

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or, if not, another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all your shares in the capital of Mattioli Woods plc (the "Company") (or will have sold or transferred all of your shares prior to the Company's annual general meeting ("AGM") to be held on 19 October 2020 at 10.00 am, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only some of your shares you should retain this document and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

MATTIOLI WOODS PLC

(Incorporated and registered in England and Wales with registered number: 3140521)

Circular to Shareholders and Notice of Annual General Meeting

Notice of the AGM of the Company, to be held on 19 October 2020 at 10.00 am, is set out on pages 6 to 12 of this document. In light of the current measures in place related to the COVID-19 pandemic, Shareholders may not attend in person. However, they are strongly encouraged to submit their votes in advance, as well as any questions on the business to be transacted at the AGM, as set out on pages 6 to 7 of this document. All valid proxy votes, whether submitted electronically or in hard copy form, will be included in the poll to be taken at the meeting and the results of the meeting will be published on the Company's website following the meeting.

We strongly encourage all Shareholders (as defined on page 2 below) to vote in advance of the meeting, in accordance with the notes set out on pages 10 to 12 of this document, as soon as possible and, in any event, by not later than 10:00 am on 15 October 2020, being 48 hours (excluding non-working days) before the time appointed for the holding of the AGM.

Part 1 – Letter from the Chairman of Mattioli Woods plc

Mattioli Woods plc

(Incorporated and registered in England and Wales with registered number 3140521)

Directors

Joanne Lake (Non-Executive Chairman)
Ian Mattioli (Chief Executive Officer)
Nathan Imlach (Chief Financial Officer)
Carol Duncumb (Non-Executive Director)
Anne Gunther (Non-Executive Director)

Registered Office

Mattioli Woods PLC
1 New Walk Place
Leicester
LE1 6RU

23 September 2020

To holders ("**Shareholders**") of ordinary shares of £0.01 each in the capital of Mattioli Woods plc ("**Ordinary Shares**") and, for information purposes only, to the holders of options to subscribe for Ordinary Shares.

Dear Shareholder,

Annual General Meeting of Mattioli Woods plc (the "**Company**")

1. Introduction

I am pleased to be writing to you with details of our Annual General Meeting ("**AGM**"). Whilst in normal circumstances the Board values the opportunity to meet Shareholders in person at its AGM, in view of the challenges posed by the COVID-19 pandemic this year, and the social distancing measures in place, Shareholders will be unable to attend the AGM. The Board has decided (as permitted by the temporary measures contained in the Insolvency and Corporate Governance Act 2000) that this year's AGM will be held with only the minimum quorum required by the Company's Articles present, comprising officers of the Company who are also Shareholders, to conduct the business of the meeting. Whilst Shareholders will not be able to attend the AGM, we strongly encourage you to vote in advance of the AGM, as detailed on pages 10 to 12 of this document, and to submit any questions you may have regarding the business to be transacted at the AGM. We will publish the results of the meeting on our website following the meeting.

The formal notice of the AGM ("**Notice**") is set out on pages 6 to 12 of this document. The purpose of this letter is to provide Shareholders with details of, the background to and reasons for, the resolutions to be proposed at the AGM, to explain why the Directors of the Company ("**Directors**") believe that the passing of the resolutions is in the best interests of the Company and its Shareholders as a whole and to recommend that Shareholders vote in favour of the resolutions.

If you would like to vote on the resolutions to be proposed at the AGM please do so as soon as possible, and in any event by no later than 10:00am on 15 October 2020. Only shareholders who have requested a hard copy Form of Proxy for the AGM will be sent one in the post. All other shareholders may submit their votes by electronic means by lodging your proxy appointment electronically using the Shareholder portal 'Signal Shares' at www.signalshares.com. If not already registered for Signal Shares, you will need your Investor Code which can be found on your share certificate or dividend voucher. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual and in accordance with the instructions set out in the notes to this Notice. If you wish to receive a hardcopy Form of Proxy, please contact the Company's registrars, Link Asset Services (please refer to note 11 of the notes to this document). In light of the restricted attendance requirements that apply to this year's AGM, we strongly recommend that you appoint the Chair of the meeting as your proxy for the purpose of this AGM. If a Shareholder appoints a person other than the Chair of the AGM as their proxy, that person will not be able to attend the AGM nor vote.

