

MEETING DATE	Thu, 23 Apr 2015	TYPE	EGM	ISSUE DATE	Mon, 13 Apr 2015
MEETING LOCATION	Quatermile One, 15 Lauriston Place, Edinburgh EH3 9EP				
CURRENT INDICES	FTSE SmallCap				
SECTOR	Medical Equipment				

## COMPANY OVERVIEW

Optos is a leading retinal imaging company with a vision to be recognised as The Retina Company and the leading provider of retinal diagnostics. Optos was incorporated in 1992 and is domiciled in Scotland. Optos is listed on the Official List of the London Stock Exchange and its shares were admitted to trading on 15 February 2006.

## PROPOSALS

## ADVICE

### 1 Amend Articles: reduction of capital and subsequent issue of new shares in the company

For

On 27 February 2015, the boards of Optos Plc (Optos) and Nikon Corporation (Nikon) announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Nikon will acquire all of the issued and to be issued share capital of Optos. The Transaction will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the Scheme).

Under the terms of the Transaction, Optos Shareholders will be entitled to receive 340 pence in cash for each Optos Share held. The Transaction values the entire issued and to be issued share capital of Optos at approximately £259.3 million and represents a premium of approximately 30.5 per cent. to the Closing Price of 260.5 pence per Optos Share on 26 February 2015; and 39.0 per cent. to the volume weighted average Closing Price of 244.6 pence per Optos Share, for the three month period to 26 February 2015.

Such transactions are considered on the basis of whether the transaction has been adequately explained and whether there is sufficient independent oversight of the recommended transaction. The circular contains full details of the transaction and there is a sufficient balance of independence on the board. This provides assurance that the decision was taken with appropriate independence and objectivity. Triodos supports this resolution.

## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 1 - Amend Articles: reduction of capital and subsequent issue of new shares in the company

Nikon has received irrevocable undertakings and a letter of intent in respect of a total of 9,608,466 Optos Shares representing, in aggregate, 13.2 per cent. of the existing issued share capital of Optos.

The Optos Directors, who have been so advised by Evercore, consider the terms of the Transaction to be fair and reasonable. In providing its advice to the Optos Directors, Evercore has taken into account the commercial assessments of the Optos Directors.

## BOARD AND COMMITTEE COMPOSITION

DIRECTORS NAME	GENDER	PIRC	COMPANY	BOARD	AC	RC	NC	TENURE
Dr Peter Fellner	M	Yes	Yes	Ch	-	Y	Y*	5
Roy G Davis	M	No	No	CEO	-	-	-	6
Robert Kennedy	M	No	No	-	-	-	-	3
John Goddard	M	Yes	Yes	NED	Y*	-	Y	3
Dr Peter H Kehoe	M	Yes	Yes	NED	Y	Y	Y	4
Rosalyn S Wilton	F	Yes	Yes	NED	-	Y*	Y	7
David Wilson	M	Yes	Yes	SID	Y	Y	Y	3
Number of Meetings				-	-	-	-	
Number of NED only Meetings				-				

## BOARD OF DIRECTORS

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, C = Corporate Responsibility or Ethics Committee, \* = Committee Chairman.

DR PETER FELLNER				CHAIRMAN	
<b>AGE</b>	n/d	<b>TENURE</b>	5 Years	<b>COMMITTEES</b>	R,N*
<b>OTHER POSITION</b>	Abylnx nv [Ch]; Consort Medical Plc [Ch]; Novo A/S Advisory Group [Mem]; UCB Science Advisory Board [Mem]; Vernalis Plc [Ch]; ex-Acambis Plc [Ch]; ex-Astex Pharmaceuticals Inc [VCh]; ex-Biotie Therapies Corp [Ch]; ex-Celltech Group Plc [CE, Ch]; ex-Evotec AG [Dir]; ex-Premier Research Group Plc [Ch]; ex-Roche UK [CE]; ex-UCB SA [Dir]				
<b>INDEPENDENT BY PIRC</b>	Y	<b>INDEPENDENT BY COMPANY</b>		Y	
<b>COMMENT</b>	Independent by the company, independent by PIRC. There are concerns over his aggregate external time commitments.				
ROY G DAVIS				CHIEF EXECUTIVE	
<b>AGE</b>	n/d	<b>TENURE</b>	6 Years	<b>COMMITTEES</b>	None
<b>VOTING RIGHTS</b>	n/d	<b>OPTIONS</b>	1,170,100	<b>LTIP</b>	189,944
<b>OTHER POSITION</b>	Ex-NTERA [CEO]; ex-Arthur D Little [VPres & DivMD]; ex-Gyrus Group plc [CEO, COO, NED]; ex-Molex [Senior Positions]; ex-Reuters [Senior Positions]; ex-Tricom [Senior Positions]				
<b>INDEPENDENT BY PIRC</b>	N	<b>INDEPENDENT BY COMPANY</b>		N	
<b>SEVERANCE</b>	6 months rolling				
<b>COMMENT</b>	Chief Executive.				
ROBERT KENNEDY				CHIEF FINANCIAL OFFICER	
<b>AGE</b>	n/d	<b>TENURE</b>	3 Years	<b>COMMITTEES</b>	None
<b>VOTING RIGHTS</b>	n/d	<b>OPTIONS</b>	165,168	<b>LTIP</b>	120,111
<b>OTHER POSITION</b>	Association of Corporate Treasurers [Mem]; Chartered Institute of Management Accountants [Mem]; Optos Plc [Company Secretary]; ex-Gamma Holding NV [FD]; ex-PricewaterhouseCoopers [Management Consultant]; ex-University of Dundee [FD]				
<b>INDEPENDENT BY PIRC</b>	N	<b>INDEPENDENT BY COMPANY</b>		N	
<b>COMMENT</b>	Appointed CFO of Optos Plc on 16 October 2013. He is also the Company Secretary.				

