

This document is important. You are advised, if you are in any doubt as to what action to take, to consult appropriate independent advisers. If you have sold or otherwise transferred all your ordinary shares, please forward this document and accompanying documents to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



AVEVA GROUP PLC
Circular to Shareholders
and
Notice of Annual General Meeting

Notice of Annual General Meeting

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EXPECTED TIMETABLE		2021
Existing ordinary shares marked ex-entitlement to the final dividend of 23.5 pence per existing ordinary share		8 July 2021
Record date for entitlement to the final dividend		9 July 2021
Latest time and date for proxy appointments		9.00 a.m. on 5 July 2021
Annual General Meeting		9.00 a.m. on 7 July 2021
Payment of final dividend by cheque or BACS		4 August 2021

NOTES:

1. References to times in this Circular are to London time (BST) unless otherwise stated.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to shareholders by an announcement on a Regulatory Information Service.

PART I – LETTER FROM THE CHAIRMAN

AVEVA GROUP PLC
Registered office:
High Cross
Maddingley Road
Cambridge
CB3 0HB

(Registered in England No. 2937296)

8 June 2021

Dear Shareholder,

This Circular accompanies the Annual Report and Accounts (“**Annual Report**”) of AVEVA Group plc (the “**Company**”) for the year ended 31 March 2021. The purpose of this Circular is to explain certain elements of the business to be conducted at the Annual General Meeting (“**AGM**” or “**Meeting**”).

NOTICE OF ANNUAL GENERAL MEETING

You will find the Notice of Annual General Meeting of the Company, which is to be held on Wednesday 7 July 2021 at 9.00 a.m., set out in Part II of this Circular.

We are keen to welcome shareholders in person to this year’s AGM, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. At present, public health guidance and legislation issued by the UK Government in relation to the COVID-19 pandemic would permit public gatherings and travel at the date of the Meeting. Therefore, and notwithstanding that at the date of publication of this Circular the UK Government has not yet lifted restrictions on public gatherings and non-essential travel, we are proposing to hold the AGM at 30 Cannon Street, London, EC4M 6AH and to welcome the maximum number of shareholders we are able within safety constraints and in accordance with UK Government guidelines.

However, given the constantly evolving nature of the COVID-19 pandemic, this year we are pleased to also be able to provide a facility for shareholders to follow the AGM remotely and to submit questions to the Board on the business of the Meeting, should they wish to do so. This can be done by accessing the Company’s website at <https://investors.aveva.com/results-and-key-documents/> and following the link to the webcast (the “**Webcast**”). Please note that viewing the AGM electronically via the Webcast will not constitute formal attendance by shareholders at the AGM and shareholders will not be able to vote via the Webcast. Shareholders planning to view the Webcast should submit their proxies as early as possible appointing the ‘Chairman of the meeting’, as their proxy, as further detailed below.

Should the situation change such that we consider that it is no longer possible for shareholders to attend the Meeting as intended, we will notify shareholders by market announcement and via the Company’s website at <https://investors.aveva.com/results-and-key-documents/>. Should we have to change the arrangements in this way, it is likely that we will not be in a position to accommodate shareholders beyond the minimum required to hold a quorate meeting which will be achieved through the attendance of employee shareholders.

Shareholders intending to attend the Meeting, should this be possible, are asked to register their intention as soon as practicable, and in any event by 9.00 a.m. on 5 July 2021, by emailing company.secretariat@aveva.com with the subject line “AGM 2021”. Shareholders attending the Meeting, should this be possible, will be required to comply with appropriate COVID-19 precautionary measures. Such measures may include: a prohibition on guests attending the Meeting; a requirement that face-masks be worn at all times except, and only for so long as, a shareholder is addressing the Meeting, save for any shareholders who are exempt from doing so; and the maintenance of social distancing between attendees. Such precautionary measures may be adjusted in line with UK Government guidance and will be communicated to shareholders who have registered their intention to attend the Meeting by the deadline set out above prior to the Meeting.

To join the Webcast, you will need to visit the Company’s website at <https://investors.aveva.com/results-and-key-documents/> and follow the link to the Webcast. You will require your Investor Code (“**IVC**”) which can be found on your share certificate or, for Signal Shares users, on the Signal Shares portal. Your IVC can also be obtained by contacting our registrar, Link Group. Access to the Webcast will be available from 30 minutes before the start of the Meeting. If your shares are held by a nominee and you wish to attend the Webcast, you will need to contact your nominee immediately. If you are in any doubt about your shareholding, please contact our registrar. For more information on the Webcast, please refer to page 10 of this Circular.

Given the uncertainty around whether shareholders will be able to attend the AGM in person, because of any tighter restrictions in place at the date of the Meeting due to a change in the situation with the COVID-19 pandemic, and because the Webcast will not provide for the ability to vote, we encourage all shareholders to submit their proxies as early as possible appointing the ‘Chairman of the Meeting’, as their proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the Meeting. For more information on appointing a proxy, including if you wish to appoint a proxy and for them to attend the Webcast on your behalf, please refer to page 10 of this Circular. Proxy appointments must be received by no later than 9.00 a.m. on 5 July 2021.

If you are unable to attend the Meeting or the Webcast, you can still ask questions or raise matters of concern for you as a shareholder, by emailing company.secretariat@aveva.com with the subject line "AGM 2021" so that it is received no later than 9.00 a.m. on 30 June 2021. The Company will endeavour to respond to such questions on the Company's website in advance of the proxy voting deadline. Shareholders joining the Webcast may also ask questions during the Meeting via the Webcast. The Company reserves the right to consolidate questions of a similar nature.

