



**This document is important and requires your immediate attention.**

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser immediately. If you have already sold or otherwise transferred all of your shares in Ricardo plc, please forward this document, together with the accompanying annual report and form of proxy, to the purchaser or transferee, or to the agent who arranged the sale or transfer so that they may be passed on to the purchaser or transferee.

## **Ricardo plc**

(Incorporated and registered in England and Wales under company number 222915)

### Notice of Annual General Meeting 2014

Notice of the Annual General Meeting of Ricardo plc (the "Company") to be held at Investec Bank plc, 2 Gresham Street, London, EC2V 7QP, on 29 October 2014 at 10.00 am, is set out on pages 2 to 10 of this circular. Whether or not you propose to attend the Annual General Meeting, please complete and submit the enclosed proxy form in accordance with the instructions printed on the form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

# Notice of Annual General Meeting 2014

Notice is hereby given that the Annual General Meeting of Ricardo plc ("the Company") will be held at Investec Bank plc, 2 Gresham Street, London, EC2V 7QP on 29 October 2014 at 10.00 am to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 17 will be proposed as ordinary resolutions and resolutions 18 to 21 will be proposed as special resolutions.

## ORDINARY RESOLUTIONS

### Resolution 1

To receive the reports of the directors and auditors and the audited accounts of the Company for the year ended 30 June 2014.

### Resolution 2

That a final dividend of 10.9 pence per ordinary share recommended by the directors be declared in respect of the year ended 30 June 2014.

### Resolution 3

That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

### Resolution 4

To authorise the Audit Committee of the Board to determine the remuneration of the Auditor.

### Resolution 5

That Terry Morgan be elected as a director of the Company.

### Resolution 6

That Ian Gibson be re-elected as a director of the Company.

### Resolution 7

That Ian Lee be re-elected as a director of the Company.

### Resolution 8

That David Hall be re-elected as a director of the Company.

### Resolution 9

That Hans-Joachim Schöpf be re-elected as a director of the Company.

### Resolution 10

That Dave Shemmans be re-elected as a director of the Company.

### Resolution 11

That Peter Gilchrist be re-elected as a director of the Company.

### Resolution 12

That Mark Garrett be re-elected as a director of the Company.

### Resolution 13

That the directors' remuneration report (excluding the directors' remuneration policy referred to in resolution 14 below) contained within the report and accounts for the year ended 30 June 2014 be approved.

### Resolution 14

That the directors' remuneration policy set out on pages 57 to 62 of the report and accounts for the year ended 30 June 2014 be approved.

### Resolution 15

(a) That the Ricardo plc 2014 Long Term Incentive Plan (the "**2014 LTIP**"), constituted by the rules produced to the Meeting and initialled by the chairman for the purposes of identification (the principal terms of which are summarised in Appendix 1 to the letter accompanying this Notice) (the "**2014 LTIP Rules**"), be approved and the directors be authorised to adopt the 2014 LTIP Rules subject to such modifications as the directors may consider necessary or desirable to take account of the requirements of the UK Listing Authority, and to do all acts and things necessary or expedient to bring into effect and operate the 2014 LTIP; and

- (b) the directors be authorised and empowered to establish further plans based on the 2014 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 individual and plan limits set out in the 2014 LTIP.

#### **Resolution 16**

- (a) That the Ricardo plc 2014 Executive Share Option Plan (the “**2014 ESOP**”), constituted by the rules produced to the Meeting and initialled by the chairman for the purposes of identification (the principal terms of which are summarised in Appendix 2 to the letter accompanying this Notice) (the “**2014 ESOP Rules**”), be approved and the directors be authorised to adopt the 2014 ESOP Rules subject to such modifications as the directors may consider necessary or desirable to comply with the provisions of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 (where applicable) and take account of the requirements of the UK Listing Authority, and to do all acts and things necessary or expedient to bring into effect and operate the 2014 ESOP; and
- (b) the directors be authorised and empowered to establish further plans based on the 2014 ESOP, 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 individual and plan limits set out in the 2014 ESOP.

