

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

**It contains the Resolutions to be voted on at the Annual General Meeting of Optos plc (the "Company") to be held on 21 February 2012 (the "AGM"). If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

You will find enclosed with this notice of AGM (the "Notice") a Form of Proxy for use in connection with the AGM. This Notice should be read in conjunction with the Explanatory Notes and the Appendix contained at the end of this Notice. Please read both the Explanatory Notes and the Appendix carefully as they explain the background to the items of business proposed to be transacted at the AGM. Whether or not you propose to attend the AGM in person, you are requested to complete the Form of Proxy and return it to the Company's registrars in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received no later than 11h00 GMT on 19 February 2012. You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

If you have sold or otherwise transferred all of your ordinary shares of £0.02 each in the Company ("ordinary shares"), please forward this document, together with the accompanying documents, 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 some of your ordinary shares, you should consult with 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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OPTOS PLC  
Registered in Scotland  
SC139953



## Notice of Annual General Meeting

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Optos plc (the "Company") will be held at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB on **21 February 2012 at 11h00** (the "AGM") for the purpose of transacting the following business:

### Ordinary Resolutions

To consider and, if thought fit, pass Resolutions 1 to 9 (inclusive), each of which will be proposed as an Ordinary Resolution:

1. To receive and adopt the annual accounts of the Company for the financial year ended 30 September 2011 together with the Directors' and Auditors' Reports thereon.
2. To approve the Directors' Remuneration Report for the financial year ended 30 September 2011.
3. To re-appoint Ernst & Young LLP as auditors of the Company to hold office from the conclusion of the AGM of the Company until the conclusion of the next meeting at which accounts are laid before the Company.
4. To authorise the Directors of the Company to determine the auditors' remuneration.
5. To elect **John Geoffrey Goddard**, a Director appointed since the last annual general meeting of the Company, as a Director of the Company.
6. To elect **David Ian Wilson**, a Director appointed since the last annual general meeting of the Company, as a director of the Company.
7. To re-elect **Gordon Roy Davis**, a Director retiring in accordance with the Articles of Association of the Company, as a Director of the Company.
8. THAT, the Optos plc 2012 Employee Stock Purchase Plan (the "Plan") in the form produced to the annual general meeting of the Company held on 21 February 2012 and initialled by the Chairman of said annual general meeting for the purposes of identification, a summary of the principal terms of which is set out in the Appendix to this Notice of said annual general meeting, be and is hereby approved and the Directors of the Company be and are hereby authorised to:
  - (a) adopt the Plan; and
  - (b) do such other things as they may consider necessary to give effect to the Plan.

# Notice of Annual General Meeting

## continued

### Ordinary Resolutions continued

9. THAT, in substitution for any existing authority under section 551 of the Companies Act 2006 (the “**2006 Act**”) but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors of the Company be generally and unconditionally authorised in accordance with section 551 of the 2006 Act to exercise all powers of the Company to allot shares in the Company and to grant rights (“**relevant rights**”) to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount of £475,933.16 being equal to approximately 33.3% of the Company’s issued share capital as at 17 January 2012, to such persons and on such terms as the Directors of the Company may determine, such authorisation to expire at midnight on 20 May 2013 or, if earlier, at the conclusion of the next annual general meeting of the Company held after the passing of this resolution, unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer or enter into an agreement or other arrangement which would or might require shares to be allotted or relevant rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant relevant rights in pursuance of any such offer, agreement or other arrangement as if the authorisation conferred hereby had not expired.

### Special Resolutions

To consider and, if thought fit, pass Resolutions 10 to 12 (inclusive), each of which will be proposed as a Special Resolution:

10. THAT, subject to the passing of the Resolution numbered 9 in the Notice of annual general meeting of the Company dated 23 January 2012 (the “**Section 551 Resolution**”) and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the “**2006 Act**”) but without prejudice to the exercise of any such authority prior to the date of this Resolution, the Directors of the Company be empowered in accordance with those sections to allot equity securities (within the meaning of sections 560 (1), (2) and (3) of the 2006 Act), either pursuant to the Section 551 Resolution or by way of a sale of treasury sales, in each case as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of such securities to all holders of ordinary shares of £0.02 each in the capital of the Company (the “**ordinary shares**”) in proportion (as nearly as may be) to the respective number of ordinary shares held by them but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may deem necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever; and
- (b) the allotment of equity securities for cash (otherwise than pursuant to sub-paragraph (a) of this Resolution) up to an aggregate nominal amount of £71,389.98 (being approximately 5% of the issued share capital of the Company as at 17 January 2012),

provided that this power shall expire at midnight GMT on 20 May 2013 or, if earlier, at the conclusion of the next annual general meeting of the Company held after the passing of this resolution, unless previously renewed, varied or revoked, save that the Company may at any time before such expiry of this power make an offer or enter into an agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer, agreement or other arrangement as if such expiry had not occurred.