(a) Resolution 2: Approval of Directors' Remuneration Report

This resolution is to approve the Directors' Remuneration Report (excluding the summary of the Directors' Remuneration Policy) for the financial year ended on 31 March 2021. You can find this part of the report on pages 90 to 122 (excluding pages 100 to 108, which contain the summary of the Directors' Remuneration Policy) of the Annual Report for the year ended 31 March 2021. As this vote is an advisory vote no entitlement of a Director to remuneration is conditional on it. This resolution is put annually as required by the Companies Act 2006 (the "Act").

(b) Resolution 4: Adoption of Californian Sub-Plan to the AVEVA Group plc US Employee Stock Purchase Plan

The Company has adopted the AVEVA Group plc US Employee Stock Purchase Plan ("ESPP") as part of the AVEVA Group plc Global Employee Share Purchase Plan ("GESPP") which was approved by shareholders at the AGM on 21 July 2020.

The ESPP was amended by the Chair of the remuneration committee to include a sub-plan for Californian-based participants (the "Californian Sub-Plan"), as permitted by the rules of ESPP.

Whilst the rules of the ESPP only required the remuneration committee Chair's approval for the Californian Sub-Plan to be established, Californian state law also requires shareholder approval (which may be received after the establishment of the relevant plan) so that awards can be satisfied in full compliance with Californian state law. Resolution 4 therefore seeks the approval of shareholders at the AGM to approve the adoption by the Chair of the remuneration committee of the Californian Sub-Plan.

Copies of the rules of the Californian Sub-Plan to be approved pursuant to resolution 4 and the ESPP will be available for inspection as set out in note (e) to the Notice of Annual General Meeting on page 11 of this Circular.

(c) Resolutions 5 and 6: Approval of the AVEVA Group plc Long-Term Incentive Plan 2021 (the "LTIP") and the AVEVA Group plc Restricted Share Plan 2021 (the "RSP" together with the LTIP, the "Plans")

The Company's existing long-term incentive Plans, the AVEVA Group Long Term Incentive Plan 2014 and the AVEVA Group Restricted Share Plan were adopted on 14 July 2014 and 9 July 2015 respectively.

Whilst these plans are not due to expire for making new awards until their ten year anniversaries on 14 July 2024 and 9 July 2025 respectively, there are a number of changes which the Company wishes to make to its long-term incentive arrangements to ensure its share awards are more effectively made going forward and which, while not substantive in themselves, are best made by the adoption of new plans. Further, following the acquisition of OSIsoft, LLC which completed earlier this year, a number of changes would be needed in any event to make the plans compliant with certain State Laws in the U.S.A. for future awards and which would require shareholder approval under relevant State Laws. Rather than approach shareholders on various occasions, it has been decided to combine obtaining shareholder approval for US State Law purposes with updating plans this year, which would shortly be due for renewal in any event.

We are therefore proposing that new Plans are adopted by shareholders this year to improve the Company's offering of executive equity remuneration going forward and better accommodate our new U.S. employees based in California and elsewhere in the U.S.A.

Under the LTIP, shares in the Company may be received by eligible participants, normally subject to meeting performance and employment conditions over at least a three year period. A summary of the key features of the LTIP is set out in appendix 1 to the Notice of Annual General Meeting. Awards to executive directors will continue to be made in accordance with the Directors' Remuneration Policy as approved by shareholders, most recently in 2020.

Under the RSP, shares in the Company may be received by eligible participants normally subject to meeting employment conditions over at least a three year period, but with no performance conditions. Executive directors cannot receive awards under the RSP in accordance with the Directors' Remuneration Policy, as the policy is to grant only performance-based awards to executive directors. A summary of the key features of the RSP is set out in appendix 1 to the Notice of Annual General Meeting.

No further awards would be made under the Company's existing long-term incentive plans if shareholders approve the LTIP and RSP. Both the LTIP and RSP have materially the same terms as the plans they are intended to replace, with the LTIP and RSP principally differing in the way that they are administered. The main differences between the current plans and the LTIP and RSP are set out below:

a) Dilution limits

As with the previous plans, no awards under the new Plans may be granted if shares issued during the previous ten years under: (i) all other employee share schemes established by the Company would exceed 10% of the issued ordinary share capital; or (ii) all discretionary plans established by the Company would exceed 5% of the issued ordinary share capital of the Company on that date.

b) The individual limit now includes a maximum limit in exceptional circumstances for below board employees

Given the ten year life cycle of the Plans, both the RSP and LTIP now include a maximum individual limit for exceptional circumstances for below board employees only. This maximum limit is 350% of salary for the LTIP and 300% of salary for the RSP. Individual limits for executive directors remain subject to the Directors' Remuneration Policy most recently approved at the 2020 AGM.

c) Plans will contain a performance underpin

New to the Plans is that awards are subject to a performance underpin which allows the remuneration committee to override formulaic outcomes regarding any performance condition, where applicable, or other conditions and/or to assess individual performance to determine the extent of vesting.

d) Nil cost options

Under the existing plans, participants have to pay the nominal value per share before receiving awards on vesting. This is not necessary and adds an unnecessary layer of complexity and so, going forward, the new Plans allow the grant of nil cost options without the administrative burden of participants having to pay up the nominal value per option share.

Copies of the rules of the LTIP to be approved pursuant to resolution 5 and the rules of the RSP to be approved pursuant to resolution 6 will be available for inspection as set out in note (e) to the Notice of Annual General Meeting on page 11 of this Circular.

(d) Resolutions 7 to 14: Re-election of Directors

In accordance with the UK Corporate Governance Code, each of the Directors has decided to retire and offer themselves for re-election, excluding Craig Hayman who is not standing for re-election.

Biographical details in respect of the Directors standing for re-election are set out on pages 62 to 64 of the Annual Report.

In relation to the Directors who are standing for re-election, the Chairman is satisfied that, following a formal performance evaluation, each Director standing for re-election continues to be effective and demonstrates commitment to their role and it is the Board's view that the Directors' biographies and the relevant sections of the Annual Report illustrate why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success.