#### **Resolution 17**

That the authority conferred on the directors by Article 4(B) of the Company’s Articles of Association to allot relevant securities be renewed for the period expiring 15 months after the date of passing of this resolution or at the conclusion of the next annual general meeting of the Company held after the passing of this resolution (whichever first occurs) and for such period the “section 551 amount” shall be £4,312,513

## SPECIAL RESOLUTIONS

#### **Resolution 18**

That subject to the passing of resolution 17, the power conferred on the directors by Article 4(C) of the Company’s Articles of Association be renewed for the period expiring 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company held after the passing of this resolution (whichever first occurs) and for that period the “section 561 amount” is £653,411. This power shall extend to a sale of treasury shares which is an allotment of equity securities by virtue of section 560(2) of the Companies Act 2006.

#### **Resolution 19**

That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the “2006 Act”) to make market purchases (within the meaning of section 693 of the 2006 Act) of ordinary shares of 25p in the capital of the Company on such terms and in such manner as the directors of the Company may decide provided that:

- i) the maximum number of ordinary shares authorised to be purchased shall be 5,227,288 being 10% of the issued ordinary share capital of the Company at the date of this notice;
- ii) the maximum price which may be paid for each of the ordinary shares shall, in respect of a share contracted to be purchased on any day, be an amount equal to the higher of (a) 105% of the average of the middle market quotations (as derived from the London Stock Exchange plc’s Daily Official List) for the ordinary shares of the Company on the 5 business days immediately preceding the day on which the share is contracted to be purchased and (b) 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 plc Trading System (SETS), which amount in each case shall be exclusive of expenses;
- iii) the minimum price which may be paid for the ordinary shares shall, in respect of a share contracted to be purchased on any day, be an amount equal to 75% of the average of the middle market quotations (as derived from the London Stock Exchange plc’s Daily Official List) for the ordinary shares of the Company on the 5 business days immediately preceding the day on which the share is contracted to be purchased, which amount shall be exclusive of expenses but shall not, in any event, be less than the par value of that share; and
- iv) this authority shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution except in relation to any purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry.

#### **Resolution 20**

That a general meeting other than an annual general meeting may be called by notice of not less than 14 clear days provided that the Company offers the facility to members to vote by electronic means.

## **Resolution 21**

That, with immediate effect the Articles of Association produced to the Meeting (and signed by the Chairman for the purposes 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 of the Company.

By Order of the Board

Patricia Ryan  
Company Secretary

Dated 10 September 2014

Registered office:  
Shoreham Technical Centre  
Shoreham by Sea  
West Sussex  
BN43 5FG

## **EXPLANATORY NOTES**

### **Resolution 1 – Report and Accounts**

The Directors are required by the Companies Act 2006 (the “2006 Act”) to present to the Annual General Meeting the accounts and the reports of the Directors and Auditors for the year ended 30 June 2014.

### **Resolution 2 – Declaration of a dividend**

Final dividends must be approved by shareholders but must not exceed the amount recommended by the Directors. If the Annual General Meeting approves Resolution 3, a final dividend in respect of the financial year ended 30 June 2014 of 10.9 pence will be paid on 14 November 2014 to the ordinary shareholders on the Company’s register of members at the close of business on 24 October 2014 in respect of each ordinary share.

### **Resolutions 3 and 4 – Re-appointment of auditor and determining their remuneration**

The Company is required to appoint an auditor at each general meeting at which the accounts are laid, to hold office until the end of the next such meeting. Resolution 3, which is recommended by the Audit Committee, proposes the re-appointment of PricewaterhouseCoopers LLP as auditor of the Company and Resolution 4 follows best practice in giving authority to the Audit Committee to determine their remuneration.

