

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank, solicitor, accountant or other appropriate independent professional adviser.

If you have sold or otherwise transferred all of your shares in Flowtech Fluidpower plc ('Company'), please pass 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.

Flowtech Fluidpower plc

Notice of Annual General Meeting

Flowtech Fluidpower plc
Registered in England and Wales with Company no. 9010518

Bollin House
Bollin Walk
Wilmslow
SK9 1DP

18 May 2020

Dear Shareholder

Annual General Meeting 2020

IMPORTANT NOTE:

Shareholders should not attend the annual general meeting in person, due to Government public health guidelines on COVID-19

We have included details on how to vote on the resolutions at the AGM and how to ask questions of the Board of Directors on pages 2 and 3 of this document.

I am pleased to send you details of our sixth Annual General Meeting ('AGM'), which will be held at Bollin House, Bollin Walk, Wilmslow SK9 1DP, on **10 June 2020 at 10 am**. The formal notice of the AGM, which is set out on pages 7 to 12 of this document ('Notice'), sets out the business to be considered at the AGM. The purpose of this document is to provide you with further details about those items of business.

Flowtech Fluidpower plc – Notice of Annual General Meeting

COVID-19

As the situation surrounding COVID-19 continues to evolve, we are closely monitoring Public Health England and advice in line with the UK Government restrictions on social gathering. The Company's key priority during these unprecedented times is the health and safety of our employees, customers and, of course, our Shareholders. At the time of publication of this Notice, the UK Government has prohibited public gatherings of more than two people and non-essential travel, except in limited circumstances. In light of these measures, we hope that Shareholders will understand that this year's AGM will be run as a **closed meeting** and **Shareholders will not be permitted to attend the AGM in person**. The Board believe that it is therefore in the best interests of the Company and its Shareholders to reduce the AGM to the minimum necessary quorum of two Shareholders (which will be satisfied by the Company with two Directors attending in person). The AGM will be purely functional, and comprise only of the formal votes for each resolution set out on pages 7 to 12 of this document without any business update or Q&A.

We are implementing the following precautions to ensure that we hold our AGM in a compliant and safe way:

- Shareholders and their representatives will **NOT** be permitted to attend the AGM in person;
- instead, all Shareholders should vote by proxy to ensure that their vote is counted at the AGM either:
 - by appointing a proxy electronically (as explained further below) or
 - by requesting a form of proxy from Link Asset Services and returning it by post;

Given the restrictions on attendance, Shareholders are advised to appoint the Chairman of the meeting as their proxy rather than a named person who will not be permitted to attend the meeting; and

- as Shareholders will not be attending the AGM in person, we are providing a facility for Shareholders to ask questions of the Board of Directors. The details are set out below.

This situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Any changes to the AGM will be communicated to Shareholders before the meeting through our website (www.flowtechfluidpower.com) and, where appropriate, by RNS announcement. We trust that all our Shareholders will understand the need for these precautions in light of Government public health guidelines on COVID-19.

Voting

In light of the COVID-19 pandemic, this year we have not included a hard copy form of proxy. If you would like to vote on the resolutions, please vote by proxy as follows:

- we encourage all Shareholders to appoint a proxy electronically using the link www.signalshares.com. You will need to log into your Signal Shares account, or register if you have not previously done so, to register you will need your Investor Code, this is detailed on your share certificate or available from our Registrar, Link Asset Services (previously called Capita). **To be valid your proxy appointment(s) and instructions should be made no later than 10 am on 8 June 2020**; and
- for anyone still preferring a paper vote, you may request a generic hard copy form of proxy directly via Link Asset Services on Tel: 0371 664 0300. **To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's Registrar, Link Asset Services at FREEPOST PXS, 34 Beckenham Road, BR3 9ZA no later than 10 am on 8 June 2020 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).**

Given the restrictions on attendance, for your votes to be counted, we advise that Shareholders should appoint the '**Chairman of the meeting**' as their proxy for all the shares they hold rather than a named person, as they will not be permitted to attend the meeting. Appointing a proxy, either electronically or by post, will ensure your vote is recorded in the same manner as it has been at previous annual general meetings.

Shareholder questions

As Shareholders will not be permitted to attend the AGM in person, we would still like to give Shareholders the opportunity to ask questions of the Board of Directors. Please email all questions to info@flowtechfluidpower.com by 10 am on 8 June 2020, and state your name and Investor Code (as detailed on your share certificate). We will provide answers directly to the Shareholder who asked the question.

