

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or otherwise transfer, or have sold or otherwise transferred, all of your Ordinary Shares, please forward this document together with the accompanying Form of Proxy at once to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or otherwise transfer or have sold or otherwise transferred part only of your holding of Ordinary Shares, please retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Directors, whose names appear on page 3 of this document, and the Company accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# OPTARE plc

*(Incorporated and registered in England and Wales with company number 06481690)*

## **Cancellation of admission of Ordinary Shares to trading on AIM**

and

## **Notice of General Meeting**

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**This document should be read as a whole in conjunction with the accompanying Form of Proxy. Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 6 to 11 of this document, and which recommends Shareholders to vote in favour of the Resolution to be proposed at the General Meeting referred to below.**

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for advising any other person on the arrangements described in this document. Cenkos Securities plc has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos Securities plc, as nominated adviser to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

Cenkos has given and not withdrawn its consent to the issue of this document and the references to its name in the form and context in which they appear.

Application has been made to the London Stock Exchange for the cancellation of the admission of the Company's Ordinary Shares to trading on AIM. **It is expected that the final day on which the Ordinary Shares will be able to be traded on AIM will be 1 June 2015 with Cancellation expected to occur on 2 June 2015.**

**Notice of a General Meeting of the Company, to be held at the offices of the Company at Unit 3, Hurricane Way South, Sherburn in Elmet, Leeds, North Yorkshire LS25 6PT at 10.00 a.m. on Monday 18 May 2015, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned in accordance with the instructions printed on it so as to reach the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event by 10.00 a.m. on 16 May 2015. If you hold Ordinary Shares in uncertificated form (that is, in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (CREST participant ID RA10) so that it is received by no later than 10.00 a.m. on 16 May 2015. Completion and return of a Form of Proxy or CREST Proxy Instruction will not prevent Shareholders from attending and voting in person at the General Meeting should they wish to do so.**

This document does not constitute an offer of securities and is accordingly not an approved prospectus for the purposes of, and as defined in, section 85 of the Financial Services and Markets Act 2000 (as amended) and has not been prepared in accordance with the Prospectus Rules, nor has it been approved by, or filed with, the FCA or by any other authority which is a competent authority for the purpose of the Prospectus Rules. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules. The London Stock Exchange has not itself examined or approved the contents of this document.

A copy of this document will be made available on the Company's website at [www.optare.com](http://www.optare.com).

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

This document and Forms of Proxy posted to Shareholders (by first class post)	30 April 2015
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the General Meeting	10.00 a.m. on 16 May 2015
Date and time of General Meeting	10.00 a.m. on 18 May 2015
Expected last day for dealings in Ordinary Shares on AIM	1 June 2015
Expected time and date of Cancellation	7.00 a.m. on 2 June 2015

Each of the times and dates above is subject to change. Dates set after the General Meeting assume that the General Meeting is not adjourned and that the Resolution is passed. If any of the above times and/or dates change, any such change will be notified to Shareholders by an announcement on a Regulatory Information Service.

Unless otherwise stated, all references to time in this document are to British Summer Time (BST).

## DIRECTORS AND ADVISERS

<b>Directors</b>	John Fickling Enrico Vassallo Steven Norris Venkataraman Thyagarajan Venkat Venkatesan Anuj Kathuria Gopal Mahadevan	<i>(Non-Executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i>
<b>Company Secretary</b>	Abhijit Mukhopadhyay 13th Floor, New Zealand House 80 Haymarket London SW1Y 4TE	
<b>Registered Office</b>	Unit 3 Hurricane Way South Sherburn in Elmet Leeds North Yorkshire LS25 6PT	
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8. Tokenhouse Yard London EC2R 7AS	
<b>Solicitors to the Company</b>	Pinsent Masons LLP 3 Colmore Circus Birmingham B4 6BH	
<b>Registrars</b>	Capita Asset Services Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA	