### **Resolution 6 – Election of Terry Morgan**

In accordance with the Company’s Articles of Association, any director newly appointed by the Board is required to retire and submit himself for re-appointment at the first annual general meeting of the company following his appointment. Accordingly, Terry Morgan, who appointed by the Board as non-executive director and Deputy Chairman on 2 January 2014 retires and, being eligible, offers himself for election. Terry is 65 years old and is currently non-executive Chairman of Crossrail Limited, the Manufacturing Technology Centre and the National Skills Academy for Railway Engineering. He is also a non-executive director of Boxwood Limited and was, until 31 August 2014, non-executive director of the Department of Energy and Climate Change.

Terry has many years of Board-level experience at the top of UK industry and the Board unanimously recommends his election as a non executive director.

### **Resolutions 6 to 12 – Re-election of Directors**

In order to comply with best practice in the Company’s application of corporate governance, and in accordance with the UK Corporate Governance Code, each member of the Board will retire at the Annual General Meeting and, being eligible, has offered himself for re-election. The Board of Directors unanimously recommends that they each be re-elected as Directors of the Company. Biographical details for each of the Directors are set out on pages 34 to 35 of the Company’s Report and Accounts for the year ended 30 June 2014. The Chairman confirms that following a formal performance evaluation, each of the non-executive directors who is seeking re-election at the Annual General Meeting continues to be an effective member of the Board and demonstrate commitment to his role, and the Board is satisfied that each of the non-executive directors seeking re-election is independent in character and judgement and that there are no relationships or circumstances that are likely to affect his character or judgement.

### **Resolution 6 – Re-election of Ian Gibson**

A biography of Ian Gibson is included on page 34 of the Company's Report and Accounts for the year ended 30 June 2014. Ian is 54 years old and is a highly experienced financial professional with almost thirty years' commercial experience. Ian spent seventeen years in a number of senior financial management positions within the Cable & Wireless Group and latterly as Chief Financial Officer of Cable & Wireless Worldwide plc. In the period since his appointment as Chief Financial Officer to the Company, Ian has made a valuable contribution to the Company and demonstrates commitment to the role. Accordingly the Board unanimously recommends his re-election as a director of the Company.

### **Resolution 7 – Re-election of Ian Lee**

Ian Lee was appointed non-executive director on 1 August 2008 and Chairman of the Audit Committee on 18 November 2008. Ian is 67 years old. He is a former senior partner of Ernst & Young LLP in Glasgow. He was a member of the Ernst & Young UK governing Council for six years, and was a member of its audit committee. He was the Convener of the Institute of Chartered Accountants of Scotland Audit and Assurance Committee. Ian was a non-executive director and chairman of the audit committee of Clyde Process Solutions plc from 2007 to 2011. He is Vice-Chair of NHS Greater Glasgow and Clyde Board, where he is Convener of the Quality and Performance committee and has been a non-executive director and a member of the audit committee since 2008. He has also been the independent external member of the audit committee of the Student Loans Company since 2011.

The Board considers that Ian brings a broad range of experience in financial, audit and corporate governance matters.

### **Resolution 8 – Re-election of David Hall**

David Hall was appointed a non-executive director on 21 February 2006 and was appointed as the Senior Independent Director on 18 November 2009. He is 67 years old. He was formerly at the Boston Consulting Group, the international strategic and management consulting firm, where he started and built up the financial services practice, served on the worldwide Executive Committee, was Chairman of BCG's ten global practice groups and had global responsibility for HR. He was also Chairman of the Financial Services Compensation Scheme, retiring from that appointment in April 2012. David was awarded Commander of the Order of the British Empire in 2012 for his services to the Financial Services industry. David joined Vestra Wealth LLP as Senior Independent Director on 1 May 2013.

The Board considers that David brings international business experience which is of significant benefit to the Board.

