

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from an independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.**

If you have sold or transferred all your ordinary shares in Pressure Technologies plc, please forward this document, together with the accompanying form of proxy, as soon as practicable to the purchaser or transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

## **PRESSURE TECHNOLOGIES PLC**

Registered no 6135104

Registered Office:  
Meadowhall Road  
Sheffield  
S9 1BT

8 January 2010

Dear Shareholder

### **ANNUAL GENERAL MEETING**

A formal notice for the Annual General Meeting of Pressure Technologies plc (the "Company") to be held at the registered office of the Company on Wednesday 10 February 2010 at 10.30am, together with a copy of the annual report for the period to 3 October 2009 and form of proxy for use at the Annual General Meeting accompanies this letter. The notice sets out the resolutions to be proposed at the Annual General Meeting and this letter explains the resolutions more fully.

### **ORDINARY BUSINESS**

#### **Resolution 1 Approval of annual report and Accounts**

The directors are under a duty in respect of each financial year to lay the accounts and the reports of the directors and the auditors before the Company in General Meeting. This gives shareholders the opportunity to ask questions on the contents of the Annual Report and Accounts for the period to 3 October 2009 before voting on the resolution.

#### **Resolution 2 Remuneration report**

The Directors' Remuneration Report Regulations 2002 ("the Regulations") require the Company to produce a yearly report on directors' remuneration and to put an annual resolution to shareholders for approval of that report. The directors' remuneration report for which approval is sought is set out in note 8 of the annual report and accounts for the period ended 3 October 2008. In line with the Regulations, this vote will be advisory.

#### **Resolution 3 Final Dividend in respect of the period ended on 3 October 2009**

This resolution proposes a final dividend of 4.4p for each ordinary shares of 5p each for the period ended on 3 October 2009 to be paid to shareholders on the Company's register of members at close of business on 19 February 2010.

#### **Resolution 4 Reappointment of auditors and fixing of remuneration**

This resolution proposes the reappointment of Grant Thornton UK LLP as auditors of the Company until the conclusion of the next Annual General Meeting and authorises the directors to determine the auditors' remuneration.

#### **Resolution 5 Authority for directors to allot shares**

This resolution gives the directors the authority to allot up to 5% of the issued share capital of the Company on the basis set out in Resolution 6.

## **SPECIAL BUSINESS**

### **Resolution 6 Waiver of pre-emption rights**

By passing this resolution shareholders are waiving their pre-emption rights in respect of the allotment of a maximum of 5% of the issued share capital of the Company until the date of the next Annual General Meeting or 15 months from the date this resolution is passed, whichever is the earlier. The directors have no present intention to allot further shares but consider it desirable to be given the flexibility to be able to do so.

### **Resolution 7 Purchase of own shares**

This resolution authorises the Company to purchase up to approximately 14.99% of its issued ordinary share capital at any time from the date this resolution is passed up to the date of the next Annual General Meeting or 15 months from the date this resolution is passed, whichever is the earlier. The directors consider it desirable for the proposed general authority to be available. The directors have no present intention to make such market purchases but consider it desirable to be given the flexibility to do so by shareholders.

### **Resolution 8 New Articles of Association**

The Companies Act 2006 (the "2006 Act"), which represents a major reform of company law within the UK, received Royal Assent in November 2006 and has been brought into force in stages between January 2007 and October 2009. As a result the Company proposes to adopt new Articles of Association which will conform to the 2006 Act. The principal proposed amendments to the Articles are explained in the Appendix to the Notice of the Annual General Meeting.

Your Directors believe the proposals in relation to the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors recommend shareholders to vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings.

### **ACTION TO BE TAKEN**

All ordinary shareholders are entitled to attend and vote on all resolutions at the Annual General Meeting. A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it is received by the Company's registrar, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.30 am on Monday 8 February 2010. Completion and return of the form of proxy will not prevent you from attending the meeting and voting in person should you so wish.

Yours faithfully

Richard Shacklady  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Pressure Technologies plc (the "Company") will be held at the registered office at Meadowhall Road, Sheffield S9 1BT on Wednesday 10 February 2010 at 10.30am to consider the following business:

## ORDINARY BUSINESS

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

- Resolution 1: To receive and adopt the accounts together with the reports of the directors and auditors for the period ended 3 October 2009.
- Resolution 2: To approve the Directors' Remuneration report for the period ended 3 October 2009.
- Resolution 3: To approve the payment of a final dividend of 4.4p per share on the Company's ordinary shares of 5p each in respect of the period ended on 3 October 2009, such dividend to be paid to shareholders on the Company's register of members at close of business on 19 February 2010.
- Resolution 4: To reappoint Grant Thornton UK LLP as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration.
- Resolution 5: To give the directors of the Company the authority to allot relevant securities in accordance with the provisions of section 549 of the Companies Act 2006 (the "Act") up to a maximum nominal value of £28,334 being 5% of the issued share capital of the Company provided that this authority shall expire at the conclusion of the next Annual General Meeting following the date of this meeting or if earlier, not more than 15 months after the passing of this resolution unless previously renewed, revoked or varied in any way.