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the “AIM Rules for Companies” published by the London Stock Exchange from time to time
<b>“Ashok Leyland”</b>	Ashok Leyland Limited, a company incorporated in India, whose registered office is at No. 1, Sardar Patel Road, Guindy, Chennai 600 032, India and/or, where the context requires, any of its subsidiaries
<b>“Board”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day, other than a Saturday or Sunday or public holiday in England and Wales, on which banks are open in London for general commercial business
<b>“Cancellation”</b>	the cancellation of admission of the Ordinary Shares to trading on AIM
<b>“Capita Asset Services”</b>	a trading name of Capita Registrars Limited
<b>“Capita IRG”</b>	Capita IRG Trustees Limited
<b>“Cenkos” or “Cenkos Securities”</b>	Cenkos Securities plc
<b>“certificated form”</b>	where a security is not held in uncertificated form (i.e. not recorded on the register of members of the Company as being held in uncertificated form in CREST)
<b>“Companies Act”</b>	the Companies Act 2006
<b>“Company” or “Optare”</b>	Optare plc
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
<b>“CREST Proxy Instruction”</b>	the means by which a Shareholder who holds Ordinary Shares in CREST may appoint a proxy
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
<b>“Directors”</b>	the directors of the Company whose names are set out on page 3
<b>“Disclosure and Transparency Rules”</b>	the Disclosure Rules and Transparency Rules made by the FCA pursuant to Part VI of FSMA
<b>“FCA”</b>	the UK’s Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in connection with the General Meeting, which accompanies this document
<b>“FSMA”</b>	the Financial Services and Markets Act 2000

<b>“General Meeting” or “GM”</b>	the general meeting of the Company to be held at the offices of the Company at Unit 3, Hurricane Way South, Sherburn in Elmet, Leeds, North Yorkshire LS25 6PT at 10.00 a.m. on 18 May 2015 or any adjournment thereof, notice of which is set out at the end of this document
<b>“Group”</b>	the Company and its subsidiaries
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting, which is set out at the end of this document
<b>“Ordinary Shares”</b>	the ordinary shares of 0.1 pence each in the capital of the Company
<b>“participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>“Proposal”</b>	the proposed Cancellation, as described in this document
<b>“Regulatory Information Service”</b>	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website at <a href="http://www.fca.org.uk">www.fca.org.uk</a>
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting to obtain the approval of Shareholders to Cancellation, as set out in the Notice of General Meeting
<b>“Shareholders”</b>	holders of Ordinary Shares from time to time
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “uncertificated form”</b>	Ordinary Shares which are recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

**LETTER FROM THE CHAIRMAN OF OPTARE PLC**  
*(Incorporated and registered in England and Wales with company number 06481690)*

*Directors:*

John Fickling	<i>(Non-Executive Chairman)</i>
Enrico Vassallo	<i>(Chief Executive Officer)</i>
Steven Norris	<i>(Non-Executive Director)</i>
Venkataraman Thyagarajan	<i>(Non-Executive Director)</i>
Venkat Venkatesan	<i>(Non-Executive Director)</i>
Anuj Kathuria	<i>(Non-Executive Director)</i>
Gopal Mahadevan	<i>(Non-Executive Director)</i>

*Registered Office:*

Unit 3  
Hurricane Way South  
Sherburn in Elmet  
Leeds  
North Yorkshire  
LS25 6PT

*To Shareholders and, for information only, to the holders of warrants to subscribe for, and options over, Ordinary Shares*

30 April 2015

Dear Shareholder

**Cancellation of admission of the Ordinary Shares to trading on AIM  
and  
Notice of General Meeting**

**1. Introduction**

The Directors have recently undertaken a review of the Ordinary Shares currently being traded on AIM. Pursuant to this review, which included consultation with the Company's advisers and its major Shareholder, Ashok Leyland, your Directors have concluded that it is in the overall interests of the Company and its Shareholders if the admission of the Ordinary Shares to trading on AIM is cancelled. Accordingly, earlier today, the Company announced proposals to cancel the admission of the Company's Ordinary Shares to trading on AIM. Pursuant to Rule 41 of the AIM Rules, the Directors have notified the London Stock Exchange of the intended date of the proposed Cancellation.

This letter sets out the background to and reasons for Cancellation, why your Board believes it to be in the best interests of Shareholders as a whole and its recommendation to Shareholders to vote in favour of the Proposal at the General Meeting.

