



CHURCHILL

Churchill China plc
Annual General Meeting – 11 June 2020

8 May 2020

Dear Shareholder

In the light of the COVID-19 pandemic and UK Government restrictions on public gatherings the Board will now implement a contingency plan for the 2020 Annual General Meeting ('AGM'). The AGM would normally be held at the Company's Sandyford, Stoke on Trent site and at present much of this site is substantially closed pending lifting of lockdown restrictions and the recommencement of production.

In order to comply with the law and to protect the health and safety of shareholders, employees and the community as a whole the 2020 AGM will now be a closed meeting. It will be held with two shareholder Directors physically present, following only normal procedural matters and addressing the Resolutions included within the Notice of Meeting and Notes thereto overleaf. This is a procedure now being followed by many companies during the period of restrictions and has been endorsed by the Department for Business, Energy & Industrial Strategy and the Financial Reporting Council.

It will not be advisable for shareholders to travel to Stoke on Trent for the meeting and should you attempt to gain access you will not be admitted to the meeting for health and safety reasons. The Board encourages members to vote by proxy on all the resolutions set before the meeting. Shareholders should appoint the Chairman of the Meeting as their proxy and indicate their voting preference for each resolution on the proxy form enclosed, returning that form to the Company's Registrars as set out in the attached instructions.

Clearly the above is unusual and the Board regrets that it is not possible to engage with shareholders through the AGM process. In order to facilitate good governance and to allow for interaction between members and the Board, the Directors propose the following:

- Questions for the Board on the respective resolutions put before the AGM may be sent electronically to the email address **2020AGM@churchill1795.com** before the meeting. The Board will provide a summary of questions received and its responses to those questions prior to the AGM.
- The results of proxy voting will be posted on the Company's website as soon as possible after the meeting.
- A shareholder day will be held later in the year, assuming travel and public gathering restrictions have been relaxed, where members will be able to visit the factory and meet the Board.

If guidance on public gatherings changes significantly before 11 June 2020, making a normal AGM feasible, the Board will advise revised arrangements through RNS, the London Stock Exchange's Regulatory News Service and by publication on the investor section of the Company's website **churchill1795.com**.

David Taylor
Company Secretary

Churchill China plc
No.1 Marlborough Way
Sandyford
Stoke on Trent
ST6 5NZ

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Churchill China plc will be held at No.1, Marlborough Way, Tunstall, Stoke-on-Trent on Thursday 11 June 2020 at 12 noon for the following purposes:

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. That the reports of the Directors and the Auditors and the Financial Statements for the year ended 31 December 2019 be received.
2. That no final dividend be declared in respect of the year ended 31 December 2019.
3. That D M O'Connor be re-elected as a Director.
4. That A J McWalter be re-elected as a Director.
5. That A C Bromfield be re-elected as a Director.
6. That the Auditors, PricewaterhouseCoopers LLP, be re-appointed.
7. That the Audit Committee be authorised to fix the auditors' remuneration for the year ending 31 December 2020.
8. That the Annual Report on Remuneration for the year ended 31 December 2019 be approved.
9. That the Directors be and they are hereby authorised generally and unconditionally pursuant to section 551 of the Companies Act 2006, ('the Act'), and in substitution for any subsisting authority pursuant to that section which remains unexercised at the commencement of this meeting, which subsisting authority shall be revoked, to exercise all the powers of the Company (a) to allot shares in the Company, and (b) to grant rights to subscribe for or to convert any security into shares in the Company, ('Allotment Rights') in either case, to such persons, at such times and subject to such terms and conditions as the Directors may determine. The maximum amount of shares which may be allotted or made the subject of Allotment Rights pursuant to this authority shall be shares with an aggregate nominal value of £366,207 provided that (unless previously revoked varied or renewed) this authority shall expire at the end of the next Annual General Meeting (or, if earlier, at the close of business on 11 September 2021), save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry.

To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

10. That if resolution 9 is passed, the Directors be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:
 - (i) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the London Stock Exchange's AIM Rules for Companies) or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
 - (ii) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount of £54,931, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 11 September 2021), but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
11. That if resolution 9 is passed, the Directors be authorised in addition to any authority granted under resolution 10 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:
 - (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £54,931; and
 - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 11 September 2021), but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
12. That the Directors be authorised generally and unconditionally for the purposes of Sections 693 and 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company ('Ordinary Shares') on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:
 - (i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 1,098,623;
 - (ii) the minimum price which may be paid for an Ordinary Share, exclusive of all expenses, shall be 10p;
 - (iii) the maximum price which may be paid for an Ordinary Share, exclusive of all expenses, shall be an amount equal to 5 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 five business days immediately preceding the date on which such Ordinary Share is purchased.

Unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting. The Company may prior to the expiry of the authority hereby conferred make a contract or contracts to purchase Ordinary Shares under such authority which will or may be executed wholly or partly after the expiry of such authority.

By Order of the Board

D J S Taylor
Company Secretary
Dated 8 May 2020

Registered Office
No.1, Marlborough Way
Tunstall
Stoke-on-Trent
ST6 5NZ
Registered Number 02709505

The Directors of the Company consider 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 are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions.

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 member 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 member. A proxy need not be a member of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. Instructions for use are shown on the form. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact our registrars, Equiniti, on 0371 384 2287. If calling from overseas, please call +44 (0) 121 415 7047. Lines are open 9.00am – 5pm, Monday – Friday (excluding public holidays in England and Wales). To appoint more than one proxy, you may photocopy the proxy form.