Resolutions 11 to 14 (inclusive) relate to the re-election of Jennifer Allerton, Christopher Humphrey, Ron Mobed and Paula Dowdy, who are the Directors that the Board has determined are Independent Non-Executive Directors for the purposes of the UK Corporate Governance Code (the "**Independent Non-Executive Directors**").

Under the Listing Rules, Schneider Electric SE is a controlling shareholder of the Company. A controlling shareholder means any person who exercises, or controls on their own, or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. The Listing Rules require that the election or re-election of any Independent Non-Executive Director by shareholders must be approved by a majority vote of not only all ordinary shareholders of the Company but also of the independent shareholders of the Company (that is, the ordinary shareholders of the Company entitled to vote on the election of Directors who are not controlling shareholders of the Company).

Resolutions 11 to 14 (inclusive) are being proposed as ordinary resolutions which all ordinary shareholders may vote on in the usual way. However, in addition, the Company will separately count the number of votes cast by independent shareholders in favour of each of the resolutions (as a proportion of the total votes cast by independent shareholders). The Company, when announcing the results of the Meeting in respect of resolutions 11 to 14 (inclusive) will announce the results of both the vote of all ordinary shareholders of the Company and the vote of the independent shareholders of the Company.

Under the Listing Rules, if a resolution to elect or re-elect an Independent Non-Executive Director is not approved by a majority vote of both the ordinary shareholders as a whole, and the independent shareholders of the Company at the Meeting, a further resolution may be put forward to be approved by the ordinary shareholders as a whole at a meeting which must be held more than 90 days after, but within 120 days of, the Meeting when the first vote was held.

Accordingly, if any of resolutions 11 to 14 (inclusive) are not approved by a majority vote of the Company's independent shareholders at the Meeting, the relevant Independent Non-Executive Director(s) will be treated as having been re-elected only for the period from the date of the Meeting until the earlier of: (i) the close of any general meeting of the Company, convened for a date more than 90 days after, but within 120 days of, the Meeting, to propose a further resolution to re-elect him or her; (ii) the date which is 120 days after the Meeting; and (iii) the date of any announcement by the Board that it does not intend to hold a second vote. In the event that the relevant Independent Non-Executive Director's re-election is then approved by a majority vote of all ordinary shareholders at such second general meeting, he or she will then be treated as re-elected until the next AGM of the Company.

The Board has assessed whether the Independent Non-Executive Directors remain independent in accordance with the criteria contained in Provision 10 of the UK Corporate Governance Code and is content that each of the Independent Non-Executive Directors offering themselves for re-election is independent in character and judgment. The Company has received confirmation from each of the Independent Non-Executive Directors that there is no existing or previous relationship, transaction or arrangement that the Independent Non-Executive Director has or had with the Company, nor with any of its Directors, the controlling shareholder of the Company or any associate of a controlling shareholder of the Company within the meaning of Listing Rule 13.8.17R(1).

All of the Independent Non-Executive Directors are experienced and have a broad knowledge of the sector, and, as a result of their experience, the Board considers that each Independent Non-Executive Director provides a valuable contribution and an impartial perspective to the Board's discussions and will be an effective director.

The Nomination Committee oversees the recruitment process for Independent Non-Executive Directors and engages the assistance of independent search consultants.

(e) Resolution 15: Re-appointment of auditor

The Directors are proposing Ernst & Young LLP for re-appointment, following a recommendation to that effect made by the Audit Committee. Further information on audit rotation is given in the Audit Committee Report.

(f) Resolution 17: Authority to repurchase Ordinary Shares

Resolution 17, as set out in the notice convening the AGM, gives authority to the Company to purchase its own Ordinary Shares up to a maximum of 30,116,752 Ordinary Shares until the earlier of 6 October 2022 and the date of the next AGM. This represents 10% of the Ordinary Shares in issue at 30 April 2021, being the latest practicable date prior to the publication of this Circular. The Company's exercise of this authority is subject to the stated upper and lower limits on the price payable which reflects the requirements of the Financial Conduct Authority. Shares will only be repurchased if earnings per share are expected to be enhanced as a result and the Directors believe it is in the best interests of shareholders generally. To the extent that any shares so purchased are held in treasury, earnings per share will be enhanced until such time, if any, as such shares are resold or transferred out of treasury.

The Company has the choice of cancelling shares which have been repurchased or holding them as treasury shares (or a combination of both). Treasury shares are essentially shares which have been repurchased by the Company and which it is allowed to hold pending either reselling them for cash, cancelling them or, if authorised, using them for the purposes of its employee share plans.

The Directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares would give the Company the ability to reissue them quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised, in respect of treasury shares.

As at 30 April 2021 (being the latest practicable date prior to the publication of this Circular), there were 2,336,312 outstanding options granted under all share option plans operated by the Company which, if exercised, would represent 0.8% of the issued ordinary share capital of the Company at that date. If this authority and any existing authority were exercised in full and the shares repurchased were to be cancelled, such options, if exercised, would represent 0.9% of the issued ordinary share capital of the Company.

As at 30 April 2021 (being the latest practicable date prior to the publication of this Circular) the Company holds no treasury shares.

(g) Resolution 18: Authorities to allot shares

The Directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders. The authority granted at the AGM held on 21 July 2020 is due to expire at this year's AGM. Accordingly, resolution 18 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares (a) up to an aggregate nominal amount of £3,569,393 and (b) in connection with a rights issue up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £7,138,786.

These amounts represent approximately 33.3% and approximately 66.6% respectively of the total issued ordinary share capital of the Company as at 30 April 2021 (being the latest practicable date prior to the publication of this Circular). If given, these authorities will expire at the AGM in 2022 or on 6 October 2022, whichever is the earlier. Where usage of these authorities exceeds the 33.3% level, the Directors will stand for re-election at the following AGM although it is the Directors' intention to stand for re-election annually in any event.