Cancellation requires Shareholder approval and the Company is convening a general meeting to propose the necessary resolution to effect Cancellation. A notice convening the General Meeting, to be held at 10.00 a.m. on 18 May 2015, is set out at the end of this document. As per the AIM Rules, Cancellation is conditional upon the Resolution being passed by a majority of not less than 75 per cent. of the votes cast, whether in person or by proxy, by Shareholders at the GM. Ashok Leyland, which holds an interest in Ordinary Shares representing 75.1 per cent. of the issued ordinary share capital of the Company at the date of this document, is entitled to vote at the General Meeting in the same way as other Shareholders and has given an irrevocable undertaking to vote in favour of the Resolution. Therefore, it is expected that the Resolution to approve Cancellation will be passed at the GM.

The Board is aware that Cancellation will restrict the ability of Shareholders to realise their shareholdings in the Company, if they so wish, in the future and that not all Shareholders may be able or willing to continue to own Ordinary Shares following the Delisting. Accordingly, should Cancellation be approved by Shareholders at the GM, the Company will put in place a matched bargain trading facility to be administered by Capita IRG and which will operate shortly after Cancellation and which should facilitate Shareholders in buying and selling Ordinary Shares following Cancellation. Further information is provided in paragraph 6 below.

## **2. Background to and reasons for the proposed Cancellation**

The Board believes that the perceived benefits of an admission of securities to trading on AIM typically include access to equity capital markets, an enhanced corporate profile, a market capitalisation reasonably reflecting value residing in the Company, a means to incentivise staff and a mechanism to provide a market in the Company's Ordinary Shares. The Board has reached the view that the Company is not receiving many of these benefits, nor is there any reasonable prospect of this situation changing in the foreseeable future, for the reasons set out below.

The total number of Ordinary Shares either owned or controlled by the Board and Ashok Leyland amounts to 1,682,292,517, representing approximately 75.26 per cent. of the Ordinary Shares at the date of this document. Accordingly, only 24.74 per cent. of the Ordinary Shares are held by other Shareholders.

Over time, the Company has become increasingly reliant upon Ashok Leyland, its 75.1 per cent. Shareholder. As at the date of this document, Ashok Leyland continues to provide material financial support to the Company, by way of a £5.1 million short-term loan facility and a corporate guarantee of the Company's £15 million term loan with Barclays Bank PLC. In addition, the Company entered into a £1.5 million loan facility with Ashok Leyland (UAE) LLC in December 2014 in order, *inter alia*, to fund future product development. Ashok Leyland is also assisting the Company to benefit from the deputation of key personnel, working on export opportunities, joint buying and common sourcing strategies, working with Ashok Leyland's supply chain to benefit from enhanced purchasing power and the sourcing of components from lower cost countries. The Directors expect this co-operation to deepen in the future.

There are significant costs associated with maintaining a quotation on AIM, which are not considered commensurate with the benefits of trading on AIM, and the Board believes that these funds could be more prudently deployed in the Company's growth.

The Board also considers that:

- the AIM listing of the Ordinary Shares is not in reality offering investors the opportunity to trade in meaningful volumes in the market. This has been demonstrated by the limited trading volume in the Ordinary Shares, with just 0.3 per cent. of the issued ordinary share capital of the Company having been traded daily, on average, over the last three months;
- the Company's size (having a market capitalisation of just £3.58 million as at 29 April 2015 based on a share price of 0.16 pence per Ordinary Share) and reliance on the Company's major Shareholder, Ashok Leyland, increases the difficulty of raising any further equity capital, other than from Ashok Leyland. Thus it is increasingly challenging for the Company to take advantage of what is usually a key benefit of a listing;
- the management time and legal and regulatory burden associated with maintaining admission of the Company's Ordinary Shares to trading on AIM is disproportionate to the benefits received; and
- given its small market capitalisation and the relatively small proportion of Ordinary Shares not owned by Ashok Leyland or the Board (being approximately 24.74 per cent. as at 30 April 2015), Optare is unlikely to benefit from any new institutional or other investor interest in the Company.

The Board has therefore concluded that the commercial disadvantages and costs of maintaining a quotation on AIM at this time in the Company's development outweigh the potential benefits and that it is therefore no longer in the Company's or its Shareholders' best interests as a whole for its Ordinary Shares to remain quoted on AIM.

