

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 28 February 2008. 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 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 1100GMT on 26 February 2008.

This Notice of AGM 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 28 February 2008 at 1100GMT for the transaction of the following business:

Ordinary Resolutions

To consider and, if thought fit, pass Resolutions 1 to 9 (inclusive) as ordinary resolutions of the Company:

1. To receive and adopt the Directors' Report and the annual accounts of the Company for the year ended 30 September 2007 together with the Auditors' Report thereon.
2. To approve the Directors' Remuneration Report for the financial year ended 30 September 2007.
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 auditors' remuneration.
5. To re-elect John Malcolm Padfield as a Director of the Company.
6. To re-elect Barry Michael Rose as a Director of the Company.
7. To elect Rosalyn Susan Wilton (who has been appointed since the last Annual General Meeting) as a Director of the Company.
8. To elect Saad Hassan Hammad (who has been appointed since the last Annual General Meeting) as a Director of the Company.
9. That the Directors 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 a maximum nominal amount of £459,112, 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) 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 the following Resolutions 10, 11, 12 and 13 each of which will be proposed as a special resolution of the Company:

10. That subject to the passing of Resolution 9 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 9 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 £68,874, being equal to approximately 5% of the Ordinary Shares in issue as at 15 January 2008,

and such disapplication authorities (unless previously revoked, varied or renewed) 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.

11. That the Company be and is generally and unconditionally hereby 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 £137,747 representing approximately 10% of the issued share capital of the Company as at 15 January 2008;
- (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, 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.

12. That the Articles of Association of the Company be amended by inserting the following as a new Article 118.1:

"118.1 Subject to the provisions of the Acts and as contemplated by section 175 of the Companies Act 2006, the Directors may authorise, in such manner and on such terms and subject to such limits and conditions as they see fit, any matter in which a Director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company. The Director concerned shall not vote on (or if he does vote, his vote shall not be counted), or be counted as part of the quorum in relation to, any resolution of the Directors concerning any such matter. This Article does not apply to a conflict of interest arising in respect of a transaction or arrangement with the Company. For the purpose of this Article 118.1, a conflict of interest includes a conflict of interest and duty and a conflict of duties."

and amending the numbering of the remainder of Article 118 (and any references thereto in the Articles of Association) accordingly.

13. That the Articles of Association of the Company be amended by the deletion of Article 114.1 and the insertion of the following as a new Article 114.1:

"114.1 Unless otherwise determined by the Company by ordinary resolution, a Director (other than an alternate Director) who does not hold executive office shall be paid for his services as a Director such fees at such rate as may from time to time be determined by the Board provided that the aggregate of such fees payable to the Company's non-executive Directors shall not exceed £350,000 per annum."

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 you vote in favour of the above Resolutions.

BY ORDER OF THE BOARD

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

Allan Mark Watson
Secretary
29 January 2008

Notes:

- (i) Only those shareholders registered in the Register of Members of the Company as at 1800GMT on 26 February 2008 shall be entitled to attend and vote at this Annual General 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 1800GMT on 26 February 2008 shall be disregarded in determining the rights of any person to attend or vote at this Annual General Meeting.
- (ii) A shareholder entitled to attend and vote at this Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his 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 Annual General 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 Annual General 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 Annual General Meeting during usual business hours at the registered office of the Company and at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB and will, on the date of the Annual General Meeting, be available for inspection at the venue of the Annual General Meeting from 1045GMT until the conclusion of the Annual General 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 Resolutions 12 and 13;
 - (c) the terms of appointment of the non-executive Directors of the Company; and
 - (d) copies of the 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 22 to 29 of the Annual Report and Accounts 2007. 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 to 8 (inclusive)

Under the Company's Articles of Association (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, John Malcolm Padfield and Barry Michael Rose now retire and each makes himself eligible for re-election. Further, Rosalyn Susan Wilton and Saad Hassan Hammad, who were appointed by the Board on 1 August 2007, make themselves eligible for election.