### **Resolution 9 – Re-election of Hans-Joachim Schöpf**

Hans-Joachim Schöpf was appointed non-executive director on 1 July 2009. He is 72 years old. He was formerly executive vice president at DaimlerChrysler AG, head of Mercedes R&D and member of the board of Mercedes Car Group. Since retiring from DaimlerChrysler in 2004, Professor Schöpf has been appointed to directorships of BEHR and TK Bilstein in Germany, Valmet Automotive in Finland and is a member of the advisory board of Mahle. In addition Professor Schöpf was a director of Ballard Power Systems in Canada until the end of 2007. He has also worked as an independent automotive consultant and is an Honorary Professor of the Technical University of Vienna and Honorary Senator of the Technical College of Esslingen. Hans is non-executive director to Ricardo's Technology Exploitation Board.

The Board considers that Hans' in-depth knowledge of the automotive sector and technology enable him to make a significant benefit to the Board.

### **Resolution 10 – Re-election of Dave Shemmans**

Dave Shemmans, aged 48, joined Ricardo in 1999 as Senior Business Development Manager for Ricardo Consulting Engineers ("RCE"). In 2002 he was appointed Business Development Director for the Ricardo Group and in December 2003, Managing Director of RCE. He was appointed to the Board as Chief Executive Officer Designate and Managing Director International Operations in February 2005, and became the Chief Executive Officer of Ricardo plc on 4 November 2005. Prior to joining Ricardo he was Operations Director and co-founder of Wavedriver Limited (a subsidiary of PowerGen plc). He has also gained consulting and management experience in both listed and private companies. He holds a degree in electronics from UMIST and is a graduate of the Harvard Business School. Dave was appointed non-executive director of Sutton and East Surrey Water plc on 1 September 2014.

### **Resolution 11 – Re-election of Peter Gilchrist**

Peter Gilchrist was appointed non-executive director on 1 December 2010 and Chairman of the Remuneration Committee on 14 November 2013. He is 62 years old. His military career spanned almost four decades in the British Army and involved him in senior positions in operations as well as in defence diplomacy, strategic management and procurement. Following a tour in Afghanistan his last appointment was at the British Embassy in Washington DC. Earlier, for 4½ years he was Master General of the Ordnance on the Army Board and an Executive Director in the Defence Procurement Agency. Peter is currently Chairman of Push Technology Limited, Enterprise Control Systems Ltd and the Board of Trustees, Tank Museum. He is also a director of Synergie Business Limited.

The Board considers that Peter's expertise in defence and government contracting is highly beneficial in the context of the Company's defence sector and government-sourced operations.

### **Resolution 12 – Re-election of Mark Garrett**

Mark Garrett was appointed as Group Engineering and Products Director on 1 July 2008 and on 1 July 2010 he was designated Chief Operating Officer. He is 51 years old. Mark joined Ricardo in August 1998 as Manager – Gasoline Engines, coming from the position of Small Car Powertrain Manager at Rover Group. Since joining Ricardo he has performed a number of key roles, including Global Product Group Director for Gasoline Engines and head of Ricardo 2010 Consultants Ltd. Mark holds an honours degree in mechanical engineering from Bristol University, is a Chartered Engineer and a Fellow of the Institution of Mechanical Engineers.

### **Resolution 13 and 14 – Directors’ Remuneration Report**

Following changes made to the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), listed companies are required to prepare a directors’ remuneration report and put a resolution to approve the report (other than the directors’ remuneration policy) to shareholders at an annual general meeting. A copy of the Directors’ Remuneration Report is set out on pages 55 to 70 inclusive of the 2014 Annual Report and Accounts and Resolution 13 seeks approval of the report. In accordance with the Companies Act 2006, the vote on this resolution is advisory and no director’s remuneration is conditional upon the passing of this resolution.

From 1 October 2013, listed companies are required to prepare a directors’ remuneration policy and put a resolution to approve the policy to the shareholders at least every three years. A copy of the Directors’ Remuneration Report is set out on pages 55 to 70 inclusive of the 2014 Annual Report and Accounts and Resolution 14 seeks approval of that policy. Once the Directors’ Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the policy or has been approved by a resolution of the shareholders of the Company.

