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If you have sold or transferred all of your ordinary shares in Carclo plc, please send this document and any other documents that accompany it as soon as possible 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. If you have sold or otherwise transferred only part of your holding, you should retain this document and its enclosures.

CARCLO PLC

(incorporated in England and Wales under company number 196249)

NOTICE OF THE 2018 ANNUAL GENERAL MEETING

Notice of the 2018 Annual General Meeting of Carclo plc, to be held at Addleshaw Goddard, 3 Sovereign Square, Leeds, LS1 4ER on Thursday 19 July 2018 at 11am, is set out on pages 4 to 7 of this document. Your attention is drawn to the letter from the Chairman on page 3 of this document.

Whether or not you propose to attend the meeting, please complete and submit a proxy appointment in accordance with the Notes to the Notice of the Annual General Meeting set out on pages 6 and 7. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by no later than 11am on Tuesday 17 July 2018.

LETTER FROM THE CHAIRMAN

To the holders of ordinary shares in Carclo plc (**the Company**)

21 June 2018

Dear Shareholder

2018 Annual Report and 2018 Annual General Meeting

I am pleased to inform you that the Company's 2018 annual report and accounts and the notice of the 2018 annual general meeting have now been published. A printed copy of the report and accounts is enclosed.

This year's annual general meeting will be held at Addleshaw Goddard, 3 Sovereign Square, Leeds, LS1 4ER on Thursday 19 July 2018 at 11am (the AGM). The formal notice of AGM is set out on pages 4 to 7 of this document and contains the proposed resolutions. Explanatory notes to the business to be considered are set out at the Appendix to this document on page 8.

Action to be taken

Whether or not you propose to attend the AGM, please complete and return the enclosed form of proxy so as to be received by the Company's Registrar, Equiniti, by no later than 11am on Tuesday 17 July 2018. If you are a member of CREST, you may submit a proxy appointment electronically through the CREST voting service. Further details are set out in the notes to the notice of AGM. The appointment of a proxy will not stop you from attending the AGM and voting in person should you so wish.

Recommendation

The Company's board of directors considers that each of the resolutions set out in the notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommends shareholders to vote in favour of them as the directors intend to do in respect of their own beneficial shareholdings (save in respect of those resolutions in which they are interested).

I look forward to seeing as many of you as possible at the AGM.

Yours faithfully

Michael Derbyshire
Chairman

NOTICE OF MEETING

Carclo PLC Notice of annual general meeting

Notice is given that the next Annual General Meeting of the Company will be held at Addleshaw Goddard, 3 Sovereign Square, Leeds, LS1 4ER on Thursday 19 July 2018 at 11am to transact the business set out below. Resolutions 1 to 10 below will be proposed as ordinary resolutions and resolutions 11 to 14 will be proposed as special resolutions.

- 1 To receive the audited accounts and the auditors' and directors' reports for the year ended 31 March 2018.
- 2 To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the year ended 31 March 2018.
- 3 To elect Mark Rollins as a director.
- 4 To elect Sarah Matthews-DeMers as a director.
- 5 To re-elect Chris Malley as a director.
- 6 To re-elect Peter Slabbert as a director..
- 7 To re-elect David Toohey as a director.
- 8 To re-appoint KPMG LLP as auditors.
- 9 To authorise the audit committee of the board of directors to determine the auditors' remuneration.
- 10 That the directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 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 such shares (**Allotment Rights**), but so that:
 - (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £1,221,449;
 - (b) this authority shall expire at the close of business on 30 September 2019 or, if earlier, on the conclusion of the Company's next annual general meeting;
 - (c) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and the directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired; and
 - (d) all authorities vested in the directors on the date of the notice of this meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this meeting are revoked.
- 11 That, subject to the passing of resolution 10 in the notice of this meeting, the directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 10 in the notice of this meeting or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is limited to:
 - (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's listing rules) or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
 - (b) the allotment of equity securities (other than pursuant to paragraph 11(a) above) with an aggregate nominal value of £183,217,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 10 in the notice of this meeting, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

