from time to time

**PART I**  
**Letter from the Chairman**

**TRANSENSE TECHNOLOGIES PLC**

*(Incorporated in England and Wales with registered number 01885075)*

*Directors*

Nigel Rogers (Executive Chairman)  
Melvyn Segal (Chief Finance Officer)  
Rodney Westhead (Non-Executive Director)

*Registered Office*

1 Landscape Close Melvyn  
Weston-On-The-Green  
Bicester  
Oxfordshire  
OX25 3SX

23 November 2020

*To Shareholders*

Dear Shareholder,

**AGM, Proposed Capital Reduction and  
Proposed amendments to Articles of Association**

**1. Introduction**

I am pleased to be writing to you with details of the 2020 AGM of the Company, which will be held at the Company's offices at 1 Landscape Close, Weston on the Green, Oxfordshire OX25 3SX on 17 December 2020 at 10.00 a.m.. The formal notice of AGM is set out in the Appendix to this document.

**At the time of publication of this document, compulsory government measures are in place restricting public gatherings as a result of the COVID-19 pandemic. In the light of these measures and with the safety and wellbeing of the Company's shareholders and employees in mind, we are planning for the AGM this year to be run as a closed meeting. Shareholders must not attend the AGM in person and anyone seeking to attend in person will be refused entry. The Company will make arrangements for a quorum to be present to transact the formal business of the meeting as set out in the Notice.**

I would like to explain to you the ordinary and special business to be transacted and the Resolutions to be proposed at the Annual General Meeting which are set out in full in the Notice:

- section 2 explains our proposals in relation to the Capital Reduction; and
- section 3 explains the other business to be proposed at the AGM (as well as summarising all the Resolutions contained in the Notice).

Section 4 of this letter sets out the action Shareholders are asked to take, and section 5 contains the unanimous recommendation of the Directors to vote in favour of the Resolutions.

**Shareholder questions:** Normally, the Company's AGM is an opportunity for our shareholders to ask questions of our Board. This year, we ask that any questions you may have relating to the business of the AGM be sent to us in advance at [investor.relations@transense.co.uk](mailto:investor.relations@transense.co.uk). Where questions are received by 10.00 a.m. on 15 December 2020, direct responses will be provided in advance of the AGM. If they are received after this time, direct responses will be provided subsequently.

**2. The Capital Reduction**

As at 30 June 2020, the Company had an accumulated deficit on its profit and loss account of £5,900,000. Whilst the balance on the Company's profit and loss account remains in deficit, the Company will be unable to pay or declare a dividend or carry out any share buy backs due to prohibitions under the Act.

Under the Act, a public company may reduce its capital and share premium account if so authorised by its articles of association, providing it obtains the approval of its shareholders by special resolution in general meeting and that the Court confirms the Capital Reduction. The reserve arising on such a Capital Reduction may be utilised in eliminating the accumulated deficit on the Company's profit and loss account and, subject to any creditor protection required by the Companies Court, in creating distributable reserves available for the payment of dividends, the purchase by the Company of its own shares and for other corporate purposes of the Company.

Accordingly, and in order to allow the Company in the future to pay dividends and purchase its own shares, the Company proposes, subject to approval by Shareholders, to apply to the Court to confirm the cancellation of (i) all of the Deferred Shares and (ii) the amount standing to the credit of the Company's share premium account as at 30 June 2020, being £2,591,000, and to offset the reserves arising from both (i) and (ii) against the deficit on the profit and loss account. The combined effect will be that the deficit on the profit and loss account of £5,900,000 as at 30 June 2020 will be reduced to a surplus of £511,000 as 30 June 2020.

Accordingly, subject to Shareholder approval, an application will be made to the Court in order to confirm and approve the Capital Reduction. It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on 13 January 2021, with the final hearing taking place on 26 January 2021. The Capital Reduction would then take effect once the Court order has been registered with Companies House, which it is expected would take place within a few days of the Court order being made (the "**Effective Date**").

