



**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 personal financial advice immediately from your stockbroker or other independent financial adviser under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in SCISYS PLC please send this document, together with the accompanying documents, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.***

**SCISYS PLC**

***Directors:***

Mike Love (Non Executive Chairman)  
David Coghlan (Independent Non-Executive Director)  
David Jones (Deputy Chairman and Executive Director)  
Klaus Heidrich (Chief Executive Officer)  
Chris Cheetham (Finance Director)  
Steve Brignall (Executive Director)  
Klaus Meng (Executive Director)

***To the holders of fully paid Ordinary Shares***

Dear Shareholder,

**Annual General Meeting**

You are invited to attend the 2014 Annual General Meeting of the Company, which will be held at our SCISYS offices at Methuen Park, Chippenham, Wiltshire, SN14 0GB on **Thursday, 22 May 2014 starting at midday**.

In addition to the ordinary business to be transacted at the meeting, there is one item of special business. The purpose of this circular is to give you more details of certain of the items of ordinary business and the item of special business, to describe the action to be taken generally in relation to the notice of the Annual General Meeting attached and to set out the Directors' recommendation in respect of the resolutions to be put to the Annual General Meeting. The ordinary business of the meeting is dealt with by the first seven Resolutions and the final Resolution deals with the item of special business. No Directors are required to seek election or re-election at this year's AGM. A final dividend is recommended by the Board which in aggregate provides shareholders with 1.46 pence per share dividend for the year ended 31 December 2013.

**SCISYS PLC**  
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Chippenham  
Wiltshire  
SN14 0GB  
Tel: +44 (0)1249 466466  
<http://www.scisys.co.uk>

### **Resolution 5: Authority to Allot Relevant Securities**

The Companies Act 2006 ("the **2006 Act**") provides that the Directors of a public company may not allot shares or grant rights to subscribe for, or convert any security into, shares unless authorised to do so by the shareholders. The Directors were granted, at last year's Annual General Meeting, a general authority (pursuant to section 551 of the 2006 Act) to allot shares up to a nominal amount of £2,421,523, at any time up to the earlier of 15 months from the date of the last Annual General Meeting in 2013 or the conclusion of this year's Annual General Meeting. Resolution 5 seeks to renew this authority.

As at the date of this circular, the Company's issued share capital consists of 29,086,075 Ordinary Shares of 25 pence each. Under paragraph (a) of Resolution 5, the Directors will be authorised to allot new shares or grant rights to subscribe for or convert securities into Ordinary Shares up to an aggregate nominal amount of £2,423,840 representing approximately one third of the total issued share capital of the Company at the date of this circular.

Paragraph (b) of this Resolution is in line with guidance issued by the Association of British Insurers. It gives the Directors authority to allot new shares or grant rights to subscribe for or convert securities into Ordinary Shares in connection with a rights issue, to existing shareholders in proportion (as nearly as may be practicable) to their existing holdings, up to an aggregate nominal amount equal to £4,847,680, as reduced by the nominal amount of any shares issued under paragraph (a) of this Resolution. This amount (before any reduction) represents approximately two thirds of the total issued share capital of the Company at the date of this circular.

The authorities sought under paragraphs (a) and (b) of this Resolution shall expire (unless previously renewed or revoked by the Company in general meeting) at the earlier of 15 months from the date of the this year's Annual General Meeting or the conclusion of the next Annual General Meeting in 2015 of the Company. The Directors will seek to renew these authorities at each Annual General Meeting, in accordance with current best practice.

There is no present intention to use either authority other than, as required, under paragraph (a), in connection with exploiting acquisition opportunities or for the implementation of any of the Company's share option schemes.

### **Resolution 6: Authority to Disapply Pre-Emption Rights**

Section 561 of the the 2006 Act prohibits the allotment (which, for these purposes, includes the sale of treasury shares) for cash of equity securities (other than in connection with an employee share scheme) unless they have first been offered to holders of existing equity securities pro-rata to their existing holdings. Sections 570 and 573 of the 2006 Act permit the Directors in certain circumstances, and if so authorised by the Company's Articles of Association or by special resolution, to exclude or modify the pre-emption rights conferred by Section 561.

Resolution 6 seeks to extend for a further year the disapplication of pre-emption rights as approved at the last Annual General Meeting (pursuant to section 570 and 573 of the 2006 Act) until the conclusion of the Annual General Meeting to be held in 2015 in respect of any shares allotted pursuant to:

- (a) a rights issue, open offer or other pre-emptive offer; and
- (b) other than as set out above, for cash up to an aggregate nominal amount equal to 5 per cent of the issued share capital of the Company.

The maximum aggregate nominal value of shares which could be issued under (b) of this disapplication would be £363,561 in respect of 1,454,243 Ordinary Shares, representing approximately 5 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of this circular.