Resolutions

This year, Shareholders will be asked to approve seventeen resolutions. Resolutions 1 to 14 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent of the votes cast must be in favour of the resolution. Resolutions 15 to 17 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent of the votes cast must be in favour of each resolution.

Resolution 1: annual report and accounts

The Directors must present the Company's 2019 Annual Report and Accounts, Strategic Report and Directors' and Auditor's reports to Shareholders at a General Meeting. Those to be presented at the AGM are in respect of the year ended 31 December 2019, and are called the Annual Report 2019.

The Annual Report 2019 is available on the Company's website (www.flowtechfluidpower.com). If you have elected to receive correspondence in hard copy, then a copy of the Annual Report 2019 will accompany this document.

Resolutions 2 to 6: appointment and reappointment of Directors

As detailed in the Company's announcement on 12 May 2020, Bill Wilson has made the decision to pursue other business activities and effective from the date of the AGM, will cease to be a Non-Executive Director of the Company. Bill Wilson will therefore not be seeking re-election as a Director at the AGM nor will he take over as Executive Chairman. The Board would like to thank Bill for his contribution since he joined the Board in 2018 and wish him well for the future.

The Board is pleased to announce the appointment of Roger McDowell as a Non-Executive Director, such appointment to be sought at the AGM. Roger is a highly successful businessman and entrepreneur, with a strong record of delivering Shareholder value. He was Managing Director of Oliver Ashworth for 18 years before IPO and subsequent sale to Saint-Gobain, and won The Sunday Times AIM Non-Executive Director of the Year award in 2017 for his Chairmanship of Avingtrans plc, a precision engineering business. He also currently serves as Non-Executive Chairman of Hargreaves Services plc, Senior Non-Executive Director of Tribal Group plc and is a Non-Executive Director of Brand Architekts plc, Proteome Sciences plc, ThinkSmart Ltd, Augean plc and British Smaller Companies VCT II plc. Roger will sit as a member of the Remuneration, Audit, AIM Compliance and Nomination Committees. Resolution 2 will seek the appointment of Roger as a Director of the Company.

Following Bill's departure, the Board also confirmed in the 12 May 2020 announcement that Roger McDowell will be appointed as the Non-Executive Chairman with effect from 1 August 2020, with Malcolm Diamond MBE stepping down as the Chairman of the Board at this time. The Board would like to thank Malcolm for his tremendous contribution and outstanding leadership which he has provided since he joined the Board in 2014.

As further stated in the 27 March 2020 announcement, the Board's objective is to have three Non-Executive Directors and that if a suitable candidate for an additional Non-Executive Director had not been found by the time of the AGM, Malcolm would continue to serve. At the date of publication of the Notice, a suitable candidate has not been found. Accordingly, Malcolm will remain on the Board as a Non-Executive Director until such replacement has been found, and will seek re-appointment as a Director at the AGM.

As per the 2019 Annual General Meeting of the Company and in accordance with the principles of the QCA Corporate Governance Code ('Code'), all the other Directors will stand for re-election at the AGM. Accordingly, as part of the ordinary business at the meeting, resolutions 3 to 6 inclusive are to re-appoint all the other Directors of the Company.

Biographies in respect of Russell Cash, Bryce Brooks, Nigel Richens and Malcolm Diamond are set out on pages 36 and 37 of the Annual Report 2019.

Resolutions 7 and 8: reappointment and remuneration of auditors

The Company is required to appoint Auditors at each General Meeting at which its Annual Report and Accounts are presented to Shareholders. Therefore, resolution 7 proposes the reappointment of Grant Thornton UK LLP as Auditors (to hold office until the next such meeting), and, in accordance with normal practice, resolution 8 authorises the Directors to determine the Auditors' remuneration.

Resolution 9: political donations and political expenditure

It is not the Company's policy to make donations to political parties, or to make other political donations within the normal meaning of that expression, and the Directors have no intention of changing that policy.

However, as a result of the wide definitions of political expenditure, political donations and political organisations in the Companies Act 2006 ('Act'), normal business activities and expenditure which might not be thought to be political expenditure or a political donation to a political organisation in the usual sense may fall within the restrictions of the Act. For example, sponsorship of industry forums, funding of seminars and other functions to which politicians are invited, matching employees' donations to certain charities, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community, and communicating with the Government and political parties at local, national and European level might be construed as political expenditure or as a political donation to a political organisation.

