

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your shares in Croma Security Solutions Group plc, you should pass this document, the accompanying proxy form and the annual report and accounts of Croma Security Solutions Group plc for the financial year ended 30 June 2014 without delay to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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# **CROMA SECURITY SOLUTIONS GROUP PLC**

*(Incorporated in England and Wales, registered number 03184978)*

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the annual general meeting of Croma Security Solutions Group plc (the “**Company**”) to be held at Unit 6, Fulcrum 4, Solent Way, Whiteley, Fareham, Hampshire, United Kingdom, PO15 7FT at 12 noon on 3 December 2014 (the “**AGM**”) is set out on pages 2 and 3 of this document. Whether or not you propose to attend the AGM, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be completed and signed and returned to the Company’s registrars, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so that it is received no later than 12 noon on 1 December 2014.

# CROMA SECURITY SOLUTIONS GROUP PLC

(Incorporated in England and Wales, registered number 03184978)

*Directors:*

Sebastian Jake Finch Morley (*Executive Chairman*)  
Roberto Michele Fiorentino (*Chief Executive*)  
Alexander Tetley (*Finance Director*)  
Andrew Nicholas Hewson (*Non-Executive Director*)  
Charles Neil McMicking (*Non-Executive Director*)  
Lord James William Eustace Percy (*Non-Executive Director*)

*Registered office:*

Unit 6 Fulcrum 4  
Solent Way  
Whiteley  
Fareham  
Hampshire  
PO15 7FT

4 November 2014

*To holders of ordinary shares (“**Ordinary Shares**”) in the capital of Croma Security Solutions Group plc (the “**Company**”)*

Dear Shareholder,

## **Annual General Meeting**

I am pleased to invite you to the annual general meeting of the Company, which will be held at Unit 6, Fulcrum 4, Solent Way, Whiteley, Fareham, Hampshire, United Kingdom, PO15 7FT at 12 noon on 3 December 2014 (the “**AGM**”). A copy of the annual report and accounts of the Company for the year ended 30 June 2014 is enclosed with this letter and can be found on the company’s website at [www.cssgroupplc.com/investorrelations](http://www.cssgroupplc.com/investorrelations).

The business to be conducted at the AGM is set out in the notice of annual general meeting on pages 2 and 3 of this document. You will be asked to consider and vote on the resolutions set out in the notice. An explanation of these resolutions is given in the explanatory notes to the notice of annual general meeting on pages 4 to 7 of this document.

If you would like to vote on any of the resolutions but are unable to attend the AGM, please complete, sign and return (in accordance with the instructions printed on it) the proxy form enclosed with this document. To be valid, completed and signed proxy forms must be received by the Company’s registrars by no later than 12 noon on 1 December 2014. The completion and return of the proxy form will not affect your right to attend and vote in person at the AGM if you wish.

The board considers that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the board unanimously recommends that you vote in favour of all of the proposed resolutions, as they intend to do in respect of their own beneficial shareholdings.

Yours sincerely

**Sebastian Jake Finch Morley**  
*Chairman*

# CROMA SECURITY SOLUTIONS GROUP PLC

*(Incorporated in England and Wales, registered number 03184978)*

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Croma Security Solutions Group plc (the “**Company**”) will be held at Unit 6, Fulcrum 4, Solent Way, Whiteley, Fareham, Hampshire, United Kingdom, PO15 7FT at 12 noon on 3 December 2014 (the “**AGM**”) for the following purposes:

**To consider and, if thought fit, pass the following as ordinary resolutions:**

1. To receive the Company’s accounts for the financial year ended 30 June 2014 and the directors’ report and the auditor’s report on those accounts.
2. To re-appoint Grant Thornton UK LLP as auditor of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts are laid before the Company.
3. To authorise the directors to determine the auditor’s remuneration.
4. To re-elect Charles Neil McMicking, who retires at the annual general meeting by rotation, as a director of the Company.
5. To re-elect Alexander Tetley, who retires at the annual general meeting, as a director of the Company.
6. That:
  - (A) the directors be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £247,769;
  - (B) in addition to the authority contained in paragraph A, the directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (the “**Act**”)) up to a maximum nominal amount of £247,769 in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
  - (C) the authorities given by this resolution:
    - (1) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
    - (2) unless renewed, revoked or varied in accordance with the Act, shall expire on 31 December 2015 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2015 save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and
  - (D) for the purpose of this resolution, “**Pre-Emptive Offer**” means an offer of equity securities to:
    - (1) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
    - (2) other persons entitled to participate in such offer by virtue of the rights attaching to any other equity securities held by them,
    - (3) in each case, subject to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or

practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

**To consider and, if thought fit, pass the following as a special resolution:**

7. That:

- (A) subject to the passing of resolution 6 set out in the notice of annual general meeting dated 4 November 2014 (the “**Allotment Authority**”), the directors be given power pursuant to section 570 of the Companies Act 2006 (the “**Act**”) to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities:
  - (1) in the case of paragraph (A) of the Allotment Authority:
    - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
    - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £111,496;
  - (2) in the case of paragraph (B) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and
- (B) the power given by this resolution:
  - (1) shall be in substitution for all pre-existing powers under section 570 of the Act; and
  - (2) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry.

4 November 2014

By Order of The Board

*Registered Office:*

Unit 6 Fulcrum 4  
Solent Way  
Whiteley  
Fareham  
Hampshire  
PO15 7FT

Alexander Tetley  
*Company Secretary*

# EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

## General

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 6 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. Resolution 7 is proposed as a special resolution. This means that for this resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Resolution 1 – Annual report and accounts

The directors must lay the Company's accounts, the directors' report and the auditor's report before the shareholders in a general meeting. A copy of those accounts and reports are enclosed with this document and are also available on the Company's website at <http://investors.cromagroup.co.uk/>.

## Resolutions 2 and 3 – Re-appointment and remuneration of the auditor

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the shareholders, to hold office until the end of the next such meeting. Resolution 2 proposes the re-appointment of Grant Thornton UK LLP as the Company's auditor. Resolution 3 seeks authority for the directors to decide the auditor's remuneration.

## Resolution 4 – Re-election of directors

The Company's articles of association require that one third of the directors must retire by rotation at each annual general meeting. Under the articles of association, the chief executive for the time being of the Company is not required to retire by rotation and is not taken into account for the purposes of determining the number of directors who are subject to retirement by rotation. Accordingly, Charles Neil McMicking is required to retire this year. In addition, Alexander Tetley is required to retire this year, it being the first annual general meeting since his appointment by the directors. Being eligible, they each offer themselves for re-election.

## Resolution 5 – Renewal of authority to allot shares

The purpose of this resolution is to confer upon the directors the power to allot shares. Section 551 of the Companies Act 2006 provides that the directors may not allot new shares (other than pursuant to employee share schemes) without shareholder approval. The directors were granted authority at the last AGM to allot shares up to a maximum nominal amount of £247,769, which represented approximately one third of the Company's issued ordinary share capital at the time of notice of last year's AGM.

The resolution proposes that a similar authority be granted in substitution for the existing authority to allot securities up to a maximum amount of £247,769, representing approximately 33 per cent. of the Company's issued Ordinary Share capital as at 3 November 2014, being the latest possible date prior to publication of this notice. In addition (and as was the case at last year's annual general meeting), following guidance issued by the ABI in December 2008, the Company is seeking additional authority to allot securities in connection with a fully pre-emptive rights issue up to a maximum amount of £247,769, representing approximately 33 per cent. of the Company's issued Ordinary Share capital as at 3 November 2014, being the latest practicable date prior to publication of this document. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue of an amount equal to two-thirds of the issued Ordinary Share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The directors have no present intention of exercising this authority. The authority will expire at the conclusion of the next annual general meeting or, if earlier, on 31 December 2015, unless previously

cancelled or varied by the Company in general meeting. It is the intention of the directors to renew this authority annually at each annual general meeting.

As at 3 November 2014, the Company did not hold any shares in treasury.

#### **Resolution 6 – Disapplication of pre-emption rights**

Section 561(1) of the Companies Act 2006 provides that if the directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, the Company must first offer them to existing shareholders in proportion to their existing shareholdings. Section 561 does not apply in connection with allotments made pursuant to an employee share scheme.