In considering whether to confirm the Capital Reduction, the Court takes account of the interests of the Company's creditors at the time of the Capital Reduction (including contingent and prospective creditors). The Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced as a result of the Capital Reduction. If required to do so, the Company will put in place such form of creditor protection as the Court considers is appropriate. The Company currently understands that it is likely that no creditor will be able to show that there is any real likelihood that the Capital Reduction would result in the Company being unable to discharge that creditor's debt or claim when it fell due, which is the relevant test under the Act. If the Court is satisfied that this is the case, then the reserve arising on the Capital Reduction (following elimination of the accumulated deficit on the Company's profit and loss account) will be immediately distributable, subject to relevant accounts being prepared in accordance with the Act's rules on making distributions. It is, however, for the Court, ultimately, to determine the question of whether any protection is required for creditors, and if so, what form it should take.

### ***The Deferred Shares***

The Deferred Shares were created in June 2018 in connection with a share split to reduce the nominal value of the Company's ordinary shares. Shareholders should note that the Deferred Shares have no voting rights and carry no entitlement to receive notice of or attend general meetings of the Company. They carry only the right to participate in any return of capital to the extent of their nominal capital but only after each existing Ordinary Share has received, in aggregate, capital repayments totaling £10,000,000 per existing Ordinary Share. Accordingly, the Deferred Shares are, for all practical purposes, valueless.

The notice of the AGM set out in the Appendix to this document contains a Resolution (Resolution 9) to approve the proposed Capital Reduction.

### **3. Annual General Meeting: explanation of all other business and summary of the Resolutions proposed**

The notice convening the AGM is set out in the Appendix to this document. The Resolutions are required in order to enable the Company to implement the Capital Reduction and the other ordinary and special business that the Company proposes to transact at the AGM.

Resolutions 1 to 7 will be proposed as Ordinary Resolutions. This means that for these Resolutions to be passed, more than one-half of the votes cast must be in favour of the Resolution.

Resolutions 8 to 11 will be 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.

### **Resolution 1 – To receive and adopt the Annual Report and Accounts**

It is proposed to receive and adopt the Company's annual accounts for the financial year ended 30 June 2020 together with the Directors' report and independent auditor's report on those accounts.

### **Resolution 2 – To receive and adopt the Remuneration Report**

It is proposed to receive and adopt the Company's remuneration report that is contained in the report of the Directors for the year ended 30 June 2020. The report gives details of the directors' remuneration for the year ended 30 June 2020 and sets out the Company's overall policy on directors' remuneration. In accordance with section 439 of the Act, this is an advisory vote only and does not affect the actual remuneration paid to any individual director.

### **Resolution 3 – Appointment of Auditors**

This Resolution relates to the appointment of Cooper Parry Group Limited as the Company's auditors to hold office until the next annual general meeting of the Company and to authorise the Directors to set their remuneration.

### **Resolutions 4 to 6 – Reappointment of Directors**

These Resolutions deal with the reappointment of Nigel Rogers, Melvyn Segal and Rodney Westhead as Directors. As a matter of good corporate governance, the Board takes the view that although not required by the Quoted Companies Alliance Corporate Governance Code, all Directors should retire and, being eligible, offer themselves for re-election as a director of the Company.

### **Resolution 7 – Allotment of Share Capital**

This Resolution deals with the Directors' authority to allot new ordinary shares in the capital of the Company in accordance with section 551 of the Act.

The Board considers it appropriate that the Directors be granted authority to allot shares in the capital of the Company up to a maximum nominal amount of £543,576 representing approximately one third of the Company's issued ordinary share capital as at 20 November 2020 (the latest practicable date prior to publication of this document). The power will last until the earlier of 17 March 2022 and the conclusion of the next annual general meeting of the Company.

