

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 to be held on 26 February 2009. If you are in any doubt as to the action you should take, you are recommended 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.

You will find attached to this Notice of Annual General Meeting (the "**Notice**") a Form of Proxy for use in connection with the Annual General Meeting. Whether or not you propose to attend the Annual General Meeting 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 24 February 2009.

This Notice should be read in conjunction with the Explanatory Notes contained at the end of this Notice. Please read the Explanatory Notes carefully as they explain the background to the items of business proposed to be transacted at the Annual General Meeting.

If you have sold or otherwise transferred all your ordinary shares of £0.02 each in the Company ("**Ordinary Shares**"), please forward this document and the Form of Proxy for use in relation to the Annual General Meeting 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.



NOTICE OF ANNUAL GENERAL MEETING

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 26 February 2009 at 11h00 GMT (the "**Meeting**") for the transaction of the following business:

Ordinary Resolutions

To consider and, if thought fit, pass Resolutions 1-11, each of which will be proposed as an Ordinary Resolution of the Company:

1. To receive and adopt the Directors' Report and the Annual Accounts of the Company for the financial year ended 30 September 2008 together with the report of the Company's auditors thereon.
2. To approve the Directors' Remuneration Report for the financial year ended 30 September 2008.
3. To re-appoint Ernst & Young LLP as auditors of the Company to hold office from the conclusion of the Meeting until the conclusion of the next general meeting at which annual accounts are laid before the Company.
4. To authorise the Directors of the Company to determine the remuneration of the auditors.
5. To elect Gordon Roy Davis as a Director of the Company.
6. To re-elect Douglas Crombie Anderson as a Director of the Company.
7. To re-elect David Robert Guyer as a Director of the Company.
8. To re-elect Allan Mark Watson as a Director of the Company.
9. To re-elect Anne Margaret Glover as a Director of the Company.
10. To re-elect Patrick Robin David Paul as a Director of the Company.
11. That the Directors of the Company be and are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985, as amended (the "**Act**") (in substitution for all other authorities pursuant to Section 80 of the Act to the extent not utilised at the date this Resolution is passed) to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £208,582.42, being equal to approximately 15% of the Company's issued share capital as at 7 January 2009, to such persons and at such times and on such terms as they think proper provided such authority shall (unless previously revoked, varied or renewed by the Company in a general meeting) expire on the conclusion of the next Annual General Meeting of the Company and provided that the Company may, prior to such expiry, make any offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the Directors of the Company may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority conferred hereby had not expired.

Special Resolutions

To consider and, if thought fit, pass Resolutions 12-14, each of which will be proposed as a Special Resolution of the Company:

12. That, subject to the passing of Resolution 11 above, the Directors of the Company be and are hereby generally empowered pursuant to Section 95 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of Section 94(2) of the Act) of the Company wholly for cash pursuant to the authority conferred by Resolution 11 above and/or in respect of an allotment of equity securities by virtue of Section 94(3A) of the Act as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to the holders of the Ordinary Shares in proportion (as nearly as may be) to their respective holdings of such Ordinary Shares, but subject to the Directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange or otherwise howsoever; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £69,527.47, being equal to approximately 5% of the Ordinary Shares in issue as at 7 January 2009.

Such disapplication authorities (as referred to in (a) and (b) above) (unless previously revoked, varied or renewed by the Company in general meeting) shall expire on the conclusion of the next Annual General Meeting of the Company, provided that the Company may, prior to such expiry, make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power thereby conferred had not expired.

13. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Act) of any of its own Ordinary Shares on such terms and in such manner as the Directors of the Company may from time to time determine provided that:

- (a) the maximum aggregate nominal value of such Ordinary Shares to be acquired shall be limited to £139,054.95 representing approximately 10% of the issued share capital of the Company as at 7 January 2009;
- (b) the minimum price which may be paid for any such Ordinary Share is £0.02, exclusive of the expenses of purchase (if any) payable by the Company;
- (c) the maximum price, exclusive of the expenses of purchase (if any) payable by the Company, which may be paid for any such Ordinary Share under this authority shall not exceed an amount equal to 105% of the average of the middle market closing quotations of such Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase; and
- (d) unless previously renewed, revoked or varied by the Company in general meeting, the authority hereby conferred shall expire on the conclusion of the next Annual General Meeting of the Company except in relation to the purchase of Ordinary Shares for which a contract was concluded before such expiry which will or may be executed wholly or partly thereafter, and a purchase of Ordinary Shares may be made pursuant to any such contract as if the authority hereby conferred had not expired.

14. That:

- (a) the Company be and is hereby permitted (subject to the requirements of the Companies Act 2006 (the "**2006 Act**") and the Articles of Association of the Company (the "**Articles**")) to send or supply notices, documents or information to members by making them available on a website or by other electronic means; and
- (b) those amendments (as shown by text being underlined or deleted) contained in the printed document produced to the Meeting and initialled by the Chairman for the purpose of identification be and are hereby approved as amendments to the Articles.

The Directors of the Company believe that the above Resolutions are in the best interests of the Company and its shareholders as a whole, 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 unanimously recommend that shareholders vote in favour of the above proposed Ordinary and Special Resolutions.

BY ORDER OF THE BOARD

Registered Office: Queensferry House
Carnegie Business Campus
Dunfermline, Fife
Scotland KY11 8GR

John McNeil
Company Secretary
22 January 2009

Notes:

- (i) Only those shareholders registered in the Register of Members of the Company as at 18h00 GMT on 24 February 2009 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 18h00 GMT on 24 February 2009 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
- (ii) A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her place. A proxy need not also be a shareholder. A shareholder may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder.
- (iii) A Form of Proxy is enclosed. Completion and return of a Form of Proxy will not preclude holders of Ordinary Shares from attending and voting at the Meeting if they so wish. To be valid, the enclosed Form of Proxy must be completed and returned together (if appropriate) with the power of attorney (if any) under which it is signed or a notarially certified copy thereof, and must be received at the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6ZR, not later than 48 hours before the time of the Meeting, or any adjournment thereof.
- (iv) The following documents are available for inspection on any day (except Saturday, Sunday and Bank Holidays) from the date of sending this Notice of AGM up to and including the date of the Meeting during usual business hours at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB and will, on the date of the Meeting, be available for inspection at the venue of the Meeting from 10h45 GMT until the conclusion of the Meeting:
 - (a) the Memorandum of Association of the Company;
 - (b) the existing Articles of Association of the Company together with the Articles of Association as proposed to be amended by Resolution 14;
 - (c) the Terms of Appointment of the Non-Executive Directors of the Company; and
 - (d) copies of the Executive Directors' Service Contracts with the Company.

Explanatory Notes

Resolution 1

The Directors of the Company are required by the Act to lay before the Company in general meeting copies of the accounts of the Company for each financial year, the Directors' Report, the Directors' Remuneration Report (see Resolution 2 below) and the report of the Company's auditors on those accounts, the Directors' Report and that part of the Directors' Remuneration Report which requires to be audited.

Resolution 2

In accordance with the Act (as amended by the Directors' Remuneration Report Regulations 2002), shareholders are invited to approve the Directors' Remuneration Report which is set out in full on pages 31-37 of the Company's 2008 Annual Report and Accounts. The Directors' Remuneration Report includes details of the remuneration paid to Directors and the Company's remuneration policy for its Directors. The vote on this Resolution is advisory and no aspect of an individual Director's entitlement to remuneration is conditional upon the passing of this Resolution.

Resolutions 3 and 4

At each general meeting at which accounts are laid, the Company is required to re-appoint its auditors and fix their remuneration. Resolutions 3 and 4 provide for the re-appointment of Ernst & Young LLP as auditors to the Company to hold office from the conclusion of the Meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine the auditors' remuneration.