Resolution 9 does not purport to authorise any particular donation or expenditure, but is expressed in general terms, as required by the Act, and is intended to authorise normal donations and expenditure while avoiding inadvertent infringement of the Act. If passed, resolution 9 would allow the Company and its subsidiaries to make political donations to political parties, other political organisations and independent election candidates and to incur political expenditure up to an aggregate limit of £10,000 in the period beginning with the date on which resolution 9 is passed and ending at the conclusion of the next AGM of the Company. The authority will not be used to make political donations within the normal meaning of that expression. It is the Directors' intention to renew this authority each year.

Resolution 10: authority to allot shares

Generally, the Directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by Shareholders.

Resolution 10 renews a similar authority given at last year's AGM:

In line with guidance issued by the Investment Association (previously known as the Investment Management Association), if passed, part 10.1 of resolution 10 will authorise the Directors 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 an aggregate nominal amount of £10,248,778. This amount represents approximately one third of the issued ordinary share capital of the Company as at 22 April 2020, being the last practicable date before the publication of this document.

In addition, if passed, part 10.2 of resolution 10 will authorise the Directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company) in connection with a rights issue only up to a further aggregate nominal amount of £10,248,778. This amount represents approximately one third of the issued ordinary share capital of the Company as at 22 April 2020, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next AGM or on 10 September 2021 (whichever is the earlier). It is the Directors' intention to renew the allotment authority each year. As at the date of this document, no shares are held by the Company in treasury.

The Directors have no current intention to exercise either of the authorities sought under resolution 10. However, the Directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional Shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

Resolutions 11 to 14: share option plans

Resolution 11 will increase the dilution cap applying to the grant of options under the Flowtech Fluidpower PLC Company Share Option Plan and resolution 12 will increase the dilution cap applying to the grant of options under the Flowtech Fluidpower PLC Enterprise Management Incentive Plan (HMRC Approved and Unapproved Options). Resolution 13 will seek to amend required wording in the Flowtech Fluidpower plc Unapproved Sub-Plan to reflect the changes made pursuant to Resolution 11 and 12.

The new cap will represent 10% of the issued ordinary share capital of the Company (as opposed to 7.5% as currently). Only existing awards under the Fluidpower MIP Limited Management Incentive Plan remain excluded from such cap.

The normal period for grant of share options is 42 days after the announcement of the Company's results for any period, but, in addition and by exception to this rule (and subject to dealing restrictions) it is also proposed that the Company shall be allowed greater flexibility, namely to grant options at any time within the period of twelve months following the 2020 AGM (subject to dealing restrictions).

Resolution 14 would, if passed, permit the Company to adopt alternative employees share scheme as may be approved by the Remuneration Committee of the Board for the purpose of providing alternatives to awards under existing the Flowtech Fluidpower plc Enterprise Management Incentive Scheme, the Unapproved Schedule to that scheme and the Flowtech Fluidpower Company Share Option Scheme (which have been in place since 2014 and 2015) subject to the same dilution cap.

The purpose of these resolutions is to provide flexibility for the Company to take advice and to grant further employee share awards under discretionary schemes to management once the new Board has had the opportunity to thoroughly review existing arrangements and conditions.

Resolutions 15 and 16: disapplication of pre-emption rights

Generally, if the Directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Act) for cash, then under the Act they must first offer such shares or securities to Shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disappplied by Shareholders.

Resolution 15, which will be proposed as a special resolution, renews a similar power given at last year's AGM and, if passed, will enable the Directors to allot equity securities for cash without having to comply with statutory pre-emption rights, but this power will be limited to allotments:

- a) up to an aggregate nominal amount of (i) £20,497,557 in connection with a rights issue or (ii) £10,248,778 in connection with an open offer or other pre-emptive offer, in each case to ordinary Shareholders and to holders of other equity securities (if required by the rights of those securities or the Directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas Shareholders, as the Directors consider necessary; and
- b) in any other case, up to an aggregate nominal amount of £3,074,663 (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 22 April 2020, being the last practicable date before the publication of this document).

If given, this power will expire at the conclusion of the Company's next AGM or on 10 September 2021 (whichever is the earlier). It is the Directors' intention to renew this power each year.

Under Resolution 16, if passed, in addition to the power conferred by Resolution 15, it is proposed that the Directors be granted authority to allot further equity securities for cash, without having to comply with statutory pre-emption rights up to a maximum aggregate nominal value of £3,074,663 (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 22 April 2020, being the last practicable date before the publication of this document).