The Directors have no present intention of issuing shares pursuant to this authority.

(h) Resolution 19: Disapplication of pre-emption rights

The Directors also require a power from shareholders to allot equity securities or sell treasury shares for cash otherwise than to existing shareholders pro rata to their holdings. The power granted at the AGM held on 21 July 2020 is due to expire at this year's AGM. Accordingly, resolution 19 will be proposed as a special resolution to grant such a power.

Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of £535,409 (being 5% of the Company's issued ordinary share capital at 30 April 2021 (being the latest practicable date prior to the publication of this Circular)). If given, this power will expire on 6 October 2022 or at the conclusion of the AGM in 2022, whichever is the earlier. The figure of 5% reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the "**Statement of Principles**").

The Directors will have due regard to the Statement of Principles in relation to any exercise of this power, in particular they do not intend to allot shares for cash on a non-pre-emptive basis pursuant to this power in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company excluding treasury shares in any rolling three-year period, without prior consultation with shareholders.

(i) Resolution 20: Amendment of Articles of Association

It is proposed in resolution 20 to adopt new articles of association (the “**New Articles**”) in order to update the Company’s current articles of association (the “**Current Articles**”) to allow the Company to hold “hybrid” and “satellite” general meetings where shareholders have the option to attend and participate either in person (in a main location or in specified satellite locations) or virtually by electronic means.

In line with the views of the Investment Association, Institutional Shareholder Services and GC100, the New Articles will not permit the Company to hold wholly virtual general meetings and the Company confirms that physical meetings will be held alongside any electronic meeting element. Consequential changes to facilitate these amendments have been made throughout the New Articles.

While it should be noted that it is not the current intention of the Board to hold combined physical and electronic general meetings or satellite meetings, the Board considers it prudent for there to be sufficient flexibility in this regard so that it can choose to do so in the future. In deciding whether to hold a combined physical and electronic general meeting in future, the Company will have regard to the views of shareholders, investor representative bodies and regulators at the relevant time.

The opportunity has been taken generally to incorporate amendments of a minor, technical or clarifying nature in the New Articles. This includes making certain changes to reflect that communications may be sent and/or received electronically by the Company (as is permitted by the Current Articles) and clarifying certain administrative powers of the directors and the Company in respect of uncertificated shares. The New Articles also update existing provisions to reflect current statutory and regulatory rules and to remove redundant provisions.

A copy of the New Articles, along with a copy of the Current Articles marked to show all the changes proposed, will be available for inspection as set out in note (e) to the Notice of Annual General Meeting on page 11 of this Circular.

(j) Resolution 21: Reduction of capital

Share premium arises where a company issues shares at a premium to their nominal value. The premium (less any directly attributable transaction costs) is credited to the company’s share premium account. The share premium account of the Company as at 31 March 2021 totalled £3,842.1 million (£3.84 billion) of which £2,831.0 million (£2.83 billion) arose as a result of the Company’s rights issue, the results of which were announced on 10 December 2020, and in connection with which the Company issued shares at a significant premium. A share premium account is an undistributable reserve and, accordingly, the purposes for which the Company can use it are limited.

Under the Act, companies are only permitted to make distributions to shareholders from distributable reserves. In the audited report and accounts of the Company for the year ended 31 March 2021, the Company recorded accumulated retained earnings on its balance sheet of £182.9 million of which £137.6 million were distributable.

The Company is proposing to undertake a capital reduction to create additional distributable reserves for the Company by reducing an amount of £1 billion standing to the credit of the share premium account (the “**Capital Reduction**”). The £1 billion of realised profits thereby created would be applied to increase the accumulated profit on the Company’s profit and loss account, which constitutes a distributable reserve.

By undertaking the Capital Reduction and creating additional distributable reserves, the Company increases its flexibility to pay dividends and for any other general corporate purposes, subject always to the financial performance of the Company. However, the Company has not made any proposal or decision as to the use of any such realised profits, should the Capital Reduction take place.

If the Capital Reduction is not undertaken, the Company would be reliant upon the receipt of dividends and other distributions from its subsidiaries in order to give rise to the distributable reserves needed in order for the Company to make dividend payments. While the Company expects it would be able to rely on such upstreamed distributions, there are advantages to creating distributable reserves by undertaking the Capital Reduction. The payment of dividends or other distributions to the Company by its subsidiaries cannot be guaranteed and is subject to restrictions, including those companies having both distributable reserves and cash in order to make such distributions.

If resolution 21 is passed at the AGM, the Company will apply to the High Court of Justice in England and Wales (the “**Court**”) for confirmation of the Capital Reduction. The Capital Reduction will only become effective if resolution 21 is passed at the AGM, the Court confirms the Capital Reduction and the order of the Court confirming the Capital Reduction is delivered to, and registered by, the Registrar of Companies in England and Wales.

The Court will need to be satisfied that the interests of the Company’s creditors (including its prospective and contingent creditors) will not be prejudiced as a result of the Capital Reduction. In order to satisfy the Court, the Company may seek the consent of certain of its creditors to the Capital Reduction. It is for the Court to determine whether any creditor protection is required and, if so, what form that should take. The Board is confident that no such creditor protection measures will be required.

If the Capital Reduction becomes effective, the amount resulting from the reduction of the Company’s share premium account will be treated as a realised profit for the purposes of the Act unless the Court orders otherwise.

Provisional dates have been obtained for the required Court hearings for the purposes of the Capital Reduction, but they are subject to change. If the hearings proceed as scheduled, the final hearing, at which it is hoped that the Court will make an order confirming the Capital Reduction, will take place on 10 August 2021. The Company will notify shareholders when the Capital Reduction has become effective by issuing an announcement through a Regulatory Information Service.