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12 That, subject to the passing of resolution 10 in the notice of this meeting and in addition to the power contained in resolution 11 set out in the notice of this meeting, the directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 10 in the notice of this meeting or by way of sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is:

- (a) limited to the allotment of equity securities up to an aggregate nominal value of £183,217; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of 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 the notice of this meeting,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 10 in the notice of this meeting, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

13 That the Company is generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693 of that Act) of ordinary shares of 5p each in its capital, provided that:

- (a) the maximum aggregate number of such shares that may be acquired under this authority is 7,328,692;
- (b) the minimum price (exclusive of expenses) which may be paid for such a share is its nominal value;
- (c) the maximum price (exclusive of expenses) which may be paid for such a share is the maximum price permitted under the Financial Conduct Authority's listing rules or, in the case of a tender offer (as referred to in those rules), five per cent above the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange's Daily Official List) for the five business days immediately preceding the date on which the terms of the tender offer are announced;
- (d) this authority shall expire at the close of business on 30 September 2019 or, if earlier, on the conclusion of the Company's next annual general meeting; and

before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry and the Company may purchase shares pursuant to any such contract as if the authority had not expired.

14 That any general meeting of the Company that is not an annual general meeting may be called by not less than 14 clear days' notice.

Registered office:
Springstone House
PO Box 88
27 Dewsbury Road
Ossett, West Yorkshire
WF5 9WS

By order of the Board
Richard Ottaway
Company Secretary
21 June 2018

NOTICE OF MEETING

Notes

- 1 **A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.**
- 2 The right of a member of the Company to vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by the close of business on Tuesday 17 July 2018 in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
- 3 A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. Forms for the appointment of a proxy that can be used for this purpose have been provided to members with this notice of meeting. To be valid, a proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by 11am on Tuesday 17 July 2018. Members who hold their shares in uncertificated form may use “the CREST voting service” to appoint a proxy electronically, as explained below. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should he so wish.
- 4 Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (**nominated person**) may have a right under an agreement between him and that member 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 may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
- 5 As at 21 June 2018 (the latest practicable date prior to the printing of this document) (i) the Company’s issued share capital consisted of 73,286,918 ordinary shares, carrying one vote each, and (ii) the total voting rights in the Company were 73,286,918.
- 6 Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at www.carclo-plc.com. A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
- 7 It is possible that, pursuant to members’ requests made in accordance with section 527 of the Companies Act 2006, the Company will be required to publish on a website a statement in accordance with section 528 of that Act setting out any matter that the members concerned propose to raise at the meeting relating to the audit of the Company’s latest audited accounts. The Company cannot require the members concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditors by the time it makes the statement available on the website. The business which may be dealt with at the meeting includes any such statement.
- 8 CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in “the CREST voting service” section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, 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 a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (**CREST proxy appointment instruction**) must be properly authenticated in accordance with the specifications of CREST’s operator, Euroclear UK & Ireland Limited (**Euroclear**), and must contain all the relevant information required by the CREST Manual. To be valid, 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 be transmitted so as to be received by Equiniti (ID RA19), as the Company’s “issuer’s agent”, by 11am on Tuesday 17 July 2018. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message’s receipt will be

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taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

APPENDIX 1

Appendix 1 - Explanatory notes to the business of the AGM

Resolution 1 – Receipt of the audited accounts and reports

The Companies Act 2006 requires the directors of a public company to lay before the company in general meeting copies of the directors' reports, the independent auditors' report and the audited financial statements of the company in respect of each financial year. In accordance with the UK Corporate Governance Code (**the Code**), the Company proposes, as an ordinary resolution, a resolution on its audited accounts and reports for the financial year ended 31 March 2018 (**the 2018 Annual Report**).

Resolution 2 – Approval of the directors' remuneration report

In accordance with the Companies Act 2006, shareholders are invited to approve the directors' remuneration report for the financial year ended 31 March 2018.