2. Business to be transacted at the AGM

Details of the resolutions to be proposed at the AGM are set out below. Resolutions 1 to 11 are to be proposed as ordinary resolutions (requiring a majority of the votes cast to be in favour) and Resolutions 12 to 14 are to be proposed as special resolutions (requiring 75% of the votes cast to be in favour).

Ordinary Resolution One: Annual Report and Accounts

In accordance with the requirements of section 437 of the Companies Act 2006 ("**Act**"), the Company will lay before the AGM the Annual Report and Accounts of the Company in respect of the year ended 31 May 2020, together with the strategic report and the reports of the Directors and auditors of the Company thereon. Shareholders may submit any questions regarding the Annual Report ahead of the AGM, as detailed in note 2 of the notes to this document.

Ordinary Resolution Two: Directors' Remuneration

Shareholders will be asked to approve the Directors' Remuneration Report as set out on pages 58 to 63 of the Annual Report.

The Directors' Remuneration Report for the year ended 31 May 2020 is contained on pages 58 to 63 of the Annual Report. Resolution Two seeks Shareholder approval for the Directors' Remuneration Report which gives details of the implementation of the Directors' remuneration policy during the year ended 31 May 2020. The vote is advisory, and the Directors' entitlement to remuneration is not conditional upon it.

Ordinary Resolutions Three to Six: Re-election of Directors

The Company's articles of association ("**Articles**") require that any Director appointed by the Board since the last AGM, or who held office at the time of the two preceding AGMs and who did not retire at either of them, shall retire from office at the next AGM and may offer themselves for re-election. The Board has taken the decision that Shareholders will be asked to approve the re-election of each Director on an annual basis, and not every three years, as a matter of good governance.

Nathan Imlach has decided not to stand for re-election as a Director of the Company at the AGM, and his resignation will take effect from the conclusion of the AGM. The Board would like to thank Nathan for his service as a Director of the Company since his appointment in 2005.

Ravi Tara, Group Finance Director, will succeed Nathan Imlach on the Board as part of the Board's succession planning programme. The Board believes it is the right time to strengthen the executive team through the further appointments of Michael Wright and Iain McKenzie to the Board as Group Managing Director and Group Operating Officer respectively. Ravi, Michael and Iain will join the Board immediately following regulatory approval of their appointments.

The Board anticipates that after these Board changes have taken place, the Company will have, for a period of time, a Board comprising four Executive and three Non-Executive Directors. The Board intends to appoint another Non-Executive Director and the Group is in discussion with potential candidates. Following this appointment, the Company will have a balanced board, which the Directors believe represents the right governance structure for the business.

The Board recognises the importance of ensuring that Directors are able to dedicate sufficient time to the Company. During the year, the Board considered the time commitments of each of the Directors, and is comfortable that they each have sufficient available capacity to carry out their role within the Company. For further details on the current time commitments of each of the Directors, please refer to page 48 of the Annual Report.

The Board has a process for the evaluation of its own performance and that of the individual Directors. During this year the Chair coordinated a discussion with each Director on the continued individual effectiveness of the Directors. Having reviewed the results of the evaluation process, the Board confirmed that each Director continues to be an effective member of the Board and to demonstrate commitment to the role.

The Board therefore recommends that you support the re-election of each of the existing retiring Directors. Brief biographical details of each of the Directors are set out on pages 46 to 47 of the Annual Report.

The Board planned to undertake a self-evaluation during the year but due to the COVID-19 pandemic this process has been postponed until the year ending 31 May 2021 and is intended to be repeated annually thereafter.

Ordinary Resolutions Seven and Eight: Appointment of auditors and Auditor Remuneration

Shareholders will be asked to confirm the re-appointment of Deloitte LLP as the Company's auditor to hold office until the conclusion of the next AGM of the Company and to grant authority to the Directors to determine the auditors' remuneration.