## **3. Effect of Cancellation**

The Directors believe that the principal effects that Cancellation would have on Shareholders are as follows:

- there would no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM or any other recognised market or trading exchange, and no price would be publicly quoted for the Ordinary Shares. Accordingly, the Ordinary Shares would be more difficult to value

and it is likely that it would be more difficult for a Shareholder to sell or purchase any Ordinary Shares. However, as noted above, the underlying liquidity in the Ordinary Shares is low and, in the opinion of the Directors, would be likely to remain that way for the foreseeable future. The proposal for the implementation of a matched bargain facility following the Cancellation is described in paragraph 6 below;

- the Company would cease to have a nominated adviser and broker and would no longer be required to comply with the AIM Rules, including the obligation to announce material events, administrative changes and material and/or related party transactions, for example Board changes and changes to its capital structure; to announce interim and final results; or to obtain Shareholder approval for reverse takeovers and/or fundamental changes in the Company's business;
- whilst the Company would no longer be required to comply with many of the corporate governance requirements applicable to companies with shares admitted to trading on AIM, the Company and the Directors intend to comply with their obligations and responsibilities under the Companies Act as appropriate for an unlisted public company, as described in further detail below; and
- the Company would no longer be subject to the Disclosure and Transparency Rules and would therefore no longer be required to disclose major shareholdings in the Company.

However, Shareholders should note *inter alia* that:

- following Cancellation, as an unlisted public company, the Company would remain subject to the provisions of the Takeover Code. The Takeover Code operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by any bidder. The Takeover Code also provides an orderly framework within which takeovers are conducted;
- the Company would remain subject to English company law, which mandates shareholder approval for certain matters, including the issue of new shares on a non pre-emptive basis;
- in accordance with English company law, the Directors would continue to be subject to various duties in relation to the Company, including to promote the success of the Company for the benefit of the Shareholders as a whole;
- the Company would continue to communicate information about the Company to its Shareholders, as required by law, including by continuing to publish annual reports and accounts and holding annual general meetings and other general meetings in accordance with applicable statutory requirements and the Company's articles of association; and
- the Company presently intends to maintain an "investors" section on the Company's website at [www.optare.com](http://www.optare.com), providing information on any significant events or developments in which Shareholders may be interested. Shareholders should be aware, however, that there will be no obligation on the Company to update that section of the website as presently required under the AIM Rules.

#### **4. Governance following Cancellation**

The Directors' current intention is that, following Cancellation, the Company should remain a public limited company but without having its shares admitted to trading on a public market or multilateral trading facility.

The Directors intend to continue to include at least one independent non-executive director on the Board for the foreseeable future to ensure appropriate independent judgement on issues of strategy, performance, resources and corporate governance that they consider vital to the continued success of the Group. The Company will continue to ensure that standards of corporate governance are maintained that are proportionate and appropriate to the size and nature of the Group post-Cancellation.



## 5. Cancellation Process

Under the AIM Rules, Cancellation requires the approval of Shareholders by a majority of not less than 75 per cent. of the votes cast in person or by proxy in general meeting, and the expiration of a period of not less than 20 clear Business Days from the date on which notice of the intended Cancellation is given to the London Stock Exchange.

The Company has notified the London Stock Exchange of the proposed Cancellation. Subject to the passing of the Resolution, Cancellation will occur no earlier than five clear Business Days after the GM and it is expected that trading in the Ordinary Shares on AIM will cease at the close of business on 1 June 2015, with Cancellation expected to take effect at 7.00 a.m. on 2 June 2015.

**Shareholders should be aware that if Cancellation is approved by Shareholders and takes effect, they will as from that time cease to hold shares in a company whose shares are admitted to trading on AIM. Following Cancellation, there will be limited opportunities for Shareholders to realise their investment in Optare. Whilst in the future Optare may take advantage of opportunities to buy back Ordinary Shares from Shareholders, this cannot be guaranteed as it would always be dependent upon the circumstances at the time.**

In the circular to Shareholders issued by the Company on 20 December 2011 relating, *inter alia*, to a placing of new Ordinary Shares with Ashok Leyland and affiliated companies, it was stated that Ashok Leyland had no present intention to cancel the listing of the Ordinary Shares on AIM. For the reasons set out in paragraph 2 above, your Board now considers that it is in the best interests of all Shareholders to cancel its listing.