Resolutions 5-10 (inclusive)

Gordon Roy Davis, who was appointed to the Board of Directors of the Company (the "Board") on 17 November 2008, makes himself eligible for election in accordance with the Articles.

Under the Articles, one third of the Directors are required to retire by rotation at each Annual General Meeting of the Company. Therefore, in accordance with the Articles, Douglas Crombie Anderson, David Robert Guyer and Allan Mark Watson will retire and will make themselves eligible for re-election.

A.7.2 of the Combined Code states that non-executive directors of a company may serve longer than nine years subject to annual re-election. Anne Margaret Glover and Patrick Robin David Paul have served as Non-Executive Directors of the Company for a period longer than nine years and therefore are submitted for re-election. The contributions made by both Ms Glover and Mr Paul are considered to be an asset to the Company and the Board believes that they exercise independent judgement on all matters.

Biographies of each of the above-mentioned Directors, proposed either for election or re-election, are contained on pages 8-9 of the Company's 2008 Annual Report and Accounts.

Resolution 11

Resolution 11 authorises the Directors to allot unissued Ordinary Shares in the Company up to a maximum nominal amount of £208,582.42 which represents approximately 15% of the issued share capital of the Company as at 7 January 2009. This authority will expire on the conclusion of the next Annual General Meeting of the Company.

Shareholders last granted such general authority to the Directors at the Annual General Meeting of the Company held on 28 February 2008. Resolution 11 seeks to renew this authority. Whilst the Directors have no current plans to utilise the authority, the Resolution provides the Company with the flexibility to issue shares going forward.

The Company does not hold any shares in treasury as at 7 January 2009 the latest practicable date prior to issue of this Notice.

Resolution 12

Under Section 89 of the Act, if the Directors wish to allot any of the unissued Ordinary Shares for cash they must, in the first instance, offer them to existing shareholders in proportion to their shareholding. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares without a pre-emptive offer to existing shareholders. Shareholders last granted authority to the Directors to disapply pre-emptive rights at the Annual General Meeting of the Company held on 28 February 2008. Such authority will expire at the end of the Meeting and Resolution 12 seeks to renew this authority. The Directors have no current plans to utilise the authority. The authority sought under Resolution 12 will expire on the conclusion of the next Annual General Meeting of the Company.

Resolution 13

In certain circumstances, and subject to the provisions of the Act, it may be advantageous for the Company to purchase its own shares and Resolution 13 seeks authority from shareholders to do so up to a limit of approximately 10% of the Company's issued share capital.

Shareholders 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 held on 28 February 2008. Such authority will expire at the end of the Meeting. Resolution 13 seeks to renew this authority to give the Company flexibility to purchase its own shares.

The Directors intend to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and that such purchases are in the best interest of 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 believe it is advantageous for the Company to have this choice and the Directors would consider holding any shares repurchased pursuant to Resolution 13 as treasury shares. The Directors 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 13 will expire on the conclusion of the next Annual General Meeting of the Company. The Resolution sets out the lowest and highest prices that the Company can pay for its Ordinary Shares.

Resolution 14

Provisions of the 2006 Act established a new regime for companies to communicate with shareholders by electronic means and by using a company's website. Whilst previously company law allowed companies to use electronic communications in certain contexts, for instance, to send annual accounts and notices of meeting to shareholders, the new provisions in the 2006 Act apply more generally to all types of company communications made pursuant to the 2006 Act. The proposed amendments to the Articles reflect the new regime and permit the Company to take advantage of the new provisions relating to website communication. They will not of themselves force either the Company or any individual shareholder to send or receive notices, documents or information by electronic means.

Before the Company can communicate with a shareholder by means of its website, the shareholder must be asked individually by the Company to agree that the Company may send or supply documents or information in that manner, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the shareholder (either by post, or by other permitted means) when a relevant document or information is placed on the website. Shareholders will at all times be able to request hard copies of any document published electronically and they will be able to revoke their consent to the Company communicating with them electronically at any time.