

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in First Derivatives plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

First Derivatives plc

(incorporated and registered in Northern Ireland under number NI30731)

Notice of Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at the offices of the Company, 3 Canal Quay, Newry BT35 6BP, on 8 July 2020 at 2.30pm is set out at the end of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

Notice of Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of First Derivatives plc (the "Company") will be held at the offices of the Company, 3 Canal Quay, Newry BT35 6BP, on 8 July 2020 at 2.30pm to consider and, if thought fit, pass the resolutions 1 to 9 inclusive below as Ordinary Resolutions and Resolutions 10 to 13 inclusive as Special Resolutions. The proposed Ordinary Resolutions will be passed if more than 50% of the votes cast are in favour and the proposed Special Resolutions will be passed if at least 75% of the votes cast are in favour.

ORDINARY BUSINESS

- 1 To receive the Directors' Report, Statement of Accounts and Independent Auditor's Report thereon for the year ended 29 February 2020.
- 2 To approve the Directors' Remuneration Report for the year ended 29 February 2020.
- 3 To declare that there will be no final dividend per ordinary share for the year ended 29 February 2020 to shareholders on the register over and above the interim dividend per share which was declared on 5 November 2019.
- 4 To reappoint Graham Ferguson as a Director of the Company.
- 5 To reappoint Seamus Keating as a Director of the Company.
- 6 To reappoint Keith MacDonald as a Director of the Company.
- 7 To reappoint Virginia Gambale as a Director of the Company.
- 8 To reappoint Donna Troy as a Director of the Company.
- 9 To reappoint Deloitte (NI) Limited, 19 Bedford Street, Belfast BT2 7EJ, as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.

SPECIAL BUSINESS

- 10 That in substitution for all existing and unexercised authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights"), up to an aggregate nominal value of £45,661.11, such authority to expire on the earlier of (i) the date falling 15 months after the date of passing of this resolution, and (ii) the conclusion of the next Annual General Meeting of the Company but so that the Company may, before such expiry, make an offer or agreement as if such authority has not expired and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired.
- 11 That in substitution for all existing and unexercised authorities and subject to the passing of the immediately preceding resolution, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and Section 573 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by the preceding resolution (as if Section 561(1) of the Act did not apply to any such allotment) provided that the power conferred by this resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited:

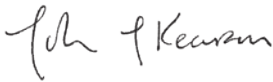
(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £6,849 representing approximately 5% of the current issued share capital of the Company,

and in each case shall expire on the date of the next Annual General Meeting of the Company or (if earlier) 15 months from the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

- 12 That, in accordance with the Act, the Company be generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Act) of ordinary shares of the Company provided that:
- (a) the maximum aggregate number of ordinary shares which may be purchased shall be such number as represents 10% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the passing of this resolution;
 - (b) the minimum price which may be paid for each ordinary share shall not be less than the nominal value of such ordinary share at the time of the purchase (exclusive of all expenses);
 - (c) the maximum price, exclusive of any expenses, which may be paid for any ordinary share shall be the higher of:
 - (i) an amount equal to 105% of the average of the middle market quotations for the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such shares are contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current bid on AIM as stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No. 2273/2003); and
 - (d) the authority conferred by this resolution shall, unless renewed prior to such time, expire on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry enter into a contract of purchase under which such purchase may be completed or executed wholly or partly after the expiry of this authority.
- 13 That a general meeting of the members of the Company shall be called on not less than 14 clear days' notice in writing, such authority to expire on the earlier of the date falling 15 months after the date of passing of this resolution and the next Annual General Meeting of the Company, but so that the Company may, before such expiry, issue a notice for a general meeting to be held after such expiry as if such authority has not expired.

By order of the Board



John Kearns
Company Secretary

1 June 2020

Registered office
3 Canal Quay, Newry
County Down
BT35 6BP

Notes

1 Proxies

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is enclosed with this notice. You can only appoint a proxy using the procedures set out in these notes, the notes to the proxy form and the Company's Articles of Association. To be valid, proxy forms must be lodged at the registered office of the Company, 3 Canal Quay, Newry BT35 6BP, not less than 48 hours before the time of the meeting.

2 The completion and return of a proxy will not prevent a member from attending and voting in person at the meeting if so desired.

3 Nominated Persons

Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

4 The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

5 Entitlement to attend and vote

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determination by the Company of the number of votes they may cast) members must be entered in the Company Register of Members by 2.30pm on 7 July 2020 or, if the meeting is adjourned, at 10.00am on the day two days prior to the adjourned meeting.

6 Issued share capital and total voting rights

As at 1 June 2020 being the latest practicable date prior to the publication of this notice, the Company's issued share capital comprised 27,396,673 ordinary shares of 0.005p 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 1 June 2020 is 27,396,673.