Ordinary Resolution Nine: Declaration of final dividend

Shareholders will be asked to approve the payment of a final dividend of 12.7 pence per Ordinary Share for the year ended 31 May 2020, as recommended by the Directors. If approved and declared at the AGM, the final dividend will be payable on 23 October 2020 to all holders of Ordinary Shares on the register of members at the close of business on the record date of 11 September 2020.

Ordinary Resolution Ten: Extension of the Company's 2010 Long Term Incentive Plan ("LTIP")

The Company's current LTIP was implemented with shareholder approval in 2010 and is due to expire this year. In light of the current situation with regard to the COVID-19 pandemic, the Directors feel that it is prudent for the Company to delay the expense of a full benchmarked review of the LTIP and are requesting a short extension to the existing plan, under the same terms and conditions, for a two-year period.

Further details on the terms and conditions of the LTIP can be found in Part 2 of this Notice on pages 8 to 9.

Special Resolutions Eleven: Grant of authority to the Directors to allot Ordinary Shares

Under section 551 of the Act, the Directors are prevented, subject to certain exceptions, from allotting shares without the authority of the Shareholders in general meeting. This resolution is proposed as an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £93,364.19 (representing approximately one-third of the share capital of the Company in issue as at 18 September 2020, being the latest practicable date prior to the publication of the Notice).

The Directors currently intend only to make use of this authority: (a) in connection with the grant of share-based payments or options to the Directors of the Company and employees of the Company and its subsidiaries ("Group"); (b) to issue Ordinary Shares as consideration in connection with any acquisitions of companies or businesses which the Company may wish to make; and (c) in connection with the offer for subscription or placing with investors of Ordinary Shares to additionally raise funds for any such acquisitions or otherwise as may be necessary to satisfy the working capital requirements of the Group.

In line with The Investment Association guidelines, the authority will also permit the Directors to allot an additional one-third of the Company's share capital in issue as at 18 September 2020, (being the latest practicable date prior to the publication of the Notice), provided such additional shares are reserved for a fully pre-emptive rights issue.

The Directors' authority will expire on the earlier of the conclusion of the next AGM and 18 January 2022.

At 18 September 2020 (being the latest practicable date prior to the publication of the Notice), the Company did not hold any Ordinary Shares in treasury.

Special Resolutions Twelve and Thirteen: Disapplication of statutory pre-emption rights

Under section 561 of the Act, when new shares are allotted, they must first be offered to existing Shareholders pro rata to their holdings. The Directors are seeking the disapplication of pre-emption rights in accordance with the Statement of Principles ("**Statement of Principles**") issued by the Pre-Emption Group.

The Statement of Principles states that in addition to the previous standard annual disapplication of pre-emption rights of up to a maximum equal to 5% of issued ordinary share capital, the Pre-Emption Group is supportive of companies extending the general disapplication authority by an additional 5% for certain purposes. The Company confirms that it intends to use the additional 5% only in connection with an acquisition or specified capital investment.

Resolution 12 renews the authorities previously granted to the Directors to:

- (a) allot shares in the Company in connection with a rights issue or other pre-emptive offer; and
- (b) otherwise allot shares in the Company for cash up to a maximum nominal amount of £14,004 (representing approximately 5% of the share capital of the Company in issue at 18 September 2020 (being the latest practicable date prior to the publication of the Notice)),

in each case as if the pre-emption rights of section 561 of the Act did not apply.

In addition, resolution 12 permits the Directors to deal with fractional entitlements and any legal or regulatory problems arising in any territory on any offer of new shares to be made to Shareholders on a pro rata basis.

Resolution 13 seeks separate and additional authority in accordance with the Statement of Principles as detailed above and the Directors confirm that the Company will only allot shares up to a maximum nominal amount of £14,004 (representing approximately 5% of its issued ordinary share capital in issue at 18 September 2020, being the last practicable date prior to the publication of the Notice) for cash pursuant to the authority referred to in resolution 12 where that allotment is in connection with an acquisition or specified capital investment, which is announced contemporaneously with the allotment.