### **Resolution 15 – Approval of the Rules of the 2014 LTIP**

For many years Ricardo has used a variety of share schemes to assist with the recruitment, motivation and reward of its senior management team and wider employee population. Most recently, the main form of share-based incentive for Executive Directors and senior management consisted of conditional awards of shares granted pursuant to the rules of the Ricardo plc 2006 Long Term Incentive Plan (the “2006 LTIP”) or the Ricardo plc 2011 Deferred Bonus Plan. Shareholders approved this arrangement at the Company’s annual general meeting in 2006 and, in accordance with the rules of the 2006 LTIP, no further awards can be granted under that arrangement after 10 November 2016.

As Shareholders are being asked to approve a new Directors Remuneration Policy (resolution 15) and the rules of a new 2014 ESOP (resolution 16) at the 2014 annual general meeting (the “Meeting”), the Directors consider that it would be most efficient to seek Shareholder approval at the same time for a new long term incentive plan that would replace the 2006 LTIP. Consequently, if the rules of the proposed Ricardo plc 2014 Long Term Incentive Plan (the “2014 LTIP”) are approved by Shareholders at the Meeting, no further awards will be granted under the 2006 LTIP. More details of the principal terms of the 2014 LTIP are contained in Appendix 1 to the letter accompanying this Notice.

### **Resolution 16 – Approval of the Rules of the 2014 ESOP**

As is mentioned in note to resolution 15 above, the Company has historically used a variety of share schemes to assist with the recruitment, motivation and reward of its senior management team and wider employee population. In the past, certain of these awards have taken the form of “market value” share options which were granted pursuant to the rules of the Ricardo plc 2004 Executive Share Option Plan (the “2004 ESOP”). The rules of the 2004 ESOP were approved by Shareholders at the Company’s annual general meeting which took place in 2004. Consequently, these rules expire on 5 November 2004 and thereafter no further share options can be granted pursuant to their terms. In order to maintain the flexibility to grant “market value” share options in the future, the Directors are seeking Shareholder approval for the adoption of a replacement arrangement in the form of the rules of the Ricardo plc 2014 Executive Share Option Plan (the “2014 ESOP”). The terms of the 2014 ESOP are generally the same as the 2004 ESOP that it is replacing, save for certain updates to reflect changes in the law and market practice since 2004. Appendix 2 to the letter accompanying this Notice provides more details of the principal terms of the 2014 ESOP.

### **Resolution 17 – Authority to allot new shares**

The purpose of Resolution 17 is to renew the Directors’ authority to allot shares. At the annual general meeting of the Company held on 14 November 2013, the Directors were given authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £4,290,448 representing approximately 33% of the Company’s issued ordinary share capital as at 5 September 2013. This authority expires on the date of this year’s Annual General Meeting and Resolution 17 will, if passed, renew this authority to allot.

The ABI guidelines state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of the Company’s issued share capital. Accordingly, in line with these guidelines, this Resolution proposes that the Directors be granted authority to allot shares in the capital of the Company up to a maximum nominal amount of £4,312,513 representing 33% of the Company’s issued ordinary share capital as at 31 August 2014 (the latest practicable date prior to publication of this Notice). This authority will expire 15 months following the date of passing of the resolution or, if earlier, at the conclusion of the 2015 Annual General Meeting.

The Directors have no present intention of exercising this authority.

As at the date of this Notice, the Company does not hold any ordinary shares in the capital of the Company in treasury.

#### **Resolution 18 – Disapplication of pre-emption rights**

Resolution 18 will give the Directors authority to allot shares in the capital of the Company, pursuant to the authority granted under Resolution 17, to allot equity securities (as defined by section 560 of the 2006 Act) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings:

- in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the Directors otherwise consider necessary, up to a maximum nominal amount of £4,312,513 which represents approximately 33.3% of the Company's issued ordinary shares (excluding treasury shares) as at 31 August 2014; and
- in any other case, up to a maximum nominal amount of £653,411 which represents approximately 5% of the Company's issued ordinary shares (excluding treasury shares) as at 31 August 2014. In compliance with the Statement of Principles issued by the Pre-emption Group in June 2008, the Directors, will ensure that, other than in relation to a rights issue, no more than 7.5% of the issued ordinary shares (excluding treasury shares) will be allotted for cash on a non-pre-emptive basis over a rolling three year period unless shareholders have been notified and consulted in advance.