The directors' remuneration report is set out on pages 42 to 59 of the 2018 Annual Report. For the purposes of this resolution, the directors' remuneration report does not include the directors' remuneration policy which is set out on pages 44 to 46 of the 2018 Annual Report. The vote on this resolution is advisory only and the directors' entitlement to remuneration is not conditional on its being passed.

The Companies Act 2006 requires the directors' remuneration policy to be put to shareholders for approval annually unless the approved policy remains unchanged, in which case it need only be put to shareholders for approval at least every three years. The Company is not proposing any changes to the directors' remuneration policy approved at the annual general meeting in 2017.

Resolution 3 to 7 – Election and re-election of directors

Resolutions 3 to 7 are to be proposed as ordinary resolutions and relate to the election and re-election of the Company's directors. The Company's articles of association require a director who has been appointed by the board of directors during the year to retire at the annual general meeting next following his or her appointment. Mark Rollins was appointed as a non-executive director on 1 January 2018 and Sarah Matthews-DeMers was appointed as Group Finance Director with effect from 18 July 2018. Consequently, both will retire from office at the AGM and both intend to stand for election by the shareholders for the first time.

The Company's articles of association also require one-third of the remaining directors to retire from office at each annual general meeting. A director who retires at an annual general meeting may be re-elected by the shareholders. Notwithstanding the provisions of the Company's articles of association, the board of directors has determined that all of the remaining directors shall retire from office at the AGM in line with best practice recommendations of the Code for FTSE 350 companies and each of them intends to stand for re-election by the shareholders, with the exception of Michael Derbyshire who, as previously announced, is retiring from the board at the conclusion of the AGM.

The Chairman confirms that, following formal performance evaluation, each of the directors standing for re-election continues to be an effective member of the board, to make a positive contribution and to demonstrate commitment to his role. The board believes that the considerable and wide-ranging experience of the directors will continue to be invaluable to the Company.

Further information relating to each of the directors is set out on page 34 of the 2018 Annual Report.

Resolutions 8 and 9 – Re-appointment and remuneration of the auditors

The Company is required to appoint or re-appoint auditors at each annual general meeting at which its audited accounts and reports are presented to shareholders. The Audit Committee has recommended to the board, and the board now proposes to shareholders at Resolution 8, the re-appointment of KPMG LLP as auditors (to hold office until the next such meeting). The Audit Committee has confirmed to the board that its recommendation is free from third party influence and that no restrictive contractual provisions have been imposed on the Company limiting the choice of auditors. Resolution 9 authorises the Audit Committee to determine the auditors' remuneration.

APPENDIX 1

Resolution 10 – Authority to allot shares

The directors currently have a general authority to allot new shares in the Company and to grant rights to subscribe for, or convert any securities into, shares. This authority is, however, due to expire at the AGM and the board would like to renew it to provide the directors with flexibility to allot new shares and grant rights up until the Company's next annual general meeting within the limits prescribed by The Investment Association.

If passed, this resolution will authorise the directors to allot (or grant rights over) new shares in the Company in any circumstances up to a maximum aggregate nominal amount of £1,221,449]. This amount represents approximately 33 per cent. of the Company's issued ordinary share capital as at 21 June 2018 (being the latest practicable date prior to publication of this document). The Company did not hold any shares in treasury as at that date.

The directors do not have any present intention to exercise this authority, however the board considers it prudent to maintain the flexibility that it provides to enable the directors to respond to any appropriate opportunities that may arise. If passed, this authority will expire at the close of business on 30 September 2019 or, if earlier, at the conclusion of the Company's next annual general meeting.

Resolution 11 and 12 – Disapplication of pre-emption rights

Resolutions 11 and 12 are special resolutions which, if passed by shareholders, will enable the board to allot ordinary shares, or to sell any shares out of treasury, for cash, without first offering those shares to existing shareholders in proportion to their existing holdings.