<b>JOHN GODDARD</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	n/d	<b>TENURE</b>	3 Years	<b>COMMITTEES</b>	A*,N
<b>OTHER POSITION</b>	Aptium Oncology [Ch]; Association of Corporate Treasurers [Mem]; Astratech [Ch]; Institute of Chartered Accountants [Fellow]; Intas Pharmaceuticals Ltd [Dir]; Oxford Pharmascience Group PLC [Dir]; ex-AstraZeneca [Head of Group Strategic Planning]; ex-Renovo Group plc [Dir]				
<b>INDEPENDENT BY PIRC COMMENT</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
Independent by Company, independent by PIRC					
<b>DR PETER H KEHOE</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	n/d	<b>TENURE</b>	4 Years	<b>COMMITTEES</b>	A,R,N
<b>OTHER POSITION</b>	American Academy of Optometry [Fellow]; American Board of Optometry [Diplomat]; Diopsys, Inc. [Consultant]; Kehoe Eye Care, US [Principal]; Transitions Optical [Consultant]; World Council of Optometry [Treasurer]; ex-American Optometric Association [Board of Trustees]; ex-InfantSEE®; ex-World Council of Optometry [Pres]				
<b>INDEPENDENT BY PIRC COMMENT</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
Independent by Company, independent by PIRC.					
<b>ROSALYN S WILTON</b>		<b>NON-EXECUTIVE DIRECTOR</b>			
<b>AGE</b>	n/d	<b>TENURE</b>	7 Years	<b>COMMITTEES</b>	R*,N
<b>OTHER POSITION</b>	AXA Insurance [NED]; AXA UK [NED]; AXA Wealth Management [NED]; LondonMetric Property Plc [NED]; Secure Health Ltd [Ch]; ex-3i Investments [Adv]; ex-Hemscott plc [CE]; ex-Ipreo Holdings LLC [Ch]; ex-London International Financial Futures Exchange [NED]; ex-Providence Equity Partners [Adv]; ex-Reuters Information Services [MD]; ex-Reuters Transactions Products [MD]; ex-Scottish Widows [NED]				
<b>INDEPENDENT BY PIRC COMMENT</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
Independent by Company, independent by PIRC.					
<b>DAVID WILSON</b>		<b>SENIOR INDEPENDENT DIRECTOR</b>			
<b>AGE</b>	50	<b>TENURE</b>	3 Years	<b>COMMITTEES</b>	A,R,N
<b>OTHER POSITION</b>	Harris Academy Bromley [Dir]; Matrix Group [Dep CEO]; Sapia Partners LLP [Snr Advisor]; WG Partners [Ch & Founding Partner]; ex-Deutsche Bank [DivMD]; ex-ING Barings [MD]; ex-Piper Jaffray Ltd [CEO]; ex-UBS [DivMD]				
<b>INDEPENDENT BY PIRC COMMENT</b>	Y	<b>INDEPENDENT BY COMPANY</b>			Y
Independent by Company, independent by PIRC					

## BOARD COMPOSITION

### BOARD COMPOSITION FOLLOWING THE EGM

	CURRENT YEAR		FTSE SMALLCAP MEAN	
	Number	% of Board	Number	% of Board
Executive Director	1	14.29	1.3	22.4
Independent NED's	4	57.14	2.9	48.7
Connected NED's	0	0.0	1.1	18.0
Other	1	14.29	0.7	11.1

**BOARD COMMITTEES FOLLOWING THE EGM**

	CURRENT YEAR			FTSE SMALLCAP MEAN	
	Number of Members	% Independent by PIRC	% Independent by Company	Number of Members	% Independent by PIRC
Whole Board	7	57.14	71.43	5.9	50.7
Audit	3	100.0	100.0	3.6	78.8
Remuneration	4	75.0	100.0	3.4	80.5
Nomination	5	80.0	100.0	4.1	70.6

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