### **Resolution 7: Authority for the Payment of a Scrip Dividend**

Article 145 of the Company's Articles of Association permits the Board, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, to offer to any holders of Ordinary Shares the right to elect to receive fully paid Ordinary Shares instead of the whole or part of any dividend to which they are entitled.

At the last Annual General Meeting the Directors were given a general authority to offer the holders of Ordinary Shares the right to receive a Scrip Dividend alternative. Such authority enables the Directors to offer shareholders a Scrip Dividend alternative in respect of interim and final dividends in respect of the financial year ended on 31 December 2013. The authority expires at the conclusion of the Annual General Meeting to be held this year and a similar authority in respect of dividends relating to the current financial year ending 31 December 2014 is sought under Resolution 7. The authority sought under Resolution 7 will expire at the conclusion of the Annual General Meeting to be held in 2015. The Directors have no present intention of making such an offer to shareholders.

**Resolution 8: Authority to Purchase Own Shares**

The authority for the Company to purchase its own shares can, if the prevailing market conditions are suitable, be a useful mechanism to enhance earnings per share for those members who retain their Ordinary Shares. Under the 2006 Act, a company is permitted to purchase its shares if it has the authority of its members to do so. At the last Annual General Meeting, the Directors were given a general authority to purchase up to 2,869,633 Ordinary Shares of 25 pence each. Resolution 8 seeks to renew this authority to purchase up to 2,879,402 Ordinary Shares representing approximately 9.9% of the Company's existing issued share capital (excluding treasury shares). Last year, the Company committed that it would not purchase any of its own equity shares at any time when, under the Model Code, a Director of the Company would be prohibited from dealing in its Ordinary Shares. The Company renews this commitment in respect of the authority sought under Resolution 8.

The Directors intend that purchases of Ordinary Shares should only be made to the extent that there are cash reserves that are not otherwise required for the purpose of the business and if they are satisfied that such purchases would be in the best interests of the shareholders and would result in an increase in future earnings per share after taking account of other investment opportunities, the level of borrowing and the Company's overall financial position. Any Ordinary Shares purchased by the Company may be cancelled or held in treasury. The treasury share regulations allow for treasury shares to be sold for cash, transferred for the purposes of an employee share scheme or cancelled. It is likely that any Ordinary Shares purchased under the authority given by this resolution will be held as treasury shares although the Board will continue to review this position. No voting rights would be exercised, or dividends paid, in respect of any treasury shares.

The maximum price to be paid on any exercise of the authority would not exceed 10 per cent above the average of the middle-market quotations for the Company's Ordinary Shares for the 5 business days immediately preceding the date of purchase. The minimum price would never be less than the lower of 10 per cent below the average of the middle-market quotations for the Company's Ordinary Shares for the 5 business days immediately preceding the date of purchase and 25 pence, being the nominal value of an Ordinary Share.

Any purchase of the Company's own shares would take place within the limits of available distributable reserves of the Company which as at 31 December 2013 stood at £10.3m or may, if appropriate, and subject to the limitations imposed by the 2006 Act, be financed by the proceeds of a fresh issue of shares. The current authority for the Company to purchase its shares will expire at this year's Annual General Meeting. The Directors are seeking a renewal of this authority until the earlier of 15 months from the date of the this year's Annual General Meeting or the conclusion of the Annual General Meeting to be held in 2015.

As at 31 March 2014, there are outstanding options over a total of 1,809,571 Ordinary Shares, representing 6.22 per cent of its issued equity share capital (excluding treasury shares) and which would represent 6.91 per cent of the issued share capital (excluding treasury shares) if the maximum amount of this authority to purchase own shares was utilised and the shares so purchased were cancelled.

As at 31 March 2014 (being the latest practicable date prior to the publication of this document) the Company holds 1,207 Ordinary shares in treasury and has 29,084,868 Ordinary shares in issue (excluding treasury shares).

**Actions to be taken**

Holders of Ordinary Shares at midday on 20 May 2014 are entitled to attend and vote on all the resolutions at the Annual General Meeting and you will have been provided a proxy card for this purpose. Whether or not you propose to attend the Meeting, please complete and return the enclosed proxy card as soon as possible in accordance with the instructions printed on it. Completion and return of the proxy card will not prevent you from attending and voting in person at the Meeting should you wish, but proxy cards should in any event be returned so as to be received by the Company's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, not later than midday on 20 May 2014.

**Recommendation**

The Directors believe that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and recommend members to vote in favour of each of resolutions 1 to 8, as they intend to do in respect of their own beneficial and non-beneficial holdings amounting in aggregate to 7,424,450 Ordinary Shares, representing approximately 26% of the Company's existing ordinary voting share capital as at 31 March 2014.