Following the implementation of the Capital Reduction, there will be no change in the nominal value of the Company's shares or the number of shares in issue. The Capital Reduction per se will not involve any distribution or repayment of share premium by the Company and will not reduce the underlying net assets of the Company.

The Directors reserve the right to abandon or discontinue any application to the Court for confirmation of the Capital Reduction if the Directors believe that the terms required to obtain confirmation are unsatisfactory to the Company or if, as the result of a material unforeseen event, the Directors consider that to continue with the Capital Reduction would be inappropriate or inadvisable.

(k) Resolution 22: Notice required for shareholder meetings

The regulation implementing the Shareholders' Rights Directive increased the notice period for general meetings of the Company to 21 days unless shareholders agree to a shorter notice period. On the basis of a resolution passed at the AGM held on 21 July 2020, the Company is currently able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability. Resolution 22 seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under this Directive before it can call a general meeting on 14 days' notice.

The shorter notice period would not be used as a matter of routine for general meetings. However, the flexibility offered by this resolution will be used where, taking into account the circumstances, including whether the business of the meeting is time sensitive, the Directors consider this appropriate in relation to the business to be considered at the general meeting in question.

We recognise that our shareholders may be unable to attend the AGM in person, so, as at last year's AGM, we intend that all resolutions will be decided on a poll to be called by the Chairman at the meeting. The Board believes a poll is more representative of shareholders' voting intentions because shareholders' votes are counted according to the number of shares held and all votes tendered are taken into account. The results will be published on our website at <https://investors.aveva.com/results-and-key-documents/> and will be released to the London Stock Exchange as soon as practicable following the closing of the AGM.

RECOMMENDATION

Your Directors believe all of the proposed resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of them as they intend to do so in respect of their own beneficial holdings. These amount in aggregate to 465,754 Ordinary Shares, representing approximately 0.15% of the existing issued share capital of the Company as at 30 April 2021, being the latest practicable date prior to the publication of this Circular.

Yours faithfully



Philip Aiken AM
Chairman
AVEVA Group plc

PART II – NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM”) of AVEVA Group plc (the “Company”) will be held at AVEVA Group plc, 30 Cannon Street, London, EC4M 6AH at 9.00 a.m. on Wednesday 7 July 2021 to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 17, 19, 20, 21 and 22 as special resolutions. All other resolutions will be proposed as ordinary resolutions.

1. To receive the annual accounts of the Company and the reports of the Directors for the financial year ended 31 March 2021 together with the auditor’s reports thereon.
2. To approve the Directors’ Remuneration Report (other than the part containing the summary of the Directors’ Remuneration Policy) for the financial year ended on 31 March 2021 as set out on pages 90 to 99 and 109 to 122 of the Annual Report and Accounts 2021.
3. To declare a final dividend of 23.5 pence per ordinary share in respect of the year ended 31 March 2021 to shareholders on the register of members at close of business on 9 July 2021, payable on 4 August 2021.
4. To ratify and approve the sub-plan for Californian-based participants of the AVEVA Group plc Global Employee Share Purchase Plan (which forms part of the AVEVA Group plc Global Employee Share Purchase Plan) (the “**Californian Sub-Plan**”), a copy of the rules of which are produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification, and to authorise the directors of the Company to do all acts and things which they may consider necessary or desirable to effect and operate the Californian Sub-Plan.
5. To approve and establish the AVEVA Group plc Long Term Incentive Plan 2021 (the “**LTIP**”), as summarised at appendix 1 to this notice, a copy of the rules of which are produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification, and to authorise the directors of the Company to:
 - a. do all acts and things which they may consider necessary or desirable to carry the LTIP into effect, with such modifications as they may consider necessary or desirable; and
 - b. adopt further employee share plans based on the LTIP, but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the LTIP.
6. To approve and establish the AVEVA Group plc Restricted Share Plan 2021 (the “**RSP**”), as summarised at appendix 1 to this notice, a copy of the rules of which are produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification, and to authorise the directors of the Company to:
 - a. do all acts and things which they may consider necessary or desirable to carry the RSP into effect, with such modifications as they may consider necessary or desirable; and
 - b. adopt further employee share plans based on the RSP, but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the RSP.
7. To re-elect Olivier Blum as a Director of the Company.
8. To re-elect Peter Herweck as a Director of the Company.
9. To re-elect Philip Aiken as a Director of the Company.
10. To re-elect James Kidd as a Director of the Company.
11. To re-elect Jennifer Allerton as a Director of the Company.
12. To re-elect Christopher Humphrey as a Director of the Company.
13. To re-elect Ron Mobed as a Director of the Company.
14. To re-elect Paula Dowdy as a Director of the Company.
15. To re-appoint Ernst & Young LLP as auditor of the Company.
16. To authorise the Directors to fix the remuneration of the auditor.
17. That the Company be generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 (the “**Act**”) to make market purchases (within the meaning of section 693(4) of the Act) of any of its Ordinary Shares in the capital of the Company (the “**Ordinary Shares**”) on such terms and in such manner as the Directors may from time to time determine, provided that:
 - a. the maximum number of Ordinary Shares hereby authorised to be purchased is 30,116,752;
 - b. the minimum price that may be paid for each Ordinary Share (exclusive of expenses) is 3 5/9 pence;
 - c. the maximum price (exclusive of expenses) that may be paid for each Ordinary Share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System (SETS);
 - d. the authority hereby conferred shall expire on 6 October 2022 or at the close of the next AGM of the Company whichever shall be the earlier; and
 - e. the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority that will or might be executed wholly or partly after the expiration of such authority, and may purchase its Ordinary Shares in pursuance of any such contract.

18. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:

- a. up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £3,569,393 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and
- b. comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £7,138,786 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of holders of Ordinary Shares in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever.

These authorisations to expire at the conclusion of the next AGM of the Company (or if earlier on 6 October 2022), (save that the Company may, before such expiry, make any offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired).

