

Notice of the Annual General Meeting

Notice is hereby given that the twenty-first Annual General Meeting ('AGM') of Xaar plc (the 'Company') will be held at Future Business Centre Cambridge, King's Hedges Road, Cambridge, CB4 2HY on Tuesday 22 May 2018 at 9:30am for the following purposes:

Ordinary business

To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive the Company's annual financial statements for the financial year ended 31 December 2017.
2. To reappoint Deloitte LLP as auditor to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which Financial Statements are laid.
3. To authorise the Directors to determine the remuneration of the auditors.
4. To declare a final dividend for the financial year ended 31 December 2017 of 6.8p per ordinary share.
5. To re-elect Doug Edwards as a Director.
6. To re-elect Andrew Herbert as a Director.
7. To re-elect Lily Liu as a Director.
8. To re-elect Chris Morgan as a Director.
9. To re-elect Margaret Rice-Jones as a Director.
10. To re-elect Robin Williams as a Director.
11. To approve the Directors' Remuneration report (excluding the Directors' remuneration policy which is set out on pages 70 to 79 of the Annual Report) for the year ended 31 December 2017.

Special business

To consider and, if thought fit, pass the following resolutions which will be proposed in the case of Resolution 13 as an Ordinary Resolution and in the case of Resolutions 12 and 14 as Special Resolutions:

12. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p in the capital of the Company (ordinary shares) provided that:
 - the maximum aggregate number of ordinary shares authorised to be purchased is 11,671,065 (representing 14.9% of the issued ordinary share capital);
 - the minimum price (excluding expenses) which may be paid for an ordinary share is the par value of the shares;
 - the maximum price (excluding expenses) which may be paid for an ordinary share is an amount equal to the higher of (i) 105% of 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 that ordinary share is purchased, and (ii) the amount stipulated by article 5(1) of the Buy-back and Stabilisation Regulation 2003;
 - this authority shall expire at the conclusion of the next Annual General Meeting of the Company, or, if earlier, at the close of business on the date which is 15 months after the passing of this resolution unless renewed, revoked or varied before that time; and
 - the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of ordinary shares in pursuance of any such contract.
13. That, in substitution for all existing authorities including the authority conferred on the Directors by Article 4(b) of the Company's Articles of Association, in accordance with section 551 of the Act the Directors be and they are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act), or grant rights to subscribe for, or convert any security into, shares in the Company:
 - (a) up to an aggregate nominal amount of £5,221,953.00 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in Resolution 13(b)) in connection with a rights issue (as defined in the Listing Rules issued by the Financial Conduct Authority pursuant to Part VI of the Financial Services and Markets Act 2000), to holders of equity securities, in proportion to their respective entitlements to such equity securities, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) otherwise up to an aggregate nominal amount of £2,610,976.60 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in Resolution 13(a)),

provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company, or, if earlier, at the close of business on the date which is 15 months after the passing of this resolution, 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 and the Directors may allot such equity securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

Notice of the Annual General Meeting continued

Special business continued

14. Subject to the passing of Resolution 13 of the notice of meeting, that, in substitution for all existing authorities, including the authority conferred on the Directors by Article 4(c) of the Company's Articles of Association:
- (a) the Directors be and they are empowered pursuant to section 570 of the Act to allot equity securities pursuant to the authority conferred by Resolution 13(a) as if section 561 of the Act did not apply to any such allotment, provided that this authority shall be limited to the allotment of equity securities in connection with a rights issue (as defined in the Listing Rules issued by the Financial Conduct Authority pursuant to Part VI of the Financial Services and Markets Act 2000) but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the Directors be and they are empowered pursuant to section 570 of the Act to allot equity securities for cash pursuant to the authority conferred by Resolution 13(b) as if section 561 of the Act did not apply to any such allotment, provided that this authority shall be limited to the allotment of equity securities (otherwise than in connection with any rights issue (as defined in the Listing Rules issued by the Financial Conduct Authority pursuant to Part VI of the Financial Services and Markets Act 2000)):
 - (i) up to an aggregate nominal value of up to £391,646.40 (being the nominal value of approximately 5% of the issued share capital of the Company); and
 - (ii) up to a further maximum aggregate nominal value of £391,646.40 (being the nominal value of 5% of the issued share capital of the Company) provided that it is used only in connection with an acquisition or a specified capital investment,provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company, or, if earlier, at the close of business on the date which is 15 months from the passing of this resolution, 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 and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

By order of the Board



Lily Liu
Company Secretary

21 March 2018

Notes

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and, on a show of hands or on a poll, vote instead of him. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares held by the appointing shareholder. The proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the office of the Company's registrars not less than 48 hours before the time for holding the meeting or adjourned meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude ordinary shareholders from attending and voting in person.
3. 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 Annual General Meeting. 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.
4. 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.
5. In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company as at close of business on 18 May 2018 (or in the event the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting) shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after close of business on 18 May 2018 (or in the event the meeting is adjourned, on the register of members less than 48 hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. Copies of Directors' service agreements, the terms of appointment of Non-Executive Directors, the register of Directors' interests kept by the Company under section 808 of the Companies Act 2006, the Xaar plc 2004 Share Option Plan, the Xaar plc 2007 Share Save Plan, Xaar plc 2007 Long Term Incentive Plan, the Xaar Share Incentive Plan and the Xaar 2017 Long Term Incentive Plan will be available 15 minutes prior to the commencement of the meeting and will remain open and accessible during the continuance of the meeting to any person attending the meeting.
7. Biographical details of all Directors offering themselves for re-appointment are set out on pages 40 and 41 of the Annual Report and Accounts.
8. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 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 Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to in the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
10. 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.

Notice of the Annual General Meeting continued

Notes continued

11. 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 CRESTCo'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 RA10) by 9:30 am on 20 May 2018. 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.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo 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.
13. 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.
14. As at 7.00am on 21 March 2018 (the date of publication of this Notice), the Company's issued share capital comprised 78,329,296 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company, except for the shares held in trust for the Xaar Share Incentive Plan totalling 141,838 shares and, therefore, the total number of voting rights in the Company as at 7.00am on 21 March 2018 is 78,187,458.
15. Any member attending the meeting has the right to ask questions. The Company must answer 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. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.xaar.com.