11. THAT the Company be generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the “**2006 Act**”) to make market purchases (within the meaning of section 693(4) of the 2006 Act) of its ordinary shares of £0.02 each in the capital of the Company (the “**ordinary shares**”) and to cancel or hold in treasury such ordinary shares provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 7,138,998 (representing approximately 10% of the issued share capital of the Company as at 17 January 2012);
- (b) the minimum price which may be paid for any ordinary share is £0.02, exclusive of the expenses of purchase (if any) payable by the Company;
- (c) the maximum price which may be paid for any ordinary share, exclusive of the expenses of purchase (if any) payable by the Company, shall not be more than the higher of: (i) an amount equal to 5% above the average market value of the ordinary shares as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out; and
- (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at midnight GMT on 20 May 2013 or, if earlier, at the conclusion of the next annual general meeting of the Company held after the passing of this Resolution, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

12. THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days’ notice.

### Recommendation

**The Directors of the Company believe that the above Resolutions are in the best interests of the Company and its shareholders as a whole and are consistent with the directors’ duty to act in the way most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the directors of the Company unanimously recommend that shareholders vote in favour of the above Resolutions as they intend to do in respect of their own beneficial holdings.**

### BY ORDER OF THE BOARD

**Peter Fellner**  
Chairman  
23 January 2012

**Registered office:**  
Queensferry House  
Carnegie Campus  
Enterprise Way  
Dunfermline, Scotland  
KY11 8GR  
UK

#### Notes:

1. Information about the AGM is available from the Company's website: [www.optos.com](http://www.optos.com).
2. As a shareholder, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a shareholder of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share.
3. A Form of Proxy is enclosed. To be valid, your Form of Proxy and any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority should be sent to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than **11h00 GMT on 19 February 2012**.
4. If you appoint a proxy, this will not prevent you attending the AGM and voting in person if you wish to do so.
5. The right to vote at the AGM is determined by reference to the Company's register of members as at **18h00 GMT on 17 February 2012** or, if the AGM is adjourned, at 18h00 GMT on the day two days prior to the adjourned meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any shareholder to attend and vote at the AGM.
6. As a shareholder, you have the right to put questions at the AGM relating to the business being dealt with at the AGM.
7. Any person to whom this notice of AGM is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
9. As at **17h00 GMT on 17 January 2012**, the Company's issued share capital comprised **71,389,976** ordinary shares of £0.02 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at **17h00 GMT on 17 January 2012** was **71,389,976**.
10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.
11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual, [www.euroclear.com/CREST](http://www.euroclear.com/CREST). The message must be transmitted so as to be received by the issuer's agent (ID RA 19) by **11h00 GMT on 19 February 2012**. 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. 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(s), 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 service 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. Copies of Directors' service contracts and letters of appointment with the Company will be available for inspection together with a copy of the Rules of the Optos plc 2012 Employee Stock Purchase Plan from the date of sending this Notice until the close of the AGM during usual business hours at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB, and at the venue of the AGM for at least 15 minutes prior to the AGM and during the AGM.
15. It is possible that, pursuant to requests made by shareholders of the Company under section 527 of the 2006 Act, 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 Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances 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 2006 Act. 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 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

# Explanatory notes

## Resolution 1

Under the provisions of the Companies Act 2006 (the “2006 Act”), the Directors of the Company are required to lay before the Company in general meeting copies of the Company’s annual accounts and reports before the end of the relevant period for filing those accounts and reports.

## Resolution 2

Under the 2006 Act the Company must give its shareholders notice of an Ordinary Resolution approving the Directors’ Remuneration Report. The vote on Resolution 2 is, however, advisory and no aspect of an individual Director’s entitlement to remuneration is conditional upon the passing of Resolution 2.