This authority will expire 15 months following the date of passing of the resolution or, if earlier, at the conclusion of the 2015 Annual General Meeting.

The Directors have no present intention to exercise this authority.

#### **Resolution 19 – Authority to purchase own shares**

In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 19 seeks authority for the Company to do so (as permitted by the 2006 Act) up to a maximum of 5,227,288 ordinary shares until the conclusion of the 2015 Annual General Meeting. This represents approximately 10% of the ordinary shares in issue as at 31 August 2014 (being the latest practicable date prior to publication of this Notice) and the Company's exercise of this authority is subject to the maximum and minimum prices specified in Resolution 18.

The Directors have no present intention of exercising this authority. The authority will be exercised only if the Directors believe that it will be in the best interests of the Company to purchase ordinary shares including to satisfy awards or the exercise of options under employee share schemes, or if the Directors otherwise believe that this will improve earnings per share. The current expectation is that any shares purchased under this authority would either be used to satisfy awards or the exercise of options under employee share schemes or would be held as treasury shares, but the Company would retain the flexibility to cancel any such shares or sell them for cash if it considers this to be in its best interests.

As at 31 August 2014 (being the latest practicable date prior to publication of this Notice) there were outstanding options and other rights to acquire shares which may be satisfied by the issue of 705,980 new ordinary shares representing 1.4 per cent of the Company's issued share capital. If this authority were exercised in full, outstanding options would represent 1.5 per cent of the Company's issued share capital (excluding treasury shares).

#### **Resolution 20 – Notice of Meetings**

Resolution 20 is a resolution to allow the Company to hold general meetings (other than annual general meetings) on 14 days' notice. Before the introduction of the Companies (Shareholders' Rights) Regulations 2009, the minimum notice period permitted by the 2006 Act for general meetings (other than annual general meetings) was 14 days. One of the amendments of the Companies (Shareholders' Rights) Regulations 2009 made to the 2006 Act was to increase the minimum notice period for listed company general meetings to 21 days, but with an ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that:

- (i) the Company offers facilities for shareholders to vote by electronic means; and
- (ii) there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 to 14 days.

The Board is therefore proposing this Resolution as a Special Resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than annual general meetings. This approval will be effective until the 2015 Annual General Meeting when it is intended that the approval will be renewed. The Company will use this notice period when permitted to do so in accordance with the 2006 Act and when the Directors consider that it is appropriate to do so.

## Resolution 21 – Amendment to Articles of Association

The directors are seeking shareholders' approval to an amendment to the Articles of Association to increase the limit on the aggregate fees which may be paid to directors for their services not to exceed a maximum of £500,000 per annum.

A copy of the proposed new Articles of Association, together with a copy of the Company's existing Articles of Association marked to show the changes proposed to be made to them, will be available for inspection during normal business hours on any weekday (public holidays excluded) at the registered office of the Company from the date of this notice until the date of the Annual General Meeting and will also be available for inspection at the place of the Meeting from 9.45 am on the date of the Meeting until its conclusion.

## IMPORTANT NOTES TO SHAREHOLDERS

The following notes explain your general rights as a shareholder and your right to attend and vote as this Meeting or to appoint someone else to vote on your behalf.