19. That subject to the passing of resolution 18 set out in the notice of the 2021 AGM of the Company, the Directors be given power pursuant to sections 570(1) and 573 of the Act to:

- a. allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by that resolution; and
- b. sell Ordinary Shares (as defined in section 560(1) of the Act) 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, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares:

- i. in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authorisation granted under resolution 18(b), by way of a rights issue only) in favour of holders of Ordinary Shares in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
- ii. in the case of the authorisation granted under resolution 18(a) (or in the case of any sale of treasury shares), and otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £535,409,

and shall expire at the conclusion of the next AGM of the Company (or, if earlier, on 6 October 2022), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

20. That the articles of association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

21. That the amount standing to the credit of the share premium account of the Company be reduced by £1 billion.

22. That a general meeting of the Company (other than an AGM) may be called on not less than 14 clear days' notice.

By order of the Board



Claire Denton

Group General Counsel and Company Secretary

8 June 2021

REGISTERED OFFICE:

High Cross
Madingley Road
Cambridge CB3 0HB
Registered in England, number 2937296

- a. Given the constantly evolving nature of the COVID-19 pandemic, for the 2021 AGM the Company is pleased to be able to provide a facility for shareholders to follow the AGM remotely and submit questions to the Board on the business of the Meeting, should they wish to do so. This can be done by accessing the Company's website at <https://investors.aveva.com/results-and-key-documents/> and following the link to the webcast (the "**Webcast**"). Please note that viewing the AGM electronically via the Webcast will not constitute formal attendance by shareholders at the AGM and shareholders will not be able to vote via the Webcast. Shareholders planning to view the Webcast should submit their proxies as early as possible appointing the 'Chairman of the Meeting', as their proxy, as further detailed below.

To join the Webcast, you will need to visit the Company's website at <https://investors.aveva.com/results-and-key-documents/> using your smartphone, tablet or computer and follow the link to the Webcast. You will then be prompted to enter your unique 'Login Code' and 'PIN'. Your Login Code is your 11 digit Investor Code ("**IVC**"), including any leading zeros. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.

Your IVC can be found on your share certificate, or Signal Shares users (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting our registrar, Link Group, by calling them on 0371 277 1020, or, if calling from overseas, on +44 (0) 371 277 1020. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. 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.

Access to the Webcast will be available from 30 minutes before the start of the Meeting, although you will not be able to submit questions until the Meeting is declared open.

If your shares are held by a nominee and you wish to attend the Webcast, you will need to contact your nominee immediately. Your nominee will need to have completed a letter of representation and presented this to our registrar, Link Group, no later than 72 hours before the start of the Meeting in order that they can obtain for you from Link Group, your unique Login Code and PIN number to attend the Webcast. If you are in any doubt about your shareholding, please contact our registrar.

The Webcast will be broadcast in video format. Once logged in, and at the commencement of the Meeting, you will be able to view, and listen to, the proceedings of the Meeting on your device. The slides of the Meeting will not be available other than as captured by the broadcast of the Webcast.

Questions will be invited during the Meeting when formally announced by the Chairman of the Meeting. Shareholders attending electronically may ask questions via the Webcast by typing and submitting their question in writing via the Q&A box which is found underneath the speaker details on the left hand side of the player. Once you have typed your question please click the 'Submit' button. Questions may also be submitted in advance of the meeting as set out in note (h) below.

An active internet connection is required at all times in order to allow you to view the Webcast and submit questions. It is the user's responsibility to ensure you remain connected for the duration of the Meeting.

Shareholders intending to attend the AGM, should this be possible, are asked to register their intention as soon as practicable by emailing company.secretariat@aveva.com with the subject line "AGM 2021". Rules around capacity at the venue and changes in health and safety requirements may mean shareholders cannot ultimately attend the Meeting.

- b. A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, speak and vote at the AGM. 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 him/her. A proxy need not be a member of the Company. Given the uncertainty around whether shareholders will be able to attend the AGM, whether because the capacity at the venue does not allow for safety reasons related to COVID-19 restrictions or due to a change in the situation with the COVID-19 pandemic, members are encouraged to appoint the 'Chairman of the Meeting' as their proxy, in view of the possible restrictions on attendance at the AGM, to ensure that their vote is counted if ultimately they (or any other proxy they might otherwise appoint) are not able to attend the meeting.

Members are able to appoint a proxy by submitting a paper form of proxy to our registrar, Link Group at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL. The Company has not enclosed a form of proxy for the Meeting with this Notice of Annual General Meeting. Instead, shareholders who require a paper proxy form will be able to request this from our registrar, Link Group, by calling them on 0371 664 0300, or, if calling from overseas, on +44 (0) 371 664 0300. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. 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. Failing previous registration with the Company, any power of attorney or any other authority under which a proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

If you wish to appoint a proxy other than the Chairman of the Meeting and for them to attend the Webcast on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on the telephone numbers mentioned above in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the Meeting.

Shareholders are also able to appoint a proxy and vote electronically via our registrar's website www.signalshares.com. You will require your IVC to do so. Your IVC can be found on your share certificate. If you do not know your IVC, you will be able to request this from our registrar, Link Group, by calling them using the above details.

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by our registrar. For further information regarding Proxymity, please go to <https://proxymity.io/> Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Alternatively, if you are a CREST member, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained at note (c) below.

To be valid, any appointment of a proxy must be lodged electronically or received by post or by hand (during normal business hours only) by our registrar Link Group by 9.00 a.m. on 5 July 2021. Completion of a form of proxy, or other instrument appointing a proxy, or any electronic appointment of a proxy or any CREST Proxy Instruction will not preclude a shareholder attending and voting in person at the Meeting if he/she wishes to do so and should this be permitted under applicable COVID-19 restrictions.

- c. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures, and to the address, described in CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. 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.