The Directors also confirm, in accordance with the Statement of Principles, their intention that (except in relation to an issue pursuant to resolution 13 in respect of the additional 5% referred to above) no more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) will be issued for cash on a non-pre-emptive basis during any rolling three-year period without prior consultation with Shareholders.

Save in respect of issues of shares in connection with employee share schemes, the Directors have no immediate plans to make use of the authority sought in resolutions 12 and 13. The Directors consider the authority sought to be appropriate in order to provide the Company with flexibility to take advantage of business opportunities as they arise. Shareholders should note that resolutions 12 and 13 are subject to resolution 11 being passed.

If both resolutions 12 and 13 are approved, the authorities will expire on 18 January 2022 or, if earlier, the date of the next AGM.

Special Resolution Fourteen: Authority for the Company to purchase its own shares

Resolution 14 seeks authority in accordance with s701 of the Companies Act 2006 for the Directors to make market purchases (within the meaning of s693(4) of the Companies Act 2006) of the Company's Ordinary Shares up to a maximum nominal amount of £28,009 (representing approximately 10% of the Company's ordinary share capital in issue at 18 September 2020, being the last practicable date prior to the publication of the Notice) provided that the maximum price paid is no higher than an amount equal to 5% above the average mid-market price of the Company's shares for the previous five business days before the purchase is made, or the higher of the price of the last independent trade and the highest current independent bid on the Company's shares on the AIM Index of the London Stock Exchange Daily Official List.

Purchases of shares will only be made where the Board believes it would result in an increase in earnings per share, and where the Board believes it would be in the best interests of Shareholders generally.

If resolution 14 is approved, the authority will expire on 18 January 2022 or, if earlier, the date of the next AGM.

3. Action to be taken

You are entitled to appoint one or more proxies to vote at the AGM on your behalf. Please submit your proxy vote as soon as possible and, in any event, so as to be received by not later than 10:00 am on 15 October 2020. For the purpose of this AGM, you are strongly encouraged to submit your proxy vote online using the Shareholder portal 'Signal Shares' at www.signalshares.com. If not already registered for Signal Shares, you will need your Investor Code which can be found on your share certificate or dividend voucher. If you wish to receive a hard copy Form of Proxy, please contact the Company's registrars, Link Asset Services, using the contact details set out in note 11 of the notes to this Notice. CREST members may also appoint a proxy or proxies through the CREST electronic proxy appointment service, please refer to the instructions set out in the notes to this Notice for further information.

In light of the restricted attendance requirements that apply to this year's AGM, we strongly recommend that you appoint the Chair of the meeting as your proxy for the purpose of this AGM. If a Shareholder appoints a person other than the Chair of the AGM as their proxy, that person will not be able to attend the AGM nor vote.

4. Recommendation

The Directors consider that all of the resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully



Joanne Lake
Non-Executive Chairman

Mattioli Woods plc

(Incorporated and registered in England and Wales with registered number 3140521)

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Mattioli Woods plc (the "Company") will be held on 19 October 2020 at 10.00 am for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions of which resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12 to 14 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. THAT the Company's annual accounts for the financial year ended 31 May 2020, together with the strategic report and the reports of the Directors and auditors of the Company thereon, be received and adopted.
2. THAT the Directors' remuneration report for the period ended 31 May 2020 which appears on pages 58 to 63 of the Company's report and accounts for the year ended 31 May 2020 be approved.
3. THAT Joanne Carolyn Lake be re-elected as a Director.
4. THAT Ian Thomas Mattioli be re-elected as a Director.
5. THAT Carol Avis Duncumb be re-elected as a Director.
6. THAT Anne Margaret Gunther be re-elected as a Director.
7. THAT Deloitte LLP be re-appointed as the Company's auditors to hold office until the conclusion of the next annual general meeting of the Company.
8. THAT the Directors be authorised to agree and fix the auditors' remuneration.
9. THAT a final dividend of 12.7 pence per ordinary share of £0.01 each in the capital of the Company be declared for the year ended 31 May 2020.
10. THAT the terms and conditions of the Company's existing Long Term Incentive Plan (as set out in Part 2 of the circular to Shareholders dated 22 September 2020, of which this notice forms part) be extended for a period of two years.
11. THAT the Directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("Act") to exercise all the powers of the Company to:
 - (a) 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 £93,364.19; and
 - (b) allot further equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £93,364.19 in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interest of all shareholders are as proportionate (as nearly as practicable) to the respective numbers of shares held by them, subject to such exclusions or other arrangements specified in paragraph (a) of resolution 12

provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next AGM of the Company, or on 18 January 2022, whichever is the earlier (save that the Company may, at any time before the expiry, revocation or variation of such authority, make any offer or enter into any agreement that would or might require shares to be allotted or rights to be granted after the expiry, revocation or variation of such authority and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if the authority conferred hereby had not expired, been revoked or varied). This authority is in substitution for all previous general authorities conferred upon the Directors.

SPECIAL RESOLUTIONS

12. THAT subject to the passing of resolution 11 and in accordance with sections 570 and 573 of the Act, the Directors of the Company be generally and unconditionally authorised to allot equity securities of the Company (as defined in section 560 of the Act) for cash under the authority given by resolution 11 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:

(a) to the allotment of equity securities in connection with a rights issue or other pre-emptive offer in favour of ordinary shareholders where the equity securities are proportionate (as nearly as practicable) to the respective number of ordinary shares held by such holders, but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory; and

(b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of £14,004,

such authority to be subject to the continuance of the authority conferred by resolution 11 and to expire unless renewed, revoked or varied by the Company in general meeting, at the conclusion of the next AGM of the Company or, if earlier, on 18 January 2022 but, in each case, prior to its expiry, revocation or variation the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted or rights to be granted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities or grant rights (and sell treasury shares) under any such offer or agreement as if the authority had not expired, been revoked or varied.

13. THAT subject to the passing of resolution 11 and in accordance with sections 570 and 573 of the Act, the Directors of the Company be generally and unconditionally authorised (in addition to any authority granted under resolution 12) to allot equity securities of the Company (as defined in section 560 of the Act) for cash under the authority given by resolution 12 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:

(a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £14,004; and

(b) 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 be subject to the continuance of the authority conferred by resolution 11 and to expire unless renewed, revoked or varied by the Company in general meeting, at the conclusion of the next AGM of the Company or, if earlier, on 18 January 2022 but, in each case, prior to its expiry, revocation or variation the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted or rights to be granted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities or grant rights (and sell treasury shares) under any such offer or agreement as if the authority had not expired, been revoked or varied.

14. THAT the Company be generally and unconditionally authorised in accordance with s701 of the Act for the Directors to make market purchases (within the meaning of s693(4) of the Act) of ordinary shares in the capital of the Company on such terms and in such manner as the Directors may determine provided that:

(a) the maximum number of ordinary shares hereby authorised to be acquired is 2,800,925 ordinary shares;

(b) the minimum price (exclusive of expenses) which may be paid for any such share is the nominal value thereof;

(c) the maximum price (exclusive of expenses) which may be paid for any such share is the higher of:

- (i) an amount equal to 5% above the average mid-market price of the Company's shares for the previous five business days before the purchase is made; or
- (ii) the price of the last independent trade and the highest current independent bid on the Company's shares on the AIM Index of the London Stock Exchange Daily Official List.