1. The Board recommends that shareholders vote in favour of all the resolutions to be proposed at the Meeting which they consider to be in the best interests of shareholders as a whole.
2. Information regarding the Meeting, including the information required by section 311A of the 2006 Act, is available from [www.ricardo.com](http://www.ricardo.com).
3. If you wish to attend the Meeting in person please bring with you the attendance card provided. Members wishing to attend the Meeting with special needs should contact Patricia Ryan, Ricardo plc, Shoreham Technical Centre, Shoreham by Sea, West Sussex, BN43 5FG Telephone: 01273 794776 in advance of the Meeting.
4. A member entitled to attend and vote at the Meeting at the time specified in note 9 is also entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Meeting. The proxy need not be a member of the Company. You may only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In order to be valid, an appointment of proxy must be returned by one of the following methods:
  - a) in hard copy form by post, by courier or by hand to the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
  - b) if you hold your shares in certificated form and have your share certificates to hand, online at [www.ricardo-shares.com](http://www.ricardo-shares.com) by following the instructions provided; or
  - c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In each case, instructions must be received not less than 48 hours before the time for holding the Meeting or in the event that the Meeting is adjourned, not less than 48 hours prior to the adjourned Meeting. Appointment of a proxy does not preclude members from attending the Meeting and voting in person, if they should so wish.

5. For an appointment of a proxy returned in hard copy to be valid, it must be completed and received (together with any power of attorney or other written authority under which it is signed or a copy of such authority notarially certified or certified in some other way approved by the directors) by Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TZ not less than 48 hours before the time for holding the Meeting, or in the event that the Meeting is adjourned, not less than 48 hours prior to the adjourned Meeting. A form of proxy which may be used to make such an appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras from within the UK lines are open 8.30am-5.30pm Mon-Fri), for overseas shareholders +44 208 639 3399. Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the proxy you wish to appoint, the number of ordinary shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions that are proposed. You should send all pages to Capita Asset Services at the address noted above.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. 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 made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK

and Ireland Limited (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual (available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by the latest time for receipt of proxy appointments specified in the notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes(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 are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7. In the case of joint holdings, only one holder may sign and the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, seniority for this purpose being determined by the order in which the names stand in the register of members of the Company in respect of joint holdings.
8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to the amended instructions; any amended proxy appointment 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.
9. Members shall only be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name on the register of members of the Company as at 6.00 pm on 27 October 2014 or in the case of an adjournment of the Meeting, 6.00 pm on the day which is two working days before the day of such adjourned Meeting. Changes to entries on the register of members after 6.00 pm on the relevant date shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
10. A person to whom this Notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right 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, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
11. The statements of rights of members in relation to the appointment of proxies in paragraph 4 above do not apply to a Nominated Person. The rights described in that paragraph can only be exercised by registered members of the Company.
12. Any corporation which is a shareholder can appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a shareholder, provided that they do not do so in relation to the same shares.
13. As at the close of business on 31 August 2014 (being the latest practicable date prior to publication of this Notice) the Company’s issued share capital consisted of 52,272,885 ordinary shares of 25p each, carrying one vote each. Accordingly, the total voting rights in the Company are 52,272,885. The website referred to in note 2 will include information on the number of shares and voting rights.
14. Copies of contracts of service and letters of appointment (unless expiring or determinable by the Company within 1 year without payment of compensation) of the directors of the Company will be available for inspection at the registered office of the Company during business hours on any weekday (public holidays excluded) from the date of this Notice until the date of the Meeting and at the place of the Meeting from 9.45 am on the date of the Meeting until its conclusion.
15. Any member attending the Meeting 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.
16. Under sections 338 and 338A of the 2006 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 Meeting, 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 the 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 no later than 17 September 2014, being the date 6 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.

17. Under section 527 of the 2006 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 Meeting; 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 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 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 Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.
18. Except as provided above, shareholders who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
  - by telephone on 01273 794776; or
  - by email to [patricia.ryan@ricardo.com](mailto:patricia.ryan@ricardo.com)

You may not use any electronic address provided in either (a) this Notice, or (b) any related documents, to communicate with the Company for any purposes other than those expressly stated.