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 ("Euroclear") 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 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 (RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the AGM. 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 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.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear 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 means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

- d. If two or more persons are jointly entitled to a share conferring the right to vote, any one of them may vote at the meeting either in person or by proxy, but if more than one joint holder is present at the meeting either in person or by proxy, the one whose name stands first in the register of members in respect of the joint holding shall alone be entitled to vote in respect thereof. In any event, the names of all joint holders should be stated on the form of proxy.
- e. There will be available for inspection, subject to compliance with appropriate COVID-19 precautionary measures, at the offices of Ashurst LLP at London Fruit & Wool Exchange 1 Duval Square, London E1 6PW during normal business hours from the date of this notice until the close of the AGM (Saturdays, Sundays and public holidays excepted), and at the place of the meeting for at least 15 minutes prior to and during the meeting, copies of the rules of the US Employee Stock Purchase Plan and the Californian Sub-Plan to be ratified and approved pursuant to resolution 4, the LTIP to be approved and established pursuant to resolution 5, the RSP to be approved and established pursuant to resolution 6 and a copy of the new articles of association, along with a copy of the Company's current articles of association marked to show all the changes proposed, to be adopted pursuant to resolution 20.
- f. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and section 360B(2) of the Act, the Company specifies that in order to have the right to attend and vote at the AGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 5 July 2021 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
- g. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

- h. Any shareholder attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered. In addition to the ability of shareholders to submit questions electronically via the Webcast (as set out in note (a) above) shareholders who are not attending the AGM can still ask questions or raise matters of concern for them as a shareholder, by emailing company.secretariat@aveva.com with the subject line "AGM 2021" so that it is received no later than 9.00 a.m. on 30 June 2021. The Company will endeavour to respond to such questions on the Company's website in advance of the proxy voting deadline.
- i. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company

- j. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act (in each case) that the members propose to raise at the relevant AGM. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
- k. As at 30 April 2021 (being the latest practicable date prior to the publication of this Circular) the Company's issued share capital consists of 301,167,518 Ordinary Shares, carrying one vote each. The total voting rights in the Company as at that date are 301,167,518.
- l. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Circular (or in any related documents) to communicate with the Company for any purposes other than those expressly stated.
- m. A copy of this Circular, and other information required by section 311A of the Act can be found at <https://investors.aveva.com/results-and-key-documents/>.
- n. Under section 338 and section 338A of the Act members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Summary of the AVEVA Group plc Long-Term Incentive Plan 2021 (the “LTIP”) and the AVEVA Group plc Restricted Share Plan 2021 (“RSP”, together with the LTIP, the “Plans”)

Terms common to both Plans

1. General

The Plans will be administered by the remuneration committee of the Board (the “**Remuneration Committee**”).

2. Awards under the Plans

Awards may take the form of: (a) an option over a specified number of ordinary shares in the Company (“**Shares**”) which normally have a nil or nominal cost exercise price; (b) a conditional award over Shares; (c) a phantom conditional award over notional Shares or (d) a phantom option over notional Shares. On vesting, an award may be satisfied either by the issue or transfer of the Shares in respect of which it has vested or by a cash payment of equivalent value. An option, if it vests, may be exercised for a period ending no later than the tenth anniversary of the date of grant.

No payment is required for the grant of an award.

Awards may be granted within the period of six weeks after:

- a. approval of the Plan by shareholders; or
- b. the announcement of results for any period; or
- c. in the case of the LTIP only, the date a Directors’ Remuneration Policy is approved.

Awards may also be granted at any other time at which the Remuneration Committee considers it is necessary (for instance for new joiners to AVEVA).

3. Performance underpin

Awards are subject to a performance underpin which allows the Remuneration Committee to override formulaic outcomes regarding any performance condition, where applicable, or other conditions and/or to assess individual performance to determine the extent of vesting.

4. Dividend Equivalent

The Remuneration Committee may decide that a participant shall be entitled to receive a payment equal in value to the aggregate amount of the dividends that would have been paid from the date of grant of an award to vesting of that award in respect of Shares which vest. The Remuneration Committee may assume reinvestment of dividends into further Shares for these purposes. The payment may be made in cash or in an equivalent value of Shares.

5. Plan Limits

No award may be granted under the Plans on any date if, as a result, the aggregate number of Shares issued, or committed to be issued, pursuant to awards made under the Plans and pursuant to grants made during the previous ten years under all other employee share plans established by the Company, would exceed 10% of the issued ordinary share capital of the Company on that date.

Further, no award may be granted under the Plans on any date if, as a result, the aggregate number of Shares issued, or committed to be issued, pursuant to awards made under the Plans and pursuant to grants or appropriations made during the previous ten years under all other executive share plans established by the Company, would exceed 5% of the issued ordinary share capital of the Company on that date.

Shares which are purchased from the market and placed into treasury will not be treated as new issue Shares for this purpose.

6. Leavers

Should a participant cease to be employed before the expiry of the performance or vesting period by reason of: death, injury, ill-health or disability; retirement; the company employing the participant ceasing to be, or the business to which the participant’s office or employment relates being transferred to a person who is not, a member of the Company’s group (“**Group**”) or any other reason in the discretion of the Remuneration Committee, an award shall vest on the normal vesting date unless the Remuneration Committee determines that earlier vesting should apply. The number of Shares which a participant may receive will usually be determined on a pro-rated basis by reference to the percentage of the performance period or the vesting period for which that participant was in employment, taking into account the performance of any applicable performance conditions.

Termination of employment for any other reason will cause all unvested awards to be forfeited.

On termination, executive directors’ awards will be treated in accordance with the Company’s prevailing Directors’ Remuneration Policy in place at the relevant time.