Yours faithfully

**Mike Love**  
**Executive Chairman**

**11 April 2014**

# SCISYS PLC

(the "Company")

(Registered in England – No: 3426416)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on **Thursday 22 May 2014** at our SCISYS offices at Methuen Park, Chippenham, Wiltshire, SN14 0GB commencing at **midday** for the following purposes:

### As Ordinary Business

1. To receive the Report of the Directors and the audited Accounts of the Company for the financial year ended 31 December 2013, together with the report of the auditors.
2. To approve the Remuneration Report for the year ended 31 December 2013.
3. To declare a final dividend of 1.06 pence per share for the year ended 31 December 2013.
4. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**2006 Act**") and in substitution for any existing authorities to exercise all the powers of the Company to allot-shares and grant rights to subscribe for, or convert any security into, shares:

- (a) up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the 2006 Act) of £2,423,840; and
- (b) comprising equity securities (as defined in section 560 of the 2006 Act) up to an aggregate nominal amount of £4,847,680, (including within such limit any shares and rights to subscribe for or convert any security into shares allotted under paragraph (a) above) in connection with or pursuant to an offer or invitation by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory.

This authority shall be in substitution for and shall replace any existing authorities and shall expire 15 months from the date of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2015, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"THAT subject to the passing of Resolution No 5:

- (a) the Directors be and they are hereby empowered pursuant to section 570 and 573 of the Companies Act 2006 (the "**2006 Act**") to:

- (i) allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 5; and
- (ii) to sell ordinary shares (as defined in section 560 of the 2006 Act) held by the Company as treasury shares for cash:

as if section 561 of the 2006 Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares (as applicable) for cash:

- (A) in connection with or pursuant to an offer or invitation (but in the case of the authority granted under resolution 5(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical problems which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or otherwise howsoever; and
- (B) in the case of the authority granted under resolution 5(a) above, and otherwise than pursuant to sub-paragraph (A) of this resolution, up to an aggregate nominal amount of £363,561 being approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this circular

and this power shall expire 15 months from the date of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2015, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and notwithstanding such expiry the Directors may allot equity securities, or sell treasury shares, in pursuance of such offers or agreements; and

- (b) all authorities previously conferred under sections 570 and 573 of the 2006 Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect."

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"THAT the Directors be and they are hereby authorised:

- (a) to exercise the power contained in Article 145 of the Articles of Association of the Company so that, to the extent determined by the Directors, the holders of Ordinary Shares be permitted to elect to receive new Ordinary Shares in the capital of the Company, credited as fully paid, instead of all or part of any interim or final dividend for the year ending 31 December 2014 which may be declared or recommended by the Board on or before the Annual General Meeting to be held in 2015; and
- (b) to capitalise that appropriate nominal amount of additional Ordinary Shares falling to be allocated pursuant to elections made aforesaid and any premium thereon out of the amounts standing to the credit of reserves of the Company, to apply such sums in paying up such Ordinary Shares and to allot such Ordinary Shares to members of the Company validly making such elections."

#### **As Special Business:**

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"THAT the Company be and it is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "**2006 Act**") to make one or more

market purchases (within the meaning of section 693(4) of the 2006 Act) of Ordinary Shares of 25 pence each of the Company provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be acquired is 2,879,402 representing approximately 9.9 per cent of the Company's issued ordinary share capital (excluding treasury shares);
- (b) the minimum price (exclusive of expenses) which may be paid for any such share is the lower of:
  - (i) 10 per cent below the average of the middle market quotations for an Ordinary Share as derived from the AIM section of the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the share is contracted to be purchased; and
  - (ii) 25 pence, being the nominal value of an Ordinary Share; and
- (c) the maximum price (exclusive of expenses) which may be paid for any such share is an amount equal to 10 per cent above the average of the middle market quotations for an Ordinary Share as derived from the AIM section of the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the share is contracted to be purchased; and
- (d) the authority hereby conferred shall expire 15 months from the date of this Resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2015, except that a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract."

By Order of the Board,

**Peter Murden**  
**Secretary**

11 April 2014

Registered Office: Methuen Park, Chippenham, Wiltshire, SN14 0GB

Registered No: 3426416

## Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrars, Computershare Investor Services PLC at the address shown on the proxy form not later than midday on 20 May 2014.
3. The return of a completed proxy form will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
4. To be entitled to attend and vote at the meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company as at midday on 20 May 2014 or, if the meeting is adjourned 48 hours before the time fixed for the adjourned meeting. Changes to entries on the register after midday on 20 May 2014 shall be disregarded in determining the right of any person to attend or vote at the Meeting.
5. Copies of the following documents are available for inspection at the registered office of the Company during normal business hours (excluding weekends and public holidays) from the date of this notice until the conclusion of the AGM, and will also be available for inspection at the place of the AGM from 11 a.m. until its conclusion:
  - (a) service contracts of the executive directors; and
  - (b) letters of appointment of the non-executive directors.
6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.