

Hydrogen Group
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hydrogen

This document relates to the exercise of voting rights in Hydrogen Group plc and requires your immediate attention. If you are in any doubt as to the action you should take, you should consult your professional adviser immediately. If you have sold or transferred all your shares in Hydrogen Group plc, this Notice and the accompanying proxy form should be passed to the person through whom the sale or transfer was made, for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING
Hydrogen Group plc
(Registered in England and Wales, no.5563206)

Notice is hereby given that the Annual General Meeting (“AGM”) of Hydrogen Group plc (the “Company”) will be held at 30 Eastcheap, London EC3M 1HD on Thursday 21 May 2015 at 12 noon, to consider and, if thought fit, to pass resolutions 1-10 below as Ordinary Resolutions and resolutions 11 and 12 as Special Resolutions.

ORDINARY BUSINESS

1. To receive the reports and accounts for the year ended 31 December 2014 and the auditor’s report on the accounts.
2. To approve the directors' remuneration report for the year ended 31 December 2014.
3. To declare a final dividend of 3.1 pence per ordinary share for the year ended 31 December 2014.
4. To re-elect Anne Baldock as a director of the Company.
5. To re-elect Martyn Phillips as a director of the Company.
6. To re-elect Stephen Puckett as a director of the Company.
7. To re-elect Ian Temple as a director of the Company.
8. To re-appoint Grant Thornton UK LLP as auditor to the Company.
9. To authorise the directors to determine the auditor’s remuneration.
10. To authorise the directors, generally and unconditionally, in accordance with section 551 of the Companies Act 2006 (the “Act”) to exercise all powers of the Company to allot shares (as defined in section 540 of the Act) in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company as contemplated by sections 551 (a) and (b) of the Act, respectively, to such persons and at such times and on such terms as they think proper during the period expiring at the end of the Company’s next AGM (unless previously revoked or varied by the Company in general meeting):

- (a) up to a maximum aggregate nominal amount of £79,620; and
- (b) in connection with a rights issue in favour of the holders of the equity securities and any other persons entitled to participate in such issue, where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by them, up to a further aggregate nominal amount of £79,620, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- (c) the Company is hereby authorised to make, prior to the expiry of such period, any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of this authority.

SPECIAL BUSINESS

11. Subject to the passing of resolution 10 above, to give general power to the directors, under sections 570 and 573 of the Act, to make allotments of equity securities (within the meaning of section 560 of the Act) for cash, either pursuant to the authority given in resolution 10 or by way of the sale of treasury shares, as if section 561 of the Act did not apply, provided that the power conferred by this resolution shall be limited to:

- (a) the allotment of equity securities in connection with an issue or offering (but in respect of the authority granted by resolution 10(b), by way of rights issue only) in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares), where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- (b) the allotment (otherwise than pursuant to resolution 11 (a) above) of equity securities up to an aggregate nominal value not exceeding £11,943;

and this power, unless renewed, shall expire at the end of the Company's next AGM, save that the directors may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

12. To authorise the Company generally and unconditionally for the purpose of section 701 of the Act to make market purchases (as defined in section 693 (4) of the said Act) of ordinary shares of 1p each in the capital of the Company provided that:
- (a) the maximum number of ordinary shares hereby authorised to be purchased is 2,388,621;
 - (b) the minimum price (exclusive of expenses) which may be paid for such shares is 1p per ordinary share, being the nominal amount thereof;
 - (c) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be, for so long as dealings in the ordinary shares of the Company take place on AIM, the higher of: (i) five per cent above the average price at which deals are done in such ordinary shares taken from the AIM appendix to The London Stock Exchange Daily Official List for the five business days before the purchase is made; and (ii) 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 trading venue where the purchase is carried out; and
 - (d) the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the end of the next AGM of the Company and the date which is 18 months after the date on which this resolution 12 is passed, except in relation to a purchase of ordinary shares the contract for which was concluded before such time and which will, or may, be wholly or partly completed after such time and the Company may make a purchase of its own shares in pursuance of any such contract.

BY ORDER OF THE BOARD

H M Perkins

Secretary

Hydrogen Group plc (*registered in England and Wales, no. 5563206*)

Registered Office: 30-40 Eastcheap, London EC3M 1HD

8 April 2015

Notes:

- (i) Voting will take place by means of a show of hands, unless a poll vote is demanded.
- (ii) A shareholder may appoint one or more proxies to exercise their voting rights at the AGM, so long as each proxy is appointed to exercise voting rights attached to different shares. A proxy need not be a member of the Company.
- (ii) The Form of Proxy provided by post may be used to appoint a proxy to attend and vote at the meeting on behalf of a shareholder. Shareholders who have already registered their details at www.capitashareportal.com may choose instead to register their proxy appointment online. Full details on giving voting instructions are available at www.capitashareportal.com or on the Form of Proxy. A blank Form of Proxy can also be downloaded from our website at www.hydrogengroup.com/AGM_documents. The postal address for receipt of completed proxy forms is Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- (iii) To be valid, an electronic proxy appointment, or a duly signed Form of Proxy, (together with any Power of Attorney or other authority under which it is signed, or a certified copy of the same, if applicable), must be received by the Registrars by 12 noon on Tuesday 19 May 2015. The cut-off time for receipt of proxy appointments also applies to amendment of proxy instructions. Any amended proxy appointment received after 12 noon on Tuesday 19 May 2015 will be disregarded.
- (iv) Appointing a proxy will not prevent you from attending the AGM and voting in person. However, if you decide to do so, any proxy previously appointed by you will not also be able to attend, speak and vote on your behalf.
- (v) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders listed in the register of members of the Company as at 6pm on Tuesday 19 May 2015 shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is the close of business on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (vi) In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (vii) Copies of directors' service contracts and the letters of appointment of the non-executive directors will be available for inspection at the registered office of the Company, 30-40 Eastcheap, London EC3M 1HD, during