7. Change of Control

The vesting of awards on a change of control, voluntary winding up or a demerger will usually be determined on a pro-rated basis and taking into account the extent to which any applicable performance conditions have been met, subject to the discretion of the Remuneration Committee to permit a greater portion of an award to vest if considered appropriate.

If there is an internal reorganisation or if the board of an acquiring company on a change of control agrees, awards will not vest but will be exchanged for awards over shares in the new holding company.

8. Variation of Share Capital

On any variation in the ordinary share capital of the Company or certain other corporate events which, in the reasonable opinion of the Remuneration Committee, justifies an adjustment, then the number of shares subject to any award and, only if applicable, the performance conditions and exercise price of an option, may be adjusted in such manner and with effect from such date as the Remuneration Committee may determine to be appropriate.

9. Voting, Dividend and Other Rights

Until awards vest, or options are exercised, participants have no voting or other rights in respect of the Shares subject to those awards.

Shares issued or transferred pursuant to the Plans will rank *pari passu* in all respects with Shares already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise or vesting of the relevant award.

Benefits obtained under the Plans shall not be pensionable and awards and options are non-transferrable.

10. Malus and Clawback

The Remuneration Committee may decide either before vesting of an award or until the end of a clawback period after the vesting of an award, as determined by the Remuneration Committee, that a participant must repay all or part of the value of an award in the following circumstances:

- a. a material misstatement of the Group's financial results which has resulted in an excessive award or vesting;
- b. any award or vesting was based upon erroneous or misleading data calculation errors;
- c. the participant engaging in conduct (including fraud) such as would justify summary dismissal;
- d. a material risk management failure resulting in serious harm to reputation or financial loss to the Group;
- e. serious reputational damage or material financial loss to the Group caused by the participant's actions;
- f. a material corporate failure; or
- g. in respect of the LTIP only, the attempt to or actual sale of any shares subject to a holding period or post-termination shareholding requirements.

In the above circumstances, the Remuneration Committee may reduce any outstanding award(s), any amount of a future bonus, the number of Shares subject to any award under any other share plan operated by the Group, or require the participant to pay the relevant amount or Shares back.

11. Administration and Amendment

The Plans will be administered by the Remuneration Committee. The Board may amend or add to the Plans provided that:

- a. prior approval of the Company in general meeting will be required for any amendment to the advantage of participants to those provisions of the Plans relating to eligibility, the limit on the number of issued Shares, cash or other benefits subject to the Plans, a participant's maximum entitlement or to the basis for determining a participant's entitlement under the Plans and the adjustment thereof in the event of a variation in capital, except in the case of minor amendments to benefit the administration of the Plans and amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of the Group or to cover the inclusion of any overseas plans; and
- b. no amendment may be made which would alter to the disadvantage of participants any rights already acquired by them under the Plans without the approval of 75% of the affected participants.

12. Overseas Plans

The Remuneration Committee may from time to time and without further formality establish further plans to operate in overseas territories, any such plan to be similar to the Plans but modified to take account of local tax, exchange control and/or securities laws, regulation or practice. Shares made available under any such plans would count against the limits on overall and individual participation in the Plans.

13. Californian sub-plan

The Plans already include Californian sub-plans, as sub plans to, and under the terms of, the existing Plans, respectively, in order to facilitate the grant of awards in compliance with Californian tax, securities and other applicable laws.

14. Termination

The Plans may be terminated at any time by resolution of the Board or of the Company in general meeting and in any event no award may be granted on or after the 10th anniversary of the date on which the Plans are approved by the Company in general meeting.

Terms only applicable to the LTIP

1. Eligibility

Any employee (including a director) of the Company or any member of the Group shall be eligible to participate in the LTIP. The Remuneration Committee may in its absolute discretion grant awards to such eligible employees as it shall select. Any award to a director would only be made in accordance with the Company's Directors' Remuneration Policy as approved by shareholders from time to time.

2. Vesting

An award may be granted subject to such performance conditions or other conditions as the Remuneration Committee determines, which must normally be satisfied before an award may vest.

If performance conditions apply, an award shall normally not vest unless the performance conditions have been satisfied and provided the participant remains employed by any member of the Group. If no performance conditions apply, an award shall vest on the normal vesting date, subject to the participant remaining in employment until that date. In either case, vesting is not normally expected to occur until the third anniversary of the date of the award.

There will be no provision for re-testing. Performance conditions may be amended by the Remuneration Committee, acting fairly and reasonably, after an award has been made if relevant circumstances require, but the amended condition will be intended to be not materially less difficult for participants to satisfy.

3. Individual Limit

The maximum total market value of Shares over which awards may be granted in respect of any financial year of the Company to (i) the Group Executive Officer is 300% of his or her salary; and (ii) to any other employee or executive director is 250% of salary, unless exceptional circumstances apply in which case any eligible employee other than an executive directors can receive up to 350% of salary. For the executive directors, this is always subject to complying with any other limit specified in the prevailing Directors' Remuneration Policy at the date of an award.

4. Holding Period

An additional holding period may apply to Shares which have vested, which shall normally apply for two years. During that additional period the participant may not sell the after-tax vested Shares. For executive directors, the holding period will be imposed in accordance with the prevailing Directors' Remuneration Policy in place at the relevant time.

Terms only applicable to the RSP

1. Eligibility

Eligibility is the same as under the LTIP except that executive directors cannot participate in the RSP unless and until permitted to do so by the Directors' Remuneration Policy.

2. Vesting

An award may be granted subject to such conditions as the Remuneration Committee determines, to be satisfied before an award may vest, although it is not expected that any conditions will be set other than remaining in employment. The vesting period can be any length and normally, the Company would allow vesting to occur in three equal tranches over three years.

3. Individual Limit

The maximum total market value of Shares over which awards may be granted in respect of any financial year of the Company to any employee is 100% of salary, unless exceptional circumstances apply in which case any eligible employee can receive up to 300% of salary.

AVEVA

We'll take you there™