Biographies of each of the above-mentioned Directors are contained on pages 14 to 15 of the Company's Annual Report and Accounts 2007. Due to the valuable contribution which each of these Directors has made to date and which the Company expects them to make in the future, the Board recommends the re-election of each of these Directors.

Resolution 9

Resolution 9, which will be proposed as an ordinary resolution, authorises the Directors to allot unissued Ordinary Shares in the Company up to a maximum nominal amount of £459,112 which represents 33.3% of the issued share capital of the Company as at 15 January 2008. 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 in January 2007. Resolution 9 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 23 January 2008, the latest practicable date prior to issue of this Notice.

Resolution 10

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 in January 2007. Such authority will expire at the end

of this Annual General Meeting and Resolution 10 seeks to renew it. The Directors have no current plans to utilise the authority.

The authority sought under Resolution 10 will expire on the conclusion of the next Annual General Meeting of the Company.

Resolution 11

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 11 seeks authority from shareholders to do so up to a limit of approximately 10% of the Company's issued share capital.

Shareholders granted the Directors authority for the Company 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 January 2007. Such authority will expire at the end of this Annual General Meeting. Resolution 11 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 11 as treasury shares. The Directors further believe that the holding of treasury shares will 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 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 12

This Resolution is being proposed in light of new provisions in relation to directors' conflicts of interest which are to be introduced by the Companies Act 2006 (the "2006 Act") with effect from 1 October 2008, or a later date yet to be announced by the Government.

Under the 2006 Act, a director will be required to avoid situations in which he has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with a company's interests. This requirement is considered to be very broad and may for example apply if a director becomes a director of another company.

The 2006 Act will, however, permit the directors of a public company to authorise a director's conflict or potential conflict of interest provided that the company's constitution includes provision enabling the directors to give such authorisation.

Resolution 12 is therefore being proposed to amend the Company's Articles to include such provision. If the amendment is not made then when the sections of the 2006 Act dealing with conflicts of interest come into force, currently expected to be on 1 October 2008, the Company may be required to seek shareholder approval every time there is a situation where a Director has an interest which may conflict with the Company's interests. This is not considered to be practical.

There are safeguards in the 2006 Act which will apply when Directors decide whether to authorise a conflict or potential conflict of interest. Firstly, only independent Directors (i.e. those who have no interest in the matter being considered) will be able to take the decision and, secondly, in taking the decision, the Directors will have to act in a way they consider, in good faith, will be most likely to promote the Company's success for the benefit of shareholders as a whole. The Directors will also be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The Directors expect to propose the adoption of a new set of Articles fully updated to reflect the repeal of the Act and its replacement by the 2006 Act, either at next year's Annual General Meeting or the next following Annual General Meeting, depending on ultimate timing of all sections of the 2006 Act coming into force.

Resolution 13

This Resolution is being proposed to amend the Company's Articles in respect of the remuneration payable to non-executive Directors of the Company. The current Article 114.1 limits to £60,000 the individual fees that the Company may pay to each non-executive Director. Article 115 allows any non-executive Director who serves on any committee of the Company or who devotes special attention to the business of the Company, or who otherwise performs any services on behalf of the Company or its business which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, to be paid such reasonable additional remuneration as the Board may from time to time determine.

The Board is of the opinion that it is sensible and appropriate to replace the £60,000 individual limit on non-executive Directors' basic fees with an aggregate limit across all the non-executive Directors. This will give the Board more flexibility in the structuring of non-executive Directors' remuneration. After due consideration and having regard to the seven non-executive Directors of the Company and the £60,000 individual limit currently in place, the Board considers that an appropriate aggregate limit is £350,000. Resolution 13 is therefore being proposed to amend the Company's Articles accordingly.

The proposed aggregate limit on non-executive Directors' fees will continue to be linked to the General Index of Retail Prices (or such comparable index as may be substituted for it) through Article 114.2 of the Company's Articles so that it does not become outdated and avoiding the need for repeated amendments to Article 114.1 in the future.