The Directors are aware that the combined authority to disapply section 561 of the Act for up to 20% of the Company's issued share capital under Resolutions 15 and 16 is higher than has been sought in previous years. However, in light of the unparalleled economic situation that has resulted as part of COVID-19, the Pre-Emption Group released a statement on 1 April 2020 which stated that it recommended the supporting of issuances of up to 20% on a non-pre-emptive basis to assist companies in raising equity capital in these difficult circumstances. After reviewing this statement from the Pre-Emption Group and having undertaken internal and external discussions, the Directors believe that in light of the issues caused by COVID-19, a larger authority for this year only is justified, and is required allow the Company to deal with balance sheet matters by raising equity capital if required. Whilst existing Shareholders' voting rights will be diluted, the Directors believe this consideration is outweighed by the flexibility that a larger authority provides and the cost savings associated with not needing to issue subsequent circulars to obtain further authority. Additionally, current government guidance for COVID-19 means that shareholder meetings with more than two members are not currently possible and having a larger authority will allow the Company to issue shares without needing to put the health and well-being of the members at risk with the calling of unnecessary shareholding meetings.

The Directors intend to use this authority only if it becomes necessary to do so and when they consider it to be in the best interests of Shareholders. For any issuance using this increased authority, a full explanation will be provided to Shareholders as to why it is required at the time of issuance. Company's management will be involved in the allocation process, and as far as possible, any issues will be made on a soft pre-emptive basis.

Resolution 17: purchase by the Company of its own shares

Resolution 17 will be proposed as a special resolution. If passed, it will allow the Company to purchase up to 6,149,267 ordinary shares in the market (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 22 April 2020, being the last practicable date before the publication of this document). The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM or on 10 September 2021 (whichever is the earlier). It is the Directors' intention to renew this authority each year.

The Directors have no current intention to exercise the authority sought under resolution 17 to make market purchases, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base. If passed, the Directors will only exercise this authority if they believe that to do so would result in an increase in earnings per share and would be in the best interests of the Company and of its Shareholders generally.

The Company is permitted to hold shares it has purchased in treasury, as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy options exercised under the Company's share schemes. While held in treasury, the shares are not entitled to receive any dividend or dividend equivalent (apart from any issue of bonus shares) and have no voting rights. The Directors believe that it is appropriate for the Company to have the option to hold its own shares in treasury if, at a future date, the Directors exercise this authority, in order to provide the Company with additional flexibility in the management of its capital base. However, the Directors currently intend to cancel any shares purchased under this authority. The Directors will have regard to institutional Shareholder guidelines which may be in force at the time of any such purchase, holding or resale of shares held in treasury.

Final dividend

Given the challenges presented by the COVID-19 pandemic, with a view to conserving cash, the Directors have decided to suspend the dividend policy. The Directors are therefore not recommending a final dividend for the year ended 31 December 2019. The Board will review the dividend policy once more stable conditions have returned.

Recommendation

The Directors consider that all the resolutions set out in the Notice are in the best interests of the Company and its Shareholders as a whole. The Directors will be voting in favour of them, and unanimously recommend that you do so as well.

Action to be taken

As further detailed above, in light of the extremely challenging circumstances around COVID-19, we have not included a hard copy form of proxy as we encourage you to appoint a proxy electronically using the link www.signalshares.com. You will need to log into your Signal Shares account, or register if you have not previously done so, to register you will need your Investor Code, this is detailed on your share certificate or available from our Registrar, Link Asset Services. This letter does not contain the full details of the resolutions to be tabled at the meeting, and these are contained in the Notice of the meeting and should be read before you complete your vote.

You may request a generic hard copy form of proxy directly from by emailing shareholderenquiries@linkgroup.co.uk

Your proxy appointment must be received by 10 am on 8 June 2020. Further details relating to voting by proxy are set out in the notes to the Notice on pages 10 and 12 of this document.