## Resolutions 3 & 4

The provisions of the 2006 Act require auditors to be appointed for each financial year of the Company. Resolution 3 provides for the re-appointment of Ernst & Young LLP as auditors of the Company to hold office from the conclusion of the AGM until the conclusion of the next meeting at which accounts are laid before the Company whilst Resolution 4 seeks authorisation for the Directors of the Company to determine the auditors’ remuneration.

## Resolution 5 & 6

**John Geoffrey Goddard** and **David Ian Wilson** were both appointed to the Board of Directors of the Company on 1 June 2011 and, having been appointed since the last annual general meeting of the Company, require to make themselves eligible for election in accordance with the articles of association of the Company (the “**Articles**”).

## Resolution 7

The Articles provide that any Director of the Company who has not been appointed or re-appointed at one of the preceding two annual general meetings of the Company shall retire and make himself eligible for re-appointment. Accordingly, Gordon **Roy Davis** will retire and will make himself eligible for re-election.

Biographies of each of the above-mentioned Directors, proposed for election and re-election under Resolutions 5, 6 and 7, are contained on pages 28 and 29 of the Company’s 2011 Annual Report and Accounts.

## Resolution 8

On the recommendation of the Company’s Remuneration Committee, the Board of Directors of the Company is seeking shareholder approval for a new incentive plan, the Optos plc 2012 Employee Stock Purchase Plan (the “**Plan**”).

A summary of the principal terms of the Plan is provided in the Appendix to this Notice.

It is proposed that the Plan will be adopted. The rules of the Plan will be equivalent (so far as possible) to the rules of the Optos Sharesave Scheme (“**SAYE Scheme**”) which was adopted by resolution of the Board of Directors of the Company on 27 January 2006 (amended on 23 May 2007) and in which only UK resident or ordinarily resident employees are permitted to participate. The operation of the Plan is broadly similar to that of the SAYE Scheme, save where there require to be differences to reflect differences in US and UK law. It should thus serve to place employees of Optos Inc. on a more equal footing with employees of the Company and its group who are either UK resident or ordinarily resident in the UK. The Plan is proposed to give employees of Optos Inc. the opportunity to purchase shares in the Company and it is hoped that it will have the effect of securing and retaining the services of current and new employees of Optos Inc. and to provide an incentivisation for such persons to exert maximum efforts for the success of the Company and its group.

Under the Plan options are granted to acquire shares in the Company to Eligible Employees (as defined in the Appendix to this Notice). Eligible Employees may opt to save a maximum contribution of \$400 per month from their earnings. On certain specified dates the Eligible Employee’s saved contributions shall be applied to purchase shares in the Company. The purchase price of the shares shall be not less than 85% of the market value of the Company’s shares on the date the award is made.

### **Resolution 9**

Resolution 9, which will be proposed as an Ordinary Resolution, authorises the Directors of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum nominal amount of £475,933.16 being equal to approximately 33.3% of the issued share capital of the Company as at 17 January 2012, the latest practicable date prior to publication of this document. The authority granted by Resolution 9 will expire on 20 May 2013 or, if earlier, at the conclusion of the next annual general meeting of the Company.

Shareholders last granted such general authority to the Directors of the Company at the annual general meeting of the Company held on 23 February 2011. Resolution 9 seeks to renew this authority. Whilst the Directors of the Company have no current plans to utilise this authority, Resolution 9 provides the Company with the flexibility to issue shares going forward.

The Company does not hold any shares in treasury as at 17 January 2012 which is the latest practicable date prior to the publication of this document.

### **Resolution 10**

Resolution 10, which will be proposed as a Special Resolution, seeks to provide the Directors of the Company with authority to allot equity securities or sell treasury shares for cash without first offering them to existing shareholders in proportion to their shareholdings up to an aggregate nominal amount of £71,389.98, being approximately 5% of the Company's issued share capital as at 17 January 2012. There may be occasions when the Directors of the Company will need the flexibility to finance business opportunities by the issue of ordinary shares in the capital of the Company without a pre-emptive offer to existing shareholders.

Shareholders last granted authority to the Directors of the Company to disapply pre-emption rights at the annual general meeting of the Company held on 23 February 2011. This authority expires at the conclusion of the AGM and Resolution 10 seeks to renew this authority which, unless previously renewed, revoked or varied will expire on 20 May 2013 or, if earlier, at the conclusion of the next annual general meeting of the Company. The Directors of the Company have no present intention to utilise the authority sought.

