

## Notice of Annual General Meeting 2011

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### Torotrak plc (the “Company”)

Notice is hereby given that the 2011 Annual General Meeting of the Company will be held at the Best Western Premier Leyland Hotel, Leyland Way, Leyland, PR25 4JX on Friday 29 July 2011 at 10.00am for the following purposes:

Resolutions 1 to 8 are each proposed as an ordinary resolution.

**Resolution 1** To receive the Financial Statements and the reports of the Directors and Auditors for the year ended 31 March 2011.

**Resolution 2** To approve the Remuneration Policy set out in the Remuneration Report.

**Resolution 3** To approve the Remuneration Report for the year ended 31 March 2011.

**Resolution 4** To re-appoint John Weston, who was appointed as a Director during the year and who, being eligible, offers himself for re-election as a Director in accordance with the Company's Articles of Association.

**Resolution 5** To re-appoint Dick Elsy, who retires as a Director in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-election as a Director.

**Resolution 6** To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.

**Resolution 7** To authorise the Directors to agree PricewaterhouseCoopers LLP's remuneration.

#### **Resolution 8**

That the Directors be and they are hereby generally and unconditionally authorised to exercise powers of the Company pursuant to section 551 of the Companies Act 2006 (the “Act”) to allot, grant options over, offer or otherwise deal with or dispose of shares in the Company (such shares and rights together being referred to as “relevant securities”) up to an amount equal to 33% of the aggregate nominal value of the Company's ordinary shares in issue at 24 June 2011, being £5,407,960.60, provided that:

- a) this authority shall expire on the earlier of the close of the next Annual General Meeting of the Company after passing of this resolution or 15 months from the date of the resolution unless previously renewed, varied or revoked by the Company in general meeting save that before such expiry the Company may make any offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired; and
- b) the authority conferred by this resolution shall be in substitution for all existing powers conferred on the Directors pursuant to section 80 of the Companies Act 1985 and section 551 of the Act.

Resolutions 9 to 12 are each proposed as a special resolution:

#### **Resolution 9**

That:

- a) the grant of an option over 290,155 ordinary shares in the capital of the Company at an exercise price of 48.25 pence per share granted to John Weston on the terms of an agreement between the Company and John Weston (the “Option”) produced to the meeting and initialled by the Chairman for the purposes of identification be and hereby is approved and ratified;
- b) the Directors be and they are hereby generally and unconditionally authorised to exercise powers of the Company pursuant to section 551 of the Act to allot shares in the Company to satisfy the exercise of the Option; and
- c) the Directors be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the Act) for cash in order to satisfy the Option as if section 561(1) of the Act did not apply to any such allotment;

provided that the authorities conferred by sub-paragraphs (b) and (c) shall expire on the earlier of the close of the next Annual General Meeting of the Company after passing of this resolution or 15 months from the date of the resolution unless previously renewed, varied or revoked by the Company in general meeting save that before such expiry the Company may make any offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authorities conferred by this resolution had not expired.

### Resolution 10

That, subject to the passing of Resolution 8, the Directors be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 8 as if section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited:

- a) to the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company in proportion as close as possible to existing holdings of ordinary shares in the Company, but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlement or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
- b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an amount equal to 5% of the aggregate nominal value of the ordinary shares in issue at 24 June 2011, being £819,387.90. and this authority shall expire on the earlier of the close of the next Annual General Meeting of the Company after passing of this resolution or 15 months from the date of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

### Resolution 11

That, in accordance with article 52(4) of the Articles of Association, a general authority is hereby unconditionally given for the purposes of section 701 of the Act for market purchases (as defined in section 693(4) of the Act) by the Company of any of its ordinary shares subject to the following restrictions but otherwise unconditionally:

- a) the maximum aggregate number of ordinary shares to be so acquired shall not exceed 16,387,759 ordinary shares of 10 pence each representing 10% of the ordinary shares in issue at 24 June 2011; and
- b) ordinary shares may only be purchased at a price per share (exclusive of expenses) no higher than 5% above the average of the middle market quotations of the ordinary shares in the capital of the Company, as derived from the London Stock Exchange Daily Official List, for the five business days preceding the date of purchase but the minimum price that may be paid for such shares shall be the nominal value of 10 pence per share (exclusive of expenses);

such authority to expire at the earlier of the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of this resolution, save that the Company may before such expiry enter into contracts for such purposes which would or might be completed or executed wholly or partly after such expiry and the Company may purchase ordinary shares in pursuance of such a contract as if the authority conferred hereby had not expired.

### Resolution 12

That:

- a) the Company's share capital be reduced by the cancellation of £53,646,825 standing to the credit of the Company's share premium account and that the increased distributable reserves created by such cancellation may be used by the Company to pay dividends, to repurchase its own shares and/or to absorb future realised losses or changes of accounting practice that might otherwise prevent the future payment of dividends; and
- b) the Directors be and are hereby authorised to take all necessary steps to effect such cancellation, provided that any court order approving such reduction shall be registered with the Registrar of Companies by no later than the earlier of the date of the next General Meeting of the Company after the passing of this resolution or 15 months from the date of this resolution.

### Recommendation and further information

The Directors of the Company consider that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and will promote the success of the Company for the benefit of its shareholders as a whole. The Directors recommend that you vote in favour of the resolutions set out above, as the Directors intend to do in respect of their own shareholdings.

Further information on each of the resolutions, and on the arrangements and conduct for the meeting, is provided in the notes that follow this Notice.

## Notice of Annual General Meeting 2011 continued

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### Important note

If you are in any doubt as to any aspect of the proposals referred to above or as to the action you should take, you should seek your own advice from a stockbroker, accountant, solicitor or other professional adviser.

If you have sold or otherwise transferred all of your shares, please forward this document together with the accompanying documents as soon as possible to the transferee or to the person who arranged the sale or transfer so they can pass these documents on to the current shareholder. If you have sold or otherwise transferred some, but not all, of your shares you should retain this document and the accompanying documents.

By order of the Board:

Jeremy Deering	1 Aston Way
Company Secretary	Leyland, Lancashire
27 June 2011	PR26 7UX