Yours sincerely

Malcolm Diamond, MBE
Non-Executive Chairman

18 May 2020

Flowtech Fluidpower plc Notice of Annual General Meeting

Notice is given that the 2020 Annual General Meeting of Flowtech Fluidpower plc ('Company') will be held at Flowtech Fluidpower plc, Bollin House, Bollin Walk, Wilmslow SK9 1DP on 10 June 2020 at 10 am for the following purposes: To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- 1 To receive the Company's annual accounts, strategic report and Directors' and Auditor's reports for the year ended 31 December 2019.
- 2 To appoint Roger McDowell as a Director of the Company.
- 3 To reappoint Russell Cash as a Director of the Company.
- 4 To reappoint Bryce Brooks as a Director of the Company.
- 5 To reappoint Nigel Richens as a Director of the Company.
- 6 To reappoint Malcolm Diamond as a Director of the Company.
- 7 To reappoint Grant Thornton UK LLP as Auditors of the Company.
- 8 To authorise the Directors to determine the remuneration of the Auditors.
- 9 That, pursuant to section 366 of the Companies Act 2006 ('Act'), the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution is effective be and are authorised, in aggregate:
 - 9.1 to make political donations to political parties and/or to independent election candidates not exceeding £10,000 in total;
 - 9.2 to make political donations to political organisations other than political parties not exceeding £10,000 in total; and
 - 9.3 to incur political expenditure not exceeding £10,000 in total, in each case, during the period beginning with the date on which this resolution is passed and ending at the conclusion of the next Annual General Meeting of the Company held after such date, provided that (i) the aggregate amount of political donations made and political expenditure incurred by the Company and its subsidiaries pursuant to this authority shall not exceed £10,000; and (ii) each of the amounts referred to in this resolution may comprise one or more sums in different currencies which, for the purposes of calculating any such amount, shall be converted at such rate as the Directors may, in their absolute discretion, determine to be appropriate.

In this resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Act.

- 10 That, pursuant to section 551 of the Act, the Directors be generally and unconditionally authorised to allot Relevant Securities:
 - 10.1 up to an aggregate nominal amount of £10,248,778; and
 - 10.2 comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £10,248,778 in connection with an offer by way of a rights issue:
 - 10.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - 10.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, 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 or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 10 September 2021 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

Flowtech Fluidpower plc – Notice of Annual General Meeting

In this resolution, “Relevant Securities” means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

- 11 That the Rules of the Flowtech Fluidpower plc Company Share Option Plan be amended by:
- 11.1 in Rule 2.3, the replacement of the words “42 days commencing on the Adoption Date” therein with the words,
 - (a) 42 days commencing on the Adoption Date; or
 - (b) twelve calendar months commencing on the date of the annual general meeting of the Company’s shareholders in 2020 (subject to any Dealing Restrictions).”
 - 11.2 in Rule 3.4, the replacement of the words “7.5 percent of the issued ordinary share capital of the Company” therein with the words “10 percent of the issued ordinary share capital of the Company” and the word “7.5” in the title replaced by “10”;
 - 11.3 in Rule 3.5, the replacement of the words “All Employee Shares are excluded” therein with the words, “All Employee Shares are included”
- 12 That the Rules of the Flowtech Fluidpower plc Enterprise Management Incentive Plan be amended by:
- 12.1 in Rule 2.3, the replacement of the words “42 days commencing on the Adoption Date” therein with the words,
 - (a) 42 days commencing on the Adoption Date; or
 - (b) twelve calendar months commencing on the date of the annual general meeting of the Company’s shareholders in 2020 (subject to any Dealing Restrictions),
 - 12.2 in Rule 3.1, the replacement of the words “7.5 percent of the issued ordinary share capital of the Company” therein with the words “10 percent of the issued ordinary share capital of the Company” and the word “7.5” in the title replaced by “10”.
 - 12.3 in Rule 3.2, the replacement of the words “All Employee Shares are excluded” therein with the words “All Employee Shares are included”,
- 13 That Rule 1 of the Flowtech Fluidpower plc Unapproved Sub-Plan be amended by replacement of the words “the Rules of the EMI Plan shall apply to the Unapproved Sub-Plan” therein with the words “the Rules of the EMI Plan (as amended from time to time), shall apply to the Unapproved Sub-Plan”.
- 14 That the Company be permitted to adopt such employee’s share scheme (as defined in section 1166 of the Companies Act 2006) as may be approved by the Remuneration Committee of the Board for the purpose of providing alternatives to awards under the Flowtech Fluidpower plc Enterprise Management Incentive Scheme, the Unapproved Schedule to that scheme and the Flowtech Fluidpower plc Company Share Option Scheme, but subject to the same dilution limits.