### **Resolution 8 – Disapplication of Statutory Pre-emption Rights**

This Resolution will give the Directors authority to allot shares in the capital of the Company pursuant to the authority granted under Resolution 7 above for cash without complying with the pre-emption rights in the Act. This authority will permit the Directors to allot shares up to a maximum nominal value of £163,073 representing 10% of the issued ordinary share capital of the Company as at 20 November 2020 (the latest practicable date prior to publication of this document) otherwise than in connection with a pre-emptive offer to existing Shareholders.

### **Resolution 9 – Capital Reduction**

As described in more detail in section 2 above, this Resolution will approve the Capital Reduction.

### **Resolution 10 – Amendment to the Articles of Association**

This resolution seeks approval for the Company to adopt new articles of association. The new articles will give the Directors greater flexibility around the mechanics of convening and running general meetings, in case this is needed in the future. In particular, whilst the Company considers it is best to communicate with shareholders using physical meetings, wherever possible, the recent outbreak of the Covid-pandemic has highlighted the need for greater flexibility. The new articles allow for a meeting to take place in more than one physical location and for participation via an electronic platform.

A copy of the proposed new articles incorporating these changes is available for inspection on the Company's website at [www.transense.com/aim-rule-26/](http://www.transense.com/aim-rule-26/).

## **Resolution 11 – Authority to purchase the Company’s own shares**

This resolution grants authority to the Company to make purchases of up to a maximum of 10.0% of the issued ordinary share capital of the Company as at 20 November 2020 (the latest practicable date prior to publication of this document).

In certain circumstances it may be advantageous for the Company to purchase its ordinary shares. The Directors would use the share purchase authority with discretion and in light of market conditions prevailing at the time. In reaching a decision to purchase ordinary shares, your Directors would take account of the Company's cash resources and capital, the effect of such purchases on the Company's business and on earnings per ordinary share. The Directors have no present intention of using the authority. However, the Directors consider that it is in the best interests of the Company and its shareholders as a whole that the Company should have flexibility to buy back its own shares should the directors in the future consider that it is appropriate to do so. In relation to any buy back, the maximum price per ordinary share at which the Company is authorised in terms of resolution 9 to effect that buy back is 5% above the average middle market price of an ordinary share for the five business days immediately preceding the date on which the buy back is effected. The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

### **4. Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the AGM. As this AGM will be held behind closed doors, all Resolutions will be put to a poll. Your vote is still important and you are asked to complete the Form of Proxy in accordance with the instructions printed on it and to return it to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 15 December 2020. **This year, as the government restrictions relating to the COVID-19 pandemic mean that a closed AGM will be held, with no external parties being admitted, it will only be possible to vote by completing a Form of Proxy or CREST proxy instruction in advance of the meeting. Shareholders are strongly advised to appoint the Chair of the meeting as your proxy to ensure that your vote is counted.**

Shareholders who hold their shares in the Company through CREST are referred to the Notes to the Notice of Annual General Meeting.

### **5. Recommendation**

The Board considers that the Capital Reduction and the other business that it proposes to transact at the AGM are in the best interests of the Company as a whole. Accordingly, the Board recommends that you vote in favour of the Resolutions as they have agreed to do in respect of their own shareholdings representing 1.35% of the issued share capital of the Company.

Yours faithfully

**Nigel Rogers**  
(Chairman)



# Appendix

## TRANSENSE TECHNOLOGIES PLC

### Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at the Company's offices at 1 Landscape Close, Weston on the Green, Oxfordshire OX25 3SX on 17 December 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, 1 to 7 being Ordinary Resolutions and 8 to 11 being Special Resolutions:

#### Ordinary Resolutions

- (1) To receive and adopt the report of the directors of the Company (the "**Directors**") and the financial statements of the Company for the year ended 30 June 2020.
- (2) To receive and adopt the remuneration report contained within the report of the Directors for the year ended 30 June 2020.
- (3) To appoint Cooper Parry Group Limited as auditor and to authorise the Directors to fix their remuneration.
- (4) To re-elect Nigel Rogers as a Director.
- (5) To re-elect Melvyn Segal as a Director.
- (6) To re-elect Rodney Westhead as a Director.
- (7) That the Directors be and they are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) pursuant to and accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot new ordinary shares or grant rights to subscribe for or to convert any securities into new ordinary shares ("**Rights**") up to an aggregate nominal amount of £543,576 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution (whichever is earlier) except that the Directors may, before the expiry of such period, make an offer or agreement which would or might require new ordinary shares to be allotted or Rights to be granted after the expiry of such period, and the Directors may allot new ordinary shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