Proxy forms may also be downloaded shortly from the Company's website **churchill1795.com/investor-relations/company-information**

Please complete your proxy form in the normal way in accordance with the instructions thereon. Please ensure that you also add your full name, postcode and shareholder reference number (if known). As an alternative to posting your completed form, you may take a picture of it or scan it and email this to **proxyvotes@equiniti.com**

2. To be valid, any form of proxy 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, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, no later than 12 noon on 9 June 2020. If you return more than one proxy appointment, that received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully.
3. The return of a completed form of proxy will not usually prevent a member attending the AGM and voting in person if he/she wishes to do so. However given the current restrictions on travel and public gatherings we would encourage Shareholders to vote by proxy, appointing the Chairman of the Meeting, and re-iterate that members will not be admitted to the closed meeting on 11 June 2020.
4. 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.
5. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.30pm on 9 June 2020 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. Voting at the meeting will be conducted by way of a show of hands, unless a poll is correctly called for.
6. As at 8 May 2020 (being the last practicable date prior to publication of this Notice), the Company's total issued equity share capital consists of 11,030,172 ordinary shares, carrying one vote each. The Company holds 43,938 ordinary shares in treasury. The total number of voting rights in the Company is 10,986,234.
7. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so using the following means: (1) by writing to the Company Secretary at the Registered Office address; or (2) by writing to the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice or in any related documents for any purposes other than expressly stated.
8. Copies of the Directors' Service Contracts and the Non-executive Directors' letters of appointment will be available for inspection at the Company's Registered Office address on weekdays (Saturdays and public holidays excepted) during business hours from the date of this Notice until the conclusion of the AGM.

Notice of Annual General Meeting

continued

EXPLANATORY NOTES ON THE RESOLUTIONS

The notes on the following pages give an explanation of certain of the proposed resolutions.

1. Resolutions 3, 4 and 5: in accordance with the Company's Articles of Association at every AGM the number of Directors nearest to, but not exceeding one-third must retire by rotation. D M O'Connor, A J McWalter and A C Bromfield are retiring by rotation and resolutions 3, 4 and 5 respectively seek approval for their re-election as a Director (D M O'Connor, A J McWalter and A C Bromfield).

Biographical details for the Directors are set out in the Directors' Report.

Each of the Directors has had a formal performance evaluation and the Board believes that each of them continues to be effective and demonstrates commitment to the role.

2. Resolution 8: this is a resolution to approve the Annual Report on Directors' Remuneration on pages 28 to 31 of the Annual Report. As an AIM listed company, the Company is not required to comply with all of the requirements in this respect under The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The Company has chosen to disclose its Remuneration Policy on pages 26 to 27 of the Annual Report although the Policy is not the subject matter of Resolution 8.
3. Resolution 9 is an ordinary resolution authorising the Directors at any time prior to 11 September 2021 (or, if earlier, the conclusion of the next Annual General Meeting) to allot shares and to grant rights to subscribe for, or convert any securities into, shares up to an aggregate nominal value equivalent to approximately 1/3 of the issued share capital (excluding shares held in treasury) of the Company as at May 2020. The Directors have no present intention to exercise this authority which is designed to preserve flexibility.

The number of treasury shares held by the Company as at 8 May 2020 was 43,938 which represents 0.4% of the issued share capital as at that date.

4. Resolution 10: under Section 570 of the Act, when new shares are allotted, or treasury shares are sold, for cash, they must, subject to certain limited exceptions, first be offered to existing Shareholders pro rata to their holdings. This special resolution empowers the Directors to: (a) allot shares of the Company in connection with a rights issue, open offer or other similar issue; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £54,931 (representing approximately 5% of the total issued equity share capital, excluding shares held in treasury, as at 8 May 2020) (being the last practicable date prior to the publication of this Notice) as if the pre-emption rights of Section 570 did not apply.
5. Resolution 11: this resolution additionally authorises the Directors to allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £54,931 (representing approximately 5% of the total issued equity share capital, excluding shares held in treasury as at 8 May 2020) (being the last practicable date prior to the publication of this Notice) as if the pre-emption rights of section 570 did not apply provided that the proceeds of such allotment and/or sale are used only for the purposes of an acquisition or other capital investment of a kind contemplated by The Pre-emption Group's Statement of Principles. The Principles provide that specified capital investment means one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

The Directors have no immediate plans to make use of these powers. In line with best practice, the Company confirms that it has issued 0.0% of its issued share capital (excluding shares held in treasury) on a non-pro rata basis over the last 3 years, and it confirms its intention to adhere to the provisions in the Principles regarding cumulative usage of authorities of no more than 7.5 per cent of the issued ordinary share capital (excluding shares held in treasury) within a rolling 3 year period.

The authorities granted by resolutions 10 and 11 shall cease to have effect at the conclusion of the next AGM or on 11 September 2021, whichever is the earlier.

6. Resolution 12 renews the Directors' current authority to make limited market purchases of the Company's ordinary shares. The power is limited to a maximum aggregate number of 1,098,623 ordinary shares (representing approximately 10 per cent of the issued share capital excluding shares held in treasury as at 8 May 2020 (being the last practicable date prior to publication of this Notice) and details the minimum and maximum prices that can be paid, exclusive of expenses. Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange.

Current legislation allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Directors may use the authority to purchase shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with legislation) rather than cancel them, subject to institutional guidelines applicable at the time. Shares will only be purchased if to do so would result in an increase in earnings per share and is in the best interests of shareholders generally. The Board has previously indicated its intention to continue to return surplus cash to shareholders via on-market purchase of its own shares where it is not required to finance the organic expansion of the business, acquisitions and dividend payments.

The authority conferred by this resolution will expire at the conclusion of the next AGM.