## 6. Trading in the Ordinary Shares after Cancellation

Following Cancellation, the Directors do not anticipate applying to admit the Ordinary Shares to trading and/or listing on an alternative stock exchange in the foreseeable future and, absent any further action from the Company, any transaction in Ordinary Shares undertaken after Cancellation will only be capable of being undertaken by private sale. The Directors are accordingly aware that Cancellation, should it be approved by Shareholders, will make it difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so. Optare therefore intends to make available to Shareholders an off-market trading facility for the Ordinary Shares, which will be administered by Capita IRG, based on matching bargains, where buyers' and sellers' price expectations match. Under this third party facility, Shareholders or persons wishing to acquire or dispose of Ordinary Shares will be able to leave an indication with Capita IRG that they are prepared to buy or sell at an agreed price. In the event that Capita IRG is able to match that order with an opposite sell or buy instruction, it would contact both parties and then effect the bargain.

It is currently anticipated that this matched bargain facility will be in place shortly after the date of Cancellation. More details of the facility will be made available on the Company's website at that time at [www.optare.com](http://www.optare.com).

The Board intends to monitor the popularity of this arrangement amongst Shareholders following Cancellation and will review it at regular intervals to consider whether it remains cost-effective and in the best interests of Shareholders as a whole. The Company's CREST trading facility will remain in place for so long as it remains economic to do so.

## 7. Taxation

Cancellation may have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult with their own independent professional adviser as soon as possible.

## 8. Current trading and prospects

In the past financial year, the double deck market grew by over 20 per cent. and the single deck market grew by approximately 5 per cent. The Company maintained its market share in the single deck segment, but the Company's overall market share fell by 1 per cent. to 11 per cent. due to the lack of a product on

sale in the double deck segment. The official launch of the Company's new Euro 6 double deck, the MetroDecker, took place in May 2014 and the Company expects to open the sales book later this year. The markets in which the Company operates continue to be characterised by intensified competition, higher level of requirements from operators and continued pressure on margins. The Directors also anticipate that increased government austerity and uncertainty due to the forthcoming UK general election in May might impact market growth. Overall, trading since the interim period end on 30 September 2014 has been in line with management's expectations, in that it has remained difficult, but with a full product range to offer to the UK market later this year, higher base volumes from the major groups expected as a result, and conversion of more export tenders, together with the continued support of Ashok Leyland, the future remains generally positive for the Company.

## **9. General Meeting**

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of the Company, Unit 3, Hurricane Way South, Sherburn in Elmet, Leeds, North Yorkshire LS25 6PT, at 10.00 a.m. on 18 May 2015 for the purposes of considering and, if thought fit, passing the Resolution. The Resolution, which will be proposed as a special resolution requiring approval of not less than 75 per cent. of the votes cast, in person or by proxy, by Shareholders at the GM, is to approve Cancellation.

## **10. Action to be taken**

You will find enclosed with this document a Form of Proxy for use in connection with the General Meeting or at any adjournment thereof.

It is important that Shareholders have the opportunity to vote, even if they are unable to attend the General Meeting in person. If you are unable to come to the General Meeting you can use the enclosed Form of Proxy to nominate the chairman of the meeting or someone else to attend the meeting and vote for you (this person is called a proxy). **Whether or not you wish to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand so as to be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to arrive by no later than 10.00 a.m. on 16 May 2015.**

As an alternative to returning the Form of Proxy, certain Shareholders can appoint a proxy electronically as follows. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Capita Asset Services (under CREST participant ID RA10) by no later than 10.00 a.m. on 16 May 2015.

Unless the Form of Proxy or CREST Proxy Instruction is received by the relevant date and time specified above, it will be invalid. Completion and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting if you wish to do so.

## **11. Further information**

The expected timetable of principal events for Cancellation is set out on page 2 of this document. Shareholders are advised to read the whole of this document.

If you require assistance in completing the Form of Proxy, please call Capita Asset Services on 0871 664 0300 or, if telephoning from outside the UK, on +44 20 3728 5000, between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding bank and public holidays). Calls to the Capita Asset Services' 0871 664 0300 number are charged at 10 pence per minute plus any of your service provider's network extras. Different charges may apply to calls from mobile telephones. Calls to the Capita Asset Services' +44 20 3728 5000 number from outside the UK are charged at applicable international rates. Calls may be recorded and monitored randomly for security and training purposes. Capita Asset Services cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.

## **12. Irrevocable undertaking**

The Company has received an irrevocable undertaking from Ashok Leyland to vote in favour of the Resolution at the General Meeting in respect of, in aggregate, 1,678,704,162 Ordinary Shares representing approximately 75.1 per cent. of the total issued ordinary share capital of the Company at the date of this document.