#### Special Resolutions

- (8) That subject to, and conditional on, the passing of Resolution 7 above, the Directors be and they are hereby empowered (in substitution for all subsisting authorities to the extent unused) in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred upon them by Resolution 7 for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (i) in connection with an offer of such securities by way of a Rights Issue; and
  - (ii) otherwise than pursuant to subparagraph (i) above, up to an aggregate nominal amount of £163,073.

In this Resolution 8, "**Rights Issue**" means an offer of equity securities open for acceptance for a period fixed by the Directors to shareholders on the register of the Company on a fixed record date in proportion as nearly as may be to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or legal or practical difficulties under the laws of, of the requirements of any recognised regulatory body or stock exchange, in any territory.

- (9) Subject to and conditional upon the approval of the Court:

- (i) the 9,548,948 deferred shares of £0.40 each in the capital of the Company be cancelled; and
  - (ii) the amount standing to the credit of the share premium account of the Company as at 30 June 2020 be cancelled.
- (10) That the new articles of association produced to the meeting be adopted in substitution for, and to the exclusion of the entirety of, the existing articles of association of the Company.
- (11) That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of that Act) of ordinary shares of 10 pence each in the Company on such terms and in such manner as the directors shall determine, provided that:
- (i) the maximum number of ordinary shares hereby authorised to be purchased is 1,630,728;
  - (ii) the minimum price (exclusive of any expenses) which may be paid for each ordinary share is 10 pence;
  - (iii) the maximum price (exclusive of any expenses) which may be paid for each ordinary share shall be not more than 5% above the average of the middle market quotations for an ordinary share on the relevant investment exchange on which the ordinary shares are traded for the five business days immediately preceding the date on which such ordinary share is contracted to be purchased;
  - (iv) unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution (whichever is earlier); and
  - (v) the Company may make a contract or contracts for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract or contracts, as if such authority had not expired.

By order of the Board

Melvyn Segal  
Company Secretary

23 November 2020

Registered Office: 1 Landscape Close, Weston-on-the-Green, Bicester OX25 3SX

## Notes to the Notice of Annual General Meeting

- A member entitled to attend and vote at the above meeting convened by the above notice shall be entitled to appoint a proxy (or proxies) to attend, speak and vote in his place. A form of proxy has been sent to all shareholders. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrars (details below). Such proxy need not be a member of the Company. **This year, as the government restrictions relating to the COVID-19 pandemic mean that a closed AGM will be held, with no external parties being admitted, you are strongly advised to appoint the Chair of the meeting as your proxy to ensure that your vote is counted.**
- To be valid, the form of proxy (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) must be completed in accordance with the instructions set out on the form and deposited at or posted to the offices of the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received no later than 10.00 a.m. on 15 December 2020. If you hold your shares in uncertificated form, you may use the CREST electronic proxy appointment service as described below.
- **While, normally, the completion and depositing of a Form of Proxy would not preclude you from attending and voting in person at the Annual General Meeting should you wish to do so, this year it will not be possible to attend the AGM which due to the government restrictions relating to the COVID-19 pandemic will be held behind closed doors. Accordingly, it will only be possible to vote by completing a Form of Proxy or CREST Proxy Instruction (see below) in advance of the meeting.**
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
- As provided in Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company at 10.00 a.m. on 15 December 2020 (or in the case of an adjournment 48 hours before the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 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.
- 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. 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 7RA11) by no later than 10.00 a.m. on 15 December 2020. 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 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.
- 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.
- 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.