To consider and, if thought fit, to pass the following resolutions as special resolutions:

- 15 That, subject to the passing of resolution 10 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 10 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- 15.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph 10.2 of resolution 10, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue:
 - 15.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

15.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, 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 or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

15.2 otherwise than pursuant to paragraph 15.1 of this resolution, up to an aggregate nominal amount of £3,074,663, and this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 10 September 2021 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

16 That, subject to the passing of resolution 10 and pursuant to section 570 of the Act, the Directors of the Company be and are generally empowered (and in addition to any authority granted under Resolution 15) to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 10 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,074,663, and this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 10 September 2021 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

17 That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.50 each in the capital of the Company ("Shares"), provided that:

17.1 the maximum aggregate number of Shares which may be purchased is 6,149,257;

17.2 the minimum price (excluding expenses) which may be paid for a Share is £0.50;

17.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made, and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 10 September 2021 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the Board

Bryce Brooks
Chief Executive Officer

18 May 2020

Registered office:

Bollin House, Bollin Walk, Wilmslow, SK9 1DP

Registered in England and Wales No. 9010518

Notes

Entitlement to attend and vote

- 1 The right to vote at the AGM is determined by reference to the register of members. Only those Shareholders registered in the register of members of the Company as at close of business on 8 June 2020 (or, if the AGM is adjourned, close of business on the date which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the AGM.

In light of the UK Government's prohibition on public gatherings of more than two people and non-essential travel, and as further detailed in the Chairman's letter accompanying this Notice, Shareholders and/or their representatives will not be permitted to attend the AGM in person. The quorum will be satisfied by the attendance of two Directors who shall attend in person. Shareholders who are entitled to vote at the AGM, are advised to vote by proxy, either electronically or in hard-copy, in the manner set out in notes 2 to 4 below.

Proxies

- 2 A Shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the AGM. A proxy need not be a Shareholder of the Company.

A Shareholder may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the Shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 to 4 below and the notes to the proxy form. The appointment of a proxy will not preclude a Shareholder from attending and voting in person at the AGM.

In light of the UK Government's prohibition on public gatherings of more than two people and non-essential travel, Shareholders or their representatives will not be permitted to attend the AGM in person. Shareholders are therefore advised to appoint the Chairman of the meeting as their proxy for all shares they hold, as any other person appointed as a proxy will not be permitted to attend the meeting.

- 3 In light of the COVID-19 pandemic, this year we have not included a hard copy form of proxy and encourage all Shareholders to appoint their proxy electronically using the link www.signalshares.com. You will need to log into your Signal Shares account, or register if you have not previously done so, to register you will need your Investor Code, this is detailed on your share certificate or available from our Registrar, Link Asset Services (previously called Capita). All votes must be received no later than 10 am on 8 June 2020.

For anyone still preferring a paper vote, you may request a generic hard copy form of proxy directly via Link Asset Services on the number below. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Alternatively, you may photocopy this form of proxy as required. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. As above, Shareholders are advised to appoint the Chairman of the meeting as their proxy for all the shares they hold, as any other person appointed as a proxy will not be permitted to attend the meeting.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's Registrar, Link Asset Services at FREEPOST PXS, 34 Beckenham Road, BR3 9ZA no later than 10 am on 8 June 2020 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

If you require assistance while registering your email address, please telephone Link Asset Services on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales; Email: shareholderenquiries@linkgroup.co.uk

- 4 CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) 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 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.

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 Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, 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 Link Asset Services (ID RA10) no later than 10 am on 8 June 2020 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). 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 Link Asset Services 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 or her 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. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

- 5 A Shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the AGM. However each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Documents available for inspection

- 6 Subject to any Government public health restrictions, the following documents will be available for inspection during normal business hours at the Registered office of the Company from the date of this Notice until the time of the AGM. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends:
- 6.1 Copies of the service contracts of the Executive Directors.
 - 6.2 Copies of the letters of appointment of the Non-Executive Directors.

Total voting rights

- 7 As at 22 April 2020 (being the last practicable date before publication of this notice) the Company's issued share capital consists of 61,492,673 ordinary shares of £0.50 each, carrying one vote each.

Biographical details of Directors

- 8 Biographical details of all those Directors who are offering themselves for reappointment at the AGM are set out on page 36 and 37 of the enclosed Annual Report and Accounts and also on the Company's website.

Communications with the Company

- 9 Except as provided above, Shareholders who wish to communicate with the Company in relation to the meeting should do so using the following means:
- 9.1 calling our Shareholder helpline on 01695 52759; or
 - 9.2 by email to info@flowtechfluidpower.com

No other methods of communication will be accepted. Any electronic communication sent by a Shareholder to the Company or Link Asset Services which is found to contain a virus will not be accepted by the Company or the Registrar.