

# Velocys plc (the “Company”)

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Velocys plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

**NOTICE IS HEREBY GIVEN THAT** the **ANNUAL GENERAL MEETING** of the Company will be held at Milton Park Innovation Centre, 99 Park Drive, Milton Park, Oxfordshire, OX14 4RY on **Tuesday 23rd June 2015** at 10.45 am to consider and, if thought fit, pass the following resolutions 1 to 6 as ordinary resolutions and resolutions 7 and 8 as special resolutions.

### As ORDINARY BUSINESS

#### Ordinary resolutions

1. To receive, consider and adopt the annual accounts of the Company as at 31 December 2014 and the Directors' and auditors' reports thereon.
2. To re-elect as a Director Andrew Jamieson, in accordance with articles 85 to 88 of the Company's articles of association.
3. To re-elect as a Director Roy Lipski, in accordance with articles 85 to 88 of the Company's articles of association.
4. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of the annual general meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
5. To authorise the Directors of the Company to fix the remuneration of the auditors.

### As SPECIAL BUSINESS

#### Ordinary resolution

6. That
  - (a) the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £473,058.86 (representing approximately 33 per cent. of the Company's issued ordinary share capital at the date of posting of this notice) such authority to expire, unless sooner revoked or altered by the Company in general meeting, on 31 July 2016 or at the conclusion of the next annual general meeting of the Company in 2016 (whichever is the earlier) and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of this authority and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if the authority conferred hereby had not expired; and

- (b) all other authorities conferred on the Directors prior to the date of passing of this resolution to allot equity securities are hereby revoked save to the extent that such authorities have been utilised or agreed to be utilised.

### **Special resolution**

7. That pursuant to the authority conferred by resolution numbered 8 being passed, the Directors be and they are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by the previous resolution as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- (a) in connection with an offer of such securities by way of rights to holders of ordinary shares of 1p each in the capital of the Company (“**ordinary shares**”) in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
  - (b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £141,917.66 (representing 10% of the Company’s issued ordinary share capital at the date of posting this notice),

and shall expire on 31 July 2016 or at the conclusion of the next annual general meeting of the Company in 2016 (whichever is the earlier), and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560 (3) of the Act as if in the first paragraph of this resolution the words “pursuant to the authority conferred by resolution numbered 8 being passed” were omitted.

### **Special resolution**

8. That the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) on the AIM market of the London Stock Exchange of its ordinary shares provided that:
- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 14,191,766 (representing 10% of the Company’s issued ordinary share capital at the date of posting of this notice);
  - (b) the minimum price which may be paid for such shares is 1p per ordinary share;
  - (c) the maximum price which may be paid for an ordinary share shall not be more, at the time of purchase, than the amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange for the five business days immediately preceding the date on which the ordinary share is purchased;
  - (d) unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the next annual general meeting of the Company in 2016; and

- (e) the Company may make a contract or contracts to purchase ordinary shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts, as if such authority had not expired.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Susan Robertson', with a long horizontal flourish extending to the right.

Susan Robertson FCA

Secretary

22nd May 2015

**Registered Office:** 115e Olympic Avenue, Milton Park, Abingdon, OX14 4SA, United Kingdom

## NOTES:

1. A member of the Company entitled to attend, speak and vote at a general meeting of the Company is entitled to appoint a proxy to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. To appoint more than one proxy you should complete the form of proxy and attach a schedule to your proxy form setting out your proxy appointments. A Form of Proxy is enclosed. To be effective, it must be returned to Capita Asset Services, PSX 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be **received not later than 96 hours before the time of the meeting**. Completion of the Form of Proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.00 pm on Friday 19th June 2015 (or, in the case of an adjournment, as at 6.00 pm on the day two days prior to the day of the adjourned meeting) shall be entitled to attend and/or vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register of members after 6.00pm on Friday 19th June 2015 (or, in the case of an adjournment, after 6.00pm the day two days prior to the day of the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. As at 22nd May 2015 (being the last business day prior to the date of this notice) the Company's issued share capital consisted of 141,917,659 ordinary shares each carrying one vote per share. Accordingly the total voting rights in the Company as at 22nd May 2015 were 141,917,659.