(d) the authority hereby conferred expires unless renewed, revoked or varied by the Company in general meeting, at the conclusion of the next AGM of the Company or, if earlier, on 18 January 2022; and

(e) the Company may agree, before the authority ends, to purchase ordinary shares even though the purchase is, or may be, completed or executed wholly or partly after the authority ends, and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

Dated: 23 September 2020

By order of the Board:



Joanne Lake
Non-Executive Chairman

Registered Office:
Mattioli Woods PLC
1 New Walk Place
Leicester
LE1 6RU

Part 2 – Terms and Conditions of the Mattioli Woods plc Long Term Incentive Plan (“LTIP”)

Introduction

The LTIP was introduced in 2010 to ensure that the Executive Directors and other key employees were appropriately incentivised and rewarded for achieving the long-term objectives of the Company. The LTIP was introduced with an expiry date of 10 years, at which point the Company would review the terms and conditions to ensure that this was still in line with market practice. Due to the COVID-19 pandemic, the Company is requesting a two-year extension to the current LTIP, with a view of undertaking this benchmarking activity in line for a full review of the LTIP at the 2022 AGM. As a reminder to shareholders, the terms and conditions of the LTIP have been set out below.

Types of awards

The Remuneration Committee (the “Committee”) may grant (or recommend to the trustees of the Mattioli Woods 2010 Employee Benefit Trust that they grant) the following kinds of awards.

“**Conditional share awards**”. Conditional rights to acquire the Company’s ordinary shares (“Shares”) for no payment.

“**Conditional cash awards**”. Conditional rights to cash payments.

An award will not normally vest (become capable of release) before the third anniversary of its grant date at the earliest.

Eligibility

Awards under the LTIP may only be granted to Executive Directors or other employees of the Company and its subsidiaries (the “Group”), selected at the discretion of the Committee.

Timing of grants

Awards may be granted within 42 days of the extension of the LTIP by shareholders, or within 42 days of when the Company announces its half-yearly or annual results. Awards may also be granted at other times, where there are exceptional circumstances which the Committee considers justify the granting of awards (but not in a closed period).

Consideration for grants

No consideration is payable by a participant for the grant of an award under the LTIP.

Performance measurement and release of awards

The Committee will set performance conditions for each award which will determine the extent to which Shares may be released to participants. The performance measurement period will be not less than three years.

The performance conditions will be challenging and aligned with the long-term interests of shareholders. If an event occurs which causes the Committee to consider that the performance conditions are no longer appropriate, the Committee may waive them or vary them in such manner as it considers fair and reasonable in the circumstances.

The release of Shares or cash subject to awards to participants will normally take place after the Committee has determined the extent to which the applicable performance conditions have been met.

Individual grant limit

The value of Shares or cash which may be subject to awards granted to any individual under the LTIP in any financial year of the Company may not exceed 100% of the individual’s annual base salary. For this purpose, Shares are valued at the grant date of the relevant award or option.

Share capital limit

No conditional share award may be granted under the LTIP if the maximum number of Shares issuable under the award, together with the maximum number of Shares issuable or issued pursuant to awards or options granted under the LTIP and any other employee share plan operated by a member of the Group over the previous 10 years would exceed 10% of the Company’s issued ordinary share capital at the time.

For the purpose of the share capital limit, the issue of Shares includes the reissue of treasury shares. The limit does not include any Shares issuable or issued pursuant to awards or options granted before the Shares were first admitted to trading on AIM (23 November 2005), or any shares which have been purchased in the market to satisfy an award or option.

Cessation of employment

As a general rule, an award will lapse if a participant ceases to be employed within the Group before the Shares have been released. However, if a participant leaves employment because of:

- the participant's death
- injury, ill health or disability
- retirement or redundancy
- the company or business in which the participant is employed ceasing to be part of the Group
- other reasons, at the discretion of the Committee

then a part of the participant's award may be released, which will be determined by the Committee taking account of the Company's performance and the proportion of the normal vesting period which has elapsed at the date of cessation.

Corporate events

In the event of a change of control or voluntary winding up of the Company (other than an internal corporate reorganisation), part of an award may be released, which will be determined by the Committee taking account of the Company's performance and the proportion of the normal vesting period which has elapsed.

In the event of an internal corporate reorganisation, conditional share awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should be released on the basis which would apply in the case of a change of control.