7 Website publication of audit concerns

Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

8 Corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

- 9 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
- (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.
- Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described above.

10 Documents available for inspection

Copies of the Executive Directors' contracts of service together with the engagement letters of the Non-Executive Directors, the register of Directors' (and their families') interests in the share capital of the Company and the Articles of Association are available for inspection at the registered office of the Company during usual business hours, and will be available for inspection at the Annual General Meeting from 9.15am until the conclusion of the meeting.

Explanatory notes

ANNUAL REPORT AND ACCOUNTS (RESOLUTION 1)

The Directors of the Company are required by law to present the accounts, the Directors' Report and the Auditor's Report on the accounts to shareholders at each Annual General Meeting.

DIRECTORS' REMUNERATION REPORT (RESOLUTION 2)

The Company is required to put its report on Directors' remuneration to an advisory shareholder vote. As the vote is advisory and in respect of the overall remuneration package it does not affect the actual remuneration paid to any individual Director. The Directors' Remuneration Report is set at pages 41 to 44 of the Annual Report.

DECLARATION OF FINAL DIVIDEND (RESOLUTION 3)

A final dividend was not recommended by the Directors of the Company (full year dividend 8.5p per share). It is proposed that the shareholders agree this resolution by passing Resolution 3.

REAPPOINTMENT OF DIRECTOR (RESOLUTIONS 4, 5, 6, 7 & 8)

The Company's Articles of Association (the "Articles") require that a Director appointed since the last Annual General Meeting retires from office at the Annual General Meeting following his/her appointment, and that other Directors retire from office at the third Annual General Meeting following their previous election or re-election. Notwithstanding these provisions and in accordance with best practice each Director will voluntarily offer themselves for re-election at each Annual General Meeting. The Board of Directors (the "Board") considers that each of the Directors brings valuable skills and experience to the Board. Performance evaluations have taken place and following those evaluations the Board considers that the performance of each Director continues to be effective and that each demonstrates the commitment required to continue in his or her present role.

APPOINTMENT AND REMUNERATION OF AUDITOR (RESOLUTION 9)

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the Company, to hold office until the next such meeting. Resolution 9 proposes the appointment of Deloitte (NI) Limited as auditor of the Company and authorise the Directors to set their remuneration.

GENERAL AUTHORITY TO ALLOT SECURITIES (RESOLUTION 10)

Resolution 10 seeks to give the Directors authority to allot up to a maximum nominal amount of the share capital of the Company that represents not more than one-third of the Company's total ordinary share capital currently in issue, in accordance with institutional guidelines. These guidelines permit such authorities to be calculated on the basis of not more than one-third of the Company's issued share capital.

The authority conferred by this resolution will expire on the earlier of (i) the date falling 15 months after the passing of the resolution and (ii) the conclusion of the Company's 2020 Annual General Meeting.

GENERAL DISAPPLICATION OF PRE-EMPTION RIGHTS (RESOLUTION 11)

Under Section 561(1) of the Act, if the Directors wish to allot any shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) 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 flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights. Resolution 11 asks shareholders to do this but the authority is limited to (i) the allotment of shares in connection with a rights issue to ordinary shareholders on a pro rata basis (subject to certain exclusions or arrangements as the Directors deem necessary) and (ii) the allotment of up to approximately 5% of the issued ordinary share capital of the Company as at the date of this letter.

If given, the authority will expire on the earlier of (i) the date falling 15 months after the passing of the resolution and (ii) the conclusion of the Company's 2021 Annual General Meeting.

AUTHORITY TO PURCHASE OWN SHARES (RESOLUTION 12)

Resolution 12 seeks authority from the shareholders to give the Directors the power to make market purchases of up to 10% of the Company's issued ordinary share capital at the date of the passing of the resolution subject to a minimum and maximum price that can be paid to the shares. Whilst the Directors have no present intention of making such purchases, it is common practice for listed and AIM quoted companies to seek such authority and the Directors consider that it is prudent for them to do so.

This authority, if conferred, will only be exercised if, in light of market conditions prevalent at the time, the Directors believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the Company for the benefit of the shareholders generally. The authority conferred will expire at the conclusion of the Company's 2021 Annual General Meeting.

CALLING GENERAL MEETING (RESOLUTION 13)

Resolution 13 seeks authority to call general meetings, other than Annual General Meetings, on 14 days' notice. The notice period for general meetings of a company is 21 days, but this notice period may be reduced to 14 days (other than for Annual General Meetings) subject to two conditions.

The first condition is that the Company offers a facility to shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction of the notice period from 21 days to 14 days. Resolution 13 seeks such approval. The approval will expire on the earlier of the date falling 15 months after the date of passing of this resolution and the next Annual General Meeting of the Company.



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