The proposed resolutions essentially replicate the powers which were granted at last year's annual general meeting (and which will expire at the AGM). Such powers reflect the Statement of Principles published by The Pre-Emption Group in March 2015, which provides that a company may seek power to issue, on a non-pre-emptive basis for cash, shares in any one year representing: (i) no more than five per cent. of the company's issued ordinary share capital; and (ii) no more than an additional five per cent. of the company's issued ordinary share capital provided that such additional power is only used in connection with an acquisition or specified capital investment.

Resolution 11 is proposed as a special resolution. If this resolution is passed by shareholders, it will permit the board to allot ordinary shares for cash on a non-pre-emptive basis both in connection with a rights issue or similar pre-emptive issue and, otherwise than in connection with any such issue, up to a maximum nominal amount of £183,217. This amount represents approximately five per cent. of the Company's issued ordinary share capital as at 21 June 2018 (being the latest practicable date prior to publication of this document). This resolution will permit the board to allot ordinary shares for cash, up to the specified level, in any circumstances (whether or not in connection with an acquisition or specified capital investment).

Resolution 12 is proposed as a separate special resolution in line with best practice. If this resolution is passed by shareholders, it will afford the board an additional power to allot ordinary shares for cash on a non-pre-emptive basis up to a further maximum nominal amount of £183,217. This amount represents approximately five per cent. of the Company's issued ordinary share capital as at 21 June 2018. The board shall use the power conferred by Resolution 12 only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

The board also confirms its intention to follow the provisions of the 2015 Statement of Principles regarding cumulative usage of authorities within a rolling three year period. Those provisions provide that a company should not issue shares for cash representing more than 7.5 per cent of the company's issued share capital in any rolling three year period, other than to existing shareholders, without prior consultation with shareholders. This limit excludes any ordinary shares issued pursuant to a general disapplication of pre-emption rights in connection with an acquisition or specified capital investment.

APPENDIX 1

Resolutions 13 – Purchase of own shares

This special resolution, if passed, will authorise the Company to make market purchases of its own ordinary shares up until at close of business on 30 September 2019 or, if earlier, the Company's next annual general meeting, subject to specific conditions relating to price and volume.

The maximum number of ordinary shares which may be purchased under this authority is 7,328,692, representing approximately ten per cent. of the Company's issued ordinary share capital as at 21 June 2018 (being the latest date prior to publication of this document).

The minimum price which could be paid for a share would be its nominal value and the maximum price would be that permitted by the Financial Conduct Authority's Listing Rules or, in case of a tender offer, five per cent. above the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the terms of the tender offer are announced. In each case, the minimum and maximum prices exclude expenses.

The directors have no present intention of exercising this authority, but wish to have the flexibility to do so in the future. Shares would only be purchased if the directors believed that to do so would result in an improvement in earnings per share and would be in the best interests of shareholders generally. Any purchases would be made through the London Stock Exchange and purchased shares would be cancelled (in which case the number of shares in issue would thereby be reduced) or, alternatively, held in treasury, depending on which course of action is considered by the directors to be in the best interests of the shareholders at that time.

As at 21 June 2018, there were options or rights outstanding to subscribe for 2,000 new ordinary shares in the Company. This represents 0.003 per cent. of the Company's issued ordinary share capital at that date and would represent 0.003 per cent. of the Company's issued ordinary share capital if the authority had been exercised in full at that date.

Resolution 14 – Notice of general meetings

Resolution 14 is a special resolution to allow the Company to call general meetings (other than annual general meetings) on not less than 14 clear days' notice.

The Company currently has the power to call a general meeting (other than an annual general meeting) on at least 14 days' notice and would like to preserve this ability. In order to do so, shareholders must first approve the calling of meetings on at least 14 days' notice. This resolution seeks such approval. The approval will be effective until the Company's next annual general meeting. The shorter notice period would not be used as a matter of routine for such meetings, but only where it is merited by the business of the meeting and is considered to be in the interests of shareholders as a whole.

The Company notes the notice period provision in the Code which recommends at least 14 working days' notice be given for all general meetings (other than annual general meetings). Insofar as it is appropriate to do so, the Company intends to comply with this Code provision in the same way that it currently complies with the 20 working days' notice provision applicable to annual general meetings.