Variation of share capital

In the event of any variation of the Company's share capital, a demerger or payment of a special dividend or such other circumstances as the Committee considers appropriate, the Committee may make such adjustment as it considers fair and reasonable to the number of Shares subject to a conditional share award.

Rights of participants

Awards granted under the LTIP are not transferable, except to a participant's legal personal representatives on the participant's death.

Awards will not confer any shareholder rights on participants until the awards have been released. However, at the discretion of the Committee, participants may receive a payment (in cash and/or Shares) on or shortly after they acquire Shares through the LTIP equivalent to the dividends that would have been paid between the time when the awards were granted and the acquisition date on the number of Shares so acquired.

Any Shares allotted under the LTIP will rank equally with Shares then in issue, except for rights arising for a record date prior to their allotment. The benefit of Shares or cash acquired under the LTIP will not be pensionable.

Amendments to the LTIP

The Board, on the recommendation of the Committee, may at any time amend the LTIP in any respect, except that the provisions relating to:

- the persons to whom an award may be granted;
- the limits on the number of Shares which may be issued;
- the maximum entitlement of any one participant; and
- the basis for determining a participant's entitlement to, and the terms of, Shares and their adjustment if there is any variation of capital

cannot be amended to the advantage of participants without the prior approval of shareholders in general meeting, except for minor amendments to benefit the administration of the LTIP, to take account of a change in the legislation or to obtain or maintain favourable tax, exchange control, securities law or regulatory treatment for participants or for the Company or for other members of the Group.

Overseas plans

The Board may at any time, without Shareholder approval, establish further plans in overseas territories. Any such plan must be similar to the LTIP but may be modified to take account of local tax, exchange control, securities law or other regulations. Any awards granted under such plans will be included in the limits on individual and overall participation in the LTIP.

Notes

Entitlement to attend and vote

1 Only those shareholders registered in the Company's register of members at:

- a. close of business on 15 October 2020; or
- b. if the AGM is adjourned, at the close of business on the day which is two days (excluding non-business days) before the date fixed for the adjourned meeting;

shall be entitled to attend and vote at the AGM. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment the meeting

2 Unfortunately, in light of the challenges posed by the COVID-19 pandemic, it is not possible for Shareholders to attend the AGM this year. However, should you have any questions on the resolutions being proposed at the AGM, please submit them to Ravi Tara, Group Finance Director at ravi.tara@mattioliwoods.com by 10:00 am on 15 October 2020.

Appointment of proxies

3 If you are a Shareholder who is entitled to vote, you are entitled to appoint a proxy to exercise your right to vote. You can only appoint a proxy using the procedures set out in these notes.

A proxy or proxies may be appointed by:

- a. appointing a proxy using the internet (see note 6); or
- b. through CREST electronic proxy appointment service (see notes 7-10).

You are strongly encouraged to exercise your proxy vote online as indicated above. However, if you would like to receive a hardcopy Form of Proxy, please contact the Company's registrars, Link Asset Services (see notes 11-14 below)

- 4 In light of the restricted attendance requirements that apply to this year's AGM, we strongly recommend that you appoint the Chair of the meeting as your proxy for the purpose of this AGM. If a Shareholder appoints a person other than the Chair of the AGM as their proxy, that person will not be able to attend the AGM nor vote.
- 5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretion" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting (including, without limitation, any resolution to adjourn the meeting or any resolution to amend a resolution proposed at the meeting).

Appointment of proxies to vote electronically through the internet

6 You can direct your proxy to vote online at www.signalshares.com. You will require your user name and password in order to log in and vote. If you have not previously registered to use the Shareholder Portal, you will require your Investor Code (IVC) which can be found on your share certificate or dividend voucher, or by contacting Link Asset Services at shareholderenquiries@linkgroup.co.uk or by calling on 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. Link Asset Services are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. To be valid a proxy lodged online must be lodged no later than 10:00 am on 15 October 2020, being not less than 48 hours (excluding non-business days) before the time appointed for the holding of the AGM or any adjourned meeting.