The purpose of this resolution is to allow the directors to allot shares for cash as if section 561(1) of the Companies Act 2006 did not apply, in connection with rights issues, open offers and other pre-emptive offers pursuant to the authority to allot shares granted by resolution 6, and otherwise up to a total amount of £111,496, representing approximately 15 per cent. of the Company's issued Ordinary Share capital as at 3 November 2014, being the latest practicable date prior to publication of this document. As regards this latter power to allot equity securities on a non pre-emptive basis, shareholders should note that the directors were granted authority at the last AGM to allot equity securities on a non pre-emptive basis up to a maximum amount of £111,496 (which represented approximately 15 per cent. of the Company's issued ordinary share capital at the time of notice of last year's AGM). If passed, this resolution will be in substitution for that existing power.

The power conferred by this resolution will expire at the conclusion of the next annual general meeting or, if earlier, on 31 December 2015, unless previously cancelled or varied by the Company in general meeting. It is the intention of the directors to renew this power annually at each annual general meeting.

## SHAREHOLDER NOTES

### **Appointment of proxy**

Any shareholder who is entitled to attend and vote at the AGM is entitled to appoint one or more proxies (who need not be shareholders) to attend the AGM and speak and vote instead of the shareholder. If more than one proxy is appointed each proxy must be appointed to exercise rights attached to different shares. Appointment of a proxy will not preclude a shareholder from attending and voting in person at the AGM.

In order for a proxy form to be valid, it must be completed and signed and returned to the Company's registrars, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so they receive it no later than 12 noon on 1 December 2014.

A shareholder wishing to appoint multiple proxies should contact the Shareholder Helpline on 0121 585 1131 to obtain additional proxy forms. Alternatively, you may wish to photocopy your proxy form. It will be necessary for the shareholder to indicate on each separate proxy form the number of shares in relation to which each proxy is authorised to act.

### **Corporate representatives**

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

### **Record date**

To be entitled to attend and vote at the meeting (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 at 6 p.m. on 1 December 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 meeting.

### **Documents available for inspection**

Copies of the following documents may be inspected at the registered office of the Company during normal business hours Monday to Friday (public holidays excepted) up to and including the day of the AGM, and at the venue for the AGM from half an hour before the time fixed for the AGM until the end of the AGM:

- the Company's annual report and accounts for the year ended 30 June 2014; and
- copies of the executive directors' service contracts and non-executive directors' letters of appointment.

### **Shareholder helpline**

Shareholders who have general queries about the AGM or need additional proxy forms should call our Shareholder Helpline on 0121 585 1131 (no other methods of communication will be accepted).

### **Statement of capital and voting rights**

As at 3 November 2014 (being the latest practical date prior to publication of this notice) the Company's issued share capital consisted of 14,866,142 Ordinary Shares which each carry one vote. Therefore, total voting rights in the Company as at 3 November 2014 are 14,866,142.

### **Other matters**

Shareholders may not use any electronic address provided in either 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.

## CROMA SECURITY SOLUTIONS GROUP PLC

*(Registered in England and Wales, registered number 03184978)*

At the Annual General Meeting of Croma Security Solutions Group plc (the “**Company**”) duly convened and held on 3 December 2014 the following resolutions were duly passed:

### ORDINARY RESOLUTION

That:

- (A) the directors be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £247,769;
- (B) in addition to the authority contained in paragraph A, the directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (the “**Act**”)) up to a maximum nominal amount of £247,769 in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
- (C) the authorities given by this resolution:
  - (1) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
  - (2) unless renewed, revoked or varied in accordance with the Act, shall expire on 31 December 2015 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2015 save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and
- (D) for the purpose of this resolution, “**Pre-Emptive Offer**” means an offer of equity securities to:
  - (1) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
  - (2) other persons entitled to participate in such offer by virtue of the rights attaching to any other equity securities held by them,

in each case, subject to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

**SPECIAL RESOLUTION**

That:

- (A) subject to the passing of resolution 6 set out in the notice of annual general meeting dated 4 November 2014 (the “**Allotment Authority**”), the directors be given power pursuant to section 570 of the Companies Act 2006 (the “**Act**”) to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities:
  - (1) in the case of paragraph (A) of the Allotment Authority:
    - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
    - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £111,496;
  - (2) in the case of paragraph (B) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and
- (B) the power given by this resolution:
  - (1) shall be in substitution for all pre-existing powers under section 570 of the Act; and
  - (2) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry.

Signed.....

Name .....

DIRECTOR

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