### **Resolution 11**

In certain circumstances, and subject to the relevant legislative provisions, it may be advantageous for the Company to have the flexibility to purchase its own shares. Resolution 11 seeks authority from the Company's shareholders to purchase up to 7,138,998 of its ordinary shares, representing approximately 10% of the Company's issued share capital as at 17 January 2012.

Shareholders last granted the Company authority to make market purchases of its own shares, up to a limit of approximately 10% of the issued share capital of the Company, at the annual general meeting of the Company in February 2011. Such authority will expire at the conclusion of the AGM. Resolution 11 seeks to renew this authority.

The Directors of the Company do not currently have any intention of exercising the authority granted by Resolution 11. They intend to exercise this power only when, in light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and when they consider such purchases are in the best interests of the Company's shareholders generally, consistent with the Directors' duty to act in the way most likely to promote the success of the Company for the benefit of its shareholders as a whole. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account before deciding upon this course of action.

If the Company buys back any of its shares, the Company may cancel such shares or hold them in treasury. The Directors of the Company believe it is advantageous for the Company to have this choice and would consider holding any shares repurchased pursuant to Resolution 11 as treasury shares. The Directors of the Company further believe that the holding of treasury shares would provide the Company with increased flexibility in managing its share capital. No voting rights would be exercised, or dividends paid, in respect of any treasury shares.

The authority sought by Resolution 11 will expire on 20 May 2013 or, if earlier, at the conclusion of the next annual general meeting of the Company. Resolution 11 sets out the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority.

### **Resolution 12**

Section 307A of the 2006 Act increases the minimum notice period for general meetings of a company to 21 days but with the ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that the Company offers a facility for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days. The approval will be effective until the next annual general meeting of the Company when, it is intended, that a similar resolution will be proposed. The Directors of the Company confirm that a general meeting would only be called on a minimum of 14 days' notice in limited circumstances where the proposals in question are time sensitive and the short notice would clearly be to the advantage of shareholders as a whole.

# Appendix

## Summary of the principal terms of the Optos plc employee stock purchase plan (the “Plan”)

### 1. Overview

The Plan involves the grant of an option to certain employees of the Group to purchase shares in the Company. The employee will agree that a certain amount of money is deducted from his/her earnings every month. The saved contributions will accrue each month and will ultimately be used to purchase shares in the Company at a discount when the option is exercised, or the saved contributions will be returned to the employee if he or she does not want to exercise their option.

The purpose of the Plan is to secure and retain the services of current and new employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its subsidiary companies and any parent company (“Related Corporations”).

This is not a discretionary scheme. If the Board of Directors of the Company (the “Board”) decide to offer options, then this offer must be made to all Eligible Employees (as defined below).

The operation of the Plan will be supervised by the Board which has the power to delegate the administration to a committee of the Board.

### 2. Eligibility

An Eligible Employee must be an employee, which includes an officer or Director of the Company or, if designated by the Board, of a Related Corporation. The Board intends to designate that an Eligible Employee must be an employee, including an officer or Director of Optos Inc. The Board can determine that certain employees are excluded unless they have been employed for a certain continuous period of time, which cannot exceed 2 years. Further to this, employees may also be excluded if they do not work for a specified number of hours per week and/or months per year. The period of time cannot be more than 20 hours per week and/or more than 5 months per calendar year.

An Eligible Employee must not own stock possessing 5% or more of the total combined voting power or value of all classes of shares in the Company or of any Related Corporation. Shares which the Eligible Employee may purchase under the Plan shall be treated as owned by such an Eligible Employee in assessing whether or not this threshold is breached.

The maximum an Eligible Employee can save in any month is capped at \$400.

The Board has discretion to exclude highly compensated employees (within the meaning of section 423(b)(4)(D) of the Internal Revenue Code of 1986 (as amended) from participating in the Plan.

### 3. Grant of options

The Board may grant options to purchase shares under the Plan to Eligible Employees. The terms of grant are that the option exercise period cannot exceed 27 months from the date of grant.

Options must generally be offered to all Eligible Employees. All employees granted options shall have the same rights and privileges.

Options may be granted within the period of 42 days beginning with the date of the approval of the Plan. Thereafter, options may ordinarily only be granted within the period of 42 days following the announcement by the Company of its results for any period. The Board will have, in its absolute discretion, the power to grant awards at other times if it so considers and determines that exceptional circumstances exist which would justify the granting of options.

### 4. Maximum contribution

Each Eligible Employee may save a maximum amount of \$400 per month.