Appointment of proxies electronically through CREST

7 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 on the Euroclear website at www.euroclear.com. 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.

- 8 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 and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at www.euroclear.com/CREST). 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 the Company's agent (CREST ID No. RA10) by no later than 10:00 am on 15 October 2020 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) 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 time stamp applied to the message by the CREST Application Host) from which the Company's agent 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.
- 9 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. 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.
- 10 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Hardcopy Forms of Proxy

- 11 Should you require one, hardcopy Forms of Proxy are available on request from Link Asset Services at: shareholderenquiries@linkgroup.co.uk or by calling on 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. Link Asset Services are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
- 12 To appoint a proxy using a hardcopy Form of Proxy (available on request), the form must be:
- Completed and signed;
 - Either:
 - Sent or delivered by post or by hand to Link Asset Services at 34 Beckenham Road Beckenham BR3 4TU; or
 - Scanned and attached to an email sent to the Company by email to the address: ravi.tara@mattioliwoods.com; and
 - Received by either the Company or Link Asset Services no later than 10:00 am on 15 October 2020.

Please note that in light of the COVID-19 pandemic, Link Asset Services are operating with a minimal presence in the office, so it may take longer than usual to process hardcopy Forms of Proxy if posted or hand delivered. Please allow enough time for your Form of Proxy to be processed if delivered by post.

- 13 In the case of a Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- 14 Any power of attorney, letter of representation or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power of attorney, letter of representation or authority) must be included with the Form of Proxy in order for the proxy appointment to be valid.

Appointment of proxy by joint members

- 15 In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

- 16 Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time will be disregarded.
- 17 Where you have appointed a proxy using a hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Link Asset Services (for details of which, see note 11).
- 18 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

19 A Shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by either:

- Sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services; or
- Signing a hard copy notice clearly stating your intention to revoke your proxy appointment and sending a scanned copy to the Company by email to the address: ravi.tara@mattioliwoods.com.

20 In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

21 In either case, the revocation notice must be received by the Company no later than 10:00 am on 15 October 2020.

22 If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid.

Corporate representatives

23 A corporation which is a Shareholder 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. As Shareholders are restricted from attending the AGM this year, with Shareholders' powers restricted under the Insolvency and Corporate Governance Act 2020, we would recommend that corporations wishing to appoint a corporate representative appoint the Chairman of the Meeting or submit their votes by proxy in advance of the meeting, as set out in notes 6 to 14 above.

Issued shares and total voting rights

24 As at 18 September 2020 (being the latest practicable date prior to publication of this Notice), the Company's issued share capital comprised 28,009,256 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total number of voting rights in the Company as at 18 September 2020 (being the latest practicable date prior to publication of this Notice) is 28,009,256.

Questions on the resolutions to be proposed at the meeting

25 As above, it is not possible for Shareholders to attend this year's AGM and ask questions. Should you have any questions relating to the resolutions to be proposed at the AGM, please submit them by 10:00 am on 15 October 2020 to Ravi Tara, Group Finance Director at ravi.tara@mattioliwoods.com. For any general queries in relation to the meeting see notes 28 and 29.

Voting

26 Voting on all resolutions will be conducted by way of a poll. This is a more transparent method of voting as Shareholders' votes are counted according to the number of shares registered in their names.

27 As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and placed on the Company's website.

Communication

28 Except as provided above, Shareholders who have general queries about the meeting should contact the Company on ravi.tara@mattioliwoods.com (no other methods of communication will be accepted).

29 You may not use any electronic address provided either in this Notice of AGM or any related documents (including the Chairman's letter) to communicate with the Company for any purposes other than those expressly stated.

Inspection of Documents

30 The documents typically available for inspection at the Company's registered office, including the service contracts between the Company and each of the Executive Directors of the Company and the letters of appointment between the Company and each of the Non-Executive Directors of the Company, are available on request from the Company at ravi.tara@mattioliwoods.com. The Notice, the Annual Report of the Company for the year ended 31 May 2020 and the Company's Articles of Association can also be found at the Company's website: mattioliwoods.com.