## SPECIAL BUSINESS

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

- Resolution 6: To give the directors of the Company, subject to the passing of resolution 5, the power to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by resolution 5 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- a. in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
  - b. otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £28,334 being 5% of the issued share capital of the Company at the date of this resolution,
- and provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or if earlier, not more than 15 months after the passing of this resolution, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
- Resolution 7: The Company is generally and unconditionally authorised for the purposes of Section 166 of the Act to make market purchases, as defined in Section 693(2) of the Act, of ordinary shares in the capital of the Company up to an aggregate of 1,698,910 ordinary shares (being 14.99% of the current issued ordinary share capital) on such terms and in such manner as the directors of the Company may from time to time determine, provided that:
- a. the minimum price which may be paid for each ordinary share is not less than 5p;
  - b. the maximum price which may be paid for each ordinary share is not more than 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the relevant shares are purchased; and
  - c. such authority shall expire at the conclusion of the next Annual General Meeting following the date of this meeting or, if earlier, not more than 15 months after the passing of this resolution save that the Company may before such expiry make a contract to purchase shares which would or might require to be executed wholly or partly after such expiry and may make a purchase of shares pursuant to such contract as if the authority had not expired.
- Resolution 8: To adopt new Articles of Association in the form of the draft produced to the meeting and initialled, for identification purposes, such new Articles to be adopted in substitution for the existing Articles of Association (including any provisions of formerly contained in the Memorandum of Association of the Company and which, by virtue of section 28 of the Companies Act 2006 are treated as provisions of the Company's existing Articles of Association).

By order of the Board

T.J.Lister  
Company Secretary  
Pressure Technologies Plc  
Meadowhall Road  
Sheffield, S9 1BT

8 January 2010

## NOTES

1. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 10.30am on 8 February 2010 (being not more than 48 hours prior to the time fixed for the meeting) shall be entitled to attend or vote at the above meeting in respect of the number of shares in their name at that time. Changes to entries on the relevant register of securities after 10.30am on 8 February 2010 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Any member entitled to attend and vote at this meeting may appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. The completion and return of a form of proxy will not prevent a member from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. Forms of proxy, to be valid, must be completed and signed and reach the offices of the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU by 10.30am on 8 February 2010 or not less than 48 hours before the time appointed for any adjournment of the meeting. In the case of a member which is a Company, the proxy form 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 proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy 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).
5. 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 3 above) also apply in relation to amended instructions. Any amended proxy form received after the relevant cut-off time will be disregarded. 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. If the Company is unable to determine which was last received none of them shall be treated as valid.
6. In order to revoke a proxy instruction you will need to inform the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU by sending them a signed hard copy notice clearly stating your intention to revoke your proxy appointment. The revocation notice must be received by Capita Registrars no later than 10.30am on 8 February 2010 or not less than 48 hours before the time appointed for any adjournment of the meeting.
7. The following documents, namely:
  - (i) service contracts of directors of the Company;
  - (ii) the register of directors' interests; and
  - (iii) The proposed new Articles of Associationwill be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of the notice until the date of the meeting, and at the place of the meeting from 9.30am until its conclusion.
8. The Appendix to these notes contains a summary of the principal changes to the Articles of Association proposed as a result of resolution 8.

## **APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING**

### **Explanatory notes of the principal changes to the Company's Articles of Association**

The Companies Act 2006 (the "2006 Act"), which represents a major reform of company law within the UK, received Royal Assent in November 2006 and has been brought into force in stages between January 2007 and October 2009. The principal proposed amendments to the Articles are explained below. Changes of a minor, conforming or purely technical nature have not been specifically dealt with in these notes.

#### **1. Directors' Conflicts of Interest**

- 1.1 The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008, a director must avoid a situation where he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.
- 1.2 The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation.
- 1.3 The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts where appropriate, but only where the articles of association contain an express provision to this effect. The new Articles give the directors authority to approve any such conflicts of interest in a similar way to the current law.
- 1.4 There are safeguards that will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision and, secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success.
- 1.5 The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate. It is also proposed that the Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

#### **2. Objects**

- 2.1 The provisions regulating the operations of the Company are currently set out in the Company's Memorandum and Articles of Association.
- 2.2 The Company's memorandum sets out, among other things, the scope of the activities which the Company is authorised to do. This is very widely drafted.
- 2.3 The 2006 Act reduces the significance of the Memorandum and provides that the objects currently contained in the Memorandum are deemed to be contained in the Articles but the Company can remove them by special resolution.
- 2.4 The 2006 Act also provides that, unless the Company's Articles provide otherwise, a company's objects are unrestricted.
- 2.5 For this reason the Company proposes to remove its objects clause and all other clauses which, by virtue of the 2006 Act are deemed to be incorporated into the Articles of Association as from 1 October 2009.
- 2.6 This does however mean that the New Articles have to incorporate an express statement regarding the limited liability of shareholders.

#### **3. Authorised Share Capital**

- 3.1 The 2006 Act abolishes the requirement for a company to have an authorised share capital and the new Articles reflect this.
- 3.2 The directors will still need authority from shareholders to issue shares except for employee share schemes.

#### **4. Resolutions**

- 4.1 The Articles currently contain a provision that no amendment may be made to either a special or extraordinary resolution.
- 4.2 It is proposed that this provision be amended as the concept of extraordinary resolutions has not been retained under the 2006 Act.

#### **5. Proxies**

- 5.1 Under the 2006 Act, the powers of proxies have been widened to enable a proxy to exercise any or all rights of the member on whose behalf he is present, including the ability to vote on a show of hands and to speak at meetings.
- 5.2 It is proposed that the Articles be amended to reflect the wider rights of a proxy and in addition to explain that under the 2006 Act a member is entitled to appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares held by the member.

**6. Adjournment for lack of quorum**

6.1 Under the 2006 Act, general meetings adjourned for lack of a quorum must be held at least 10 clear days after the original meeting.

6.2 The current Articles have therefore been changed to reflect this requirement.

**7. Directors' Indemnities**

7.1 The 2006 Act has widened the scope of the powers of a company to indemnify its directors and to fund expenditure incurred in connection with certain actions against directors.

7.2 It is proposed that the Articles be amended to take advantage of these new provisions.