### 5. Maximum number of shares

The maximum number of new shares or shares held in treasury which may be allocated under the Plan shall be 3,500,000.

### 6. Exercise of options

Shares may be purchased by the Eligible Employees with their accumulated contributions on certain dates which will be decided by the Board. All of the contributions shall be used to purchase shares up to the maximum number of permitted shares.

The exercise price of the shares shall not be less than 85% of the market value of the shares at the date of grant. The market value is the average of the middle market quotation derived from the official listing of the London Stock Exchange on the dealing day before the grant of the relevant options.

## **7. Participation/adjustments to options**

Each Eligible Employee's contribution shall remain the property of the Eligible Employee at all times prior to the purchase of the shares.

In addition to making contributions by payroll deductions, an Eligible Employee may make contributions by cash or cheque prior to exercising their options on specified dates.

The Plan permits Eligible Employees to decrease or increase (up to the maximum contributions limit) their participation levels.

The Plan also permits Eligible Employees to withdraw from an Offering and receive a refund of their contributions made. This may be done other than within 15 days immediately preceding the exercise date of the relevant options. This should be done by way of notice of withdrawal which must be delivered to the Company or a Related Corporation (if applicable).

## **8. Cessation of employment**

Any share options which an Eligible Employee may have shall terminate immediately upon that Eligible Employee ceasing to be an employee for any reason or for no reason (this is subject to any post-employment participation period required by law) or other lack of eligibility.

All contributions shall be returned to any such former employee without interest.

## **9. Death of an employee**

The Eligible Employee may file a written designation of a beneficiary who is to receive any shares or cash from the Plan in the event of the Eligible Employee's death subsequent to the options being exercised where the options are exercisable. In addition, the Eligible Employee may file a written designation of a beneficiary who is to receive any cash from the Plan in the event of the Eligible Employee's death being prior to the options being exercisable.

## **10. Adjustments to share capital**

In the event of any variation of the share capital of the Company (through merger, consolidation, reorganisation, recapitalisation, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Board may make such adjustments as it considers appropriate to the number, type and class of shares subject to any option, and any purchase limits.

## **11. Corporate transactions**

In the event of a corporate transaction, which includes the sale of all or substantially all the assets of the Company, a change of control of the Company and a merger, consolidation or similar transaction:

- (a) any surviving or acquiring corporation may continue or assume the share options outstanding under the Plan or may substitute similar rights for those outstanding under the Plan; or
- (b) if the surviving or acquiring corporation does not continue or assume the share options or does not substitute similar rights for the share options outstanding, the Eligible Employees' accumulated contributions shall be used to purchase shares within five business days prior to the relevant corporate transaction.

## **12. Amendment of the Plan**

The Board may alter the rules of the Plan at any time. Shareholder approval shall be sought if necessary. Specifically, the Plan cannot be altered to the advantage of Eligible Employees without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Eligible Employees or for the Company or for its Related Corporations).

Without shareholder consent and without regard to whether any Eligible Employees' rights may be considered to have been "impaired", the Board shall be entitled to amend certain terms of the awards.

The rights and obligations under any share option granted before any amendment of the Plan shall not be impaired by any amendment of the Plan except:

- (a) with the consent of the person to whom such the share options were granted;
- (b) as necessary to comply with any laws or governmental regulations; or
- (c) as expressly allowed under the Plan.

# Appendix

## Summary of the principal terms of the Optos plc employee stock purchase plan (the “Plan”) continued

### 13. Termination or suspension of plan

The Board may suspend or terminate the Plan at any time. Unless terminated before, the Plan will terminate when all of the shares reserved for issue under the Plan have been issued.

Any benefits, privileges, entitlements or obligations held by the Eligible Employee in respect of their share options shall not be impaired by the suspension or termination of the Plan except:

- (a) as expressly allowed under the Plan or with the consent of the person to whom the share options were granted;
- (b) as necessary to comply with any laws, regulations, or listing requirements; or
- (c) as necessary to ensure that the Plan and/or share options comply with the requirements of section 423 of the Internal Revenue Code of 1986 (as amended).

### 14. Miscellaneous

The Plan and grant of options do not constitute an employment contract. The benefits under the Plan are not pensionable.

This Appendix sets out a summary of the principal terms of the Plan and shall not affect the Remuneration Committee’s interpretation of the detailed rules of the Plan.

The Rules of the Plan will be available for inspection as referred to in Note 14 to this Notice.