## **13. Recommendation**

**Your Directors consider that Cancellation is in the best interests of the Company and Shareholders as a whole. Accordingly, your Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings, amounting, in aggregate, to 3,588,355 Ordinary Shares representing approximately 0.16 per cent. of the issued ordinary share capital of the Company at the date of this document.**

Yours faithfully

**John Fickling**

*Non-Executive Chairman*

## NOTICE OF GENERAL MEETING

# Optare plc

*(Incorporated and registered in England and Wales with company number 06481690)*

Notice is hereby given that a general meeting of Optare plc (the “Company”) will be held at 10.00 a.m. on 18 May 2015 at the offices of the Company at Unit 3, Hurricane Way South, Sherburn in Elmet, Leeds, North Yorkshire LS25 6PT to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

### SPECIAL RESOLUTION

**THAT** the admission of the ordinary shares of 0.1p each in the capital of the Company to trading on AIM, a market operated by London Stock Exchange plc, be cancelled and that the directors of the Company be authorised to take all steps which they consider to be necessary or desirable in order to effect such cancellation.

*Registered Office:*

Unit 3  
Hurricane Way South  
Sherburn in Elmet  
Leeds  
North Yorkshire  
LS25 6PT

By order of the Board

**Abhijit Mukhopadhyay**  
*Company Secretary*

30 April 2015

Notes:

1. A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. A member 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 member. A proxy need not be a member of the Company. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form enclosed with this notice of Meeting. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. Appointment of a proxy will not preclude a member from attending and voting in person at the Meeting.
2. 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 no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. If a voting indication is given, your proxy will be legally obliged to vote in accordance with that indication. 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.
3. If you wish to attend the Meeting in person, please arrive at the venue for the Meeting by 9.45 a.m. Shareholders who have queries regarding special access or other requirements should contact the Company Secretary by post at the Company’s registered office noted above or should contact the Company by phone on +44 (0)8434 873 200.
4. Shareholders may appoint a proxy or proxies:
  - 4.1 by completing and returning a form of proxy by post or by hand to the offices of the Company’s registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
  - 4.2 in the case of CREST members, through the CREST electronic proxy appointment service.
5. A form of proxy which may be used to make such an appointment and give proxy instructions accompanies this notice of Meeting. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras from within the UK) or from overseas on +44 20 3728 5000 (in either case lines are open 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday). Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the proxy you wish to appoint, the number of ordinary shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolution proposed. You should send all pages to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
6. To be effective, the appointment of a proxy, or amendment to the instructions given for a previously appointed proxy, must be received by Capita Asset Services by one of the methods in note 4 above by not later than 10.00 a.m. on 16 May 2015 or, in the event of any adjournment, 48 hours before the time of the adjourned meeting. In addition, any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
7. In the case of a member 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.

8. 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 (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 16 May 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer'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.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. 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.
12. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the register of members in respect of the joint holding.
13. To change your proxy instructions, simply submit 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 relevant cut-off time will be disregarded.
14. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
15. As at close of business on 29 April 2015 (being the latest business day prior to the publication of this document) the Company's issued share capital consisted of 2,235,291,827 ordinary shares of 0.1p each, carrying one vote each, and 752,145,493 deferred shares of 0.9p each, carrying no votes. Therefore, the total voting rights in the Company are 2,235,291,827.
16. Only those shareholders registered in the register of members of the Company at 6.00 p.m. on 16 May 2015 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time. If the Meeting is adjourned, the Company specifies that only shareholders entered on the Company's register of members at 6.00 p.m. on the date being two days before the time fixed for the adjourned Meeting shall be entitled to attend and vote at the Meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Meeting and/or the number of votes which any person may cast.
17. Except as provided above, members who have general queries about the Meeting should use the following means of communication (please note that no other methods of communication will be accepted):
  - call Capita Asset Services on the number referred to in note 5 above; or
  - contact Capita Asset Services via email at the following address: [ssd@capita.co.uk](mailto:ssd@capita.co.uk); or
  - contact the Company (marked for the attention of the Company Secretary) at Unit 3, Hurricane Way South, Sherburn in Elmet, Leeds, North Yorkshire LS25 6PT.

**You may not use any electronic address provided either in this notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.**

