

17.11.2014

### **Renishaw plc (the “Company”)**

New Listing Rules were introduced in May 2014 requiring a company with a controlling shareholder to have in place at all times a written and legally binding agreement (“Relationship Agreement”) which is intended to ensure that the controlling shareholder complies with the independence provisions set out in Listing Rule 6.1.4D. Transitional arrangements provided that a company had until 16 November 2014 to put such an agreement in place.

By virtue of his shareholding in the Company, Sir David McMurtry (Chairman, 36% shareholder) is a controlling shareholder. John Deer (Deputy Chairman, together with his wife, 17%) is also a controlling shareholder by virtue of a long-standing voting agreement between John Deer (and his wife) with Sir David McMurtry.

The Company indicated in its annual report dated 23 July 2014 that it was in the process of putting an appropriate agreement in place with the controlling shareholders. The Company has been discussing the terms of the Relationship Agreement with the controlling shareholders but has not been able to put in place a Relationship Agreement by the required date.

The controlling shareholders are of the view that the requirement to enter into a Relationship Agreement infringes upon their rights as shareholders and their track record demonstrates that they act in the best long-term interests of the Company.

As required by the Listing Rules, the Company confirms that it has notified the FCA that a Relationship Agreement is not in place. As a result, the Listing Rules provide that certain enhanced oversight measures will apply to the Company. Unless and to the extent the FCA agrees otherwise, these are:

1. all transactions with the controlling shareholder must be approved by the shareholders in accordance with the related party transaction requirements of the Listing Rules, and none of the normal exemptions will apply; and
2. disclosures must be made in the Company’s annual report as to whether the Company has a Relationship Agreement in place, with confirmation that the FCA has been notified if not, together with information on the background and reasons for the non-compliance.

The requirement for the approval of all transactions with the controlling shareholder applies until the Company is able to confirm in its annual report that a Relationship Agreement has been put in place for the whole of the financial year to which the annual report relates.

For further information, please contact the Company Secretary.

Norma Tang  
Company Secretary

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