## ATTENDING THE ANNUAL GENERAL MEETING

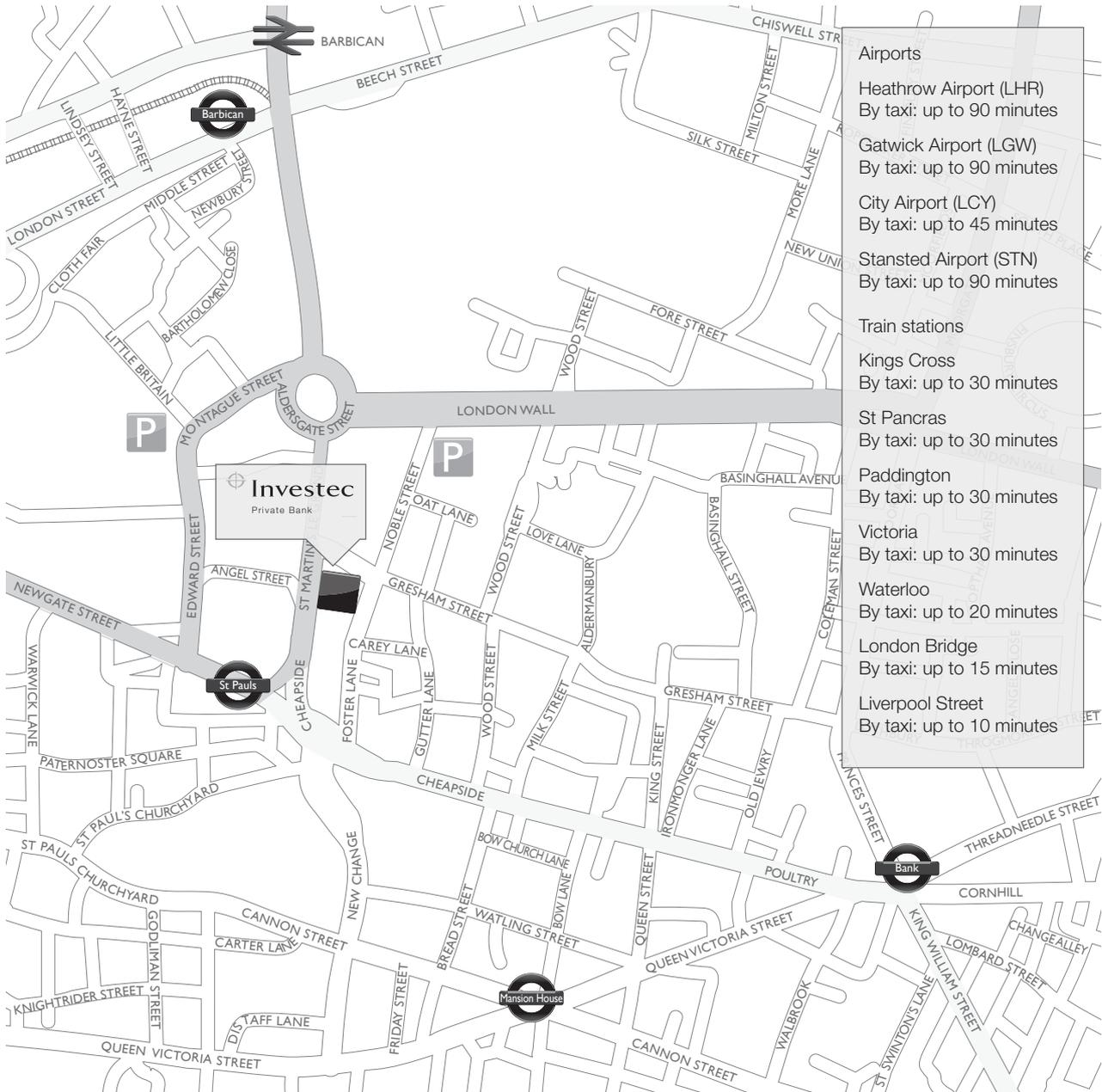
The Annual General Meeting will be held at Investec Bank plc, 2 Gresham Street, London, EC2V 7QP on Thursday 29 October 2014 at 10.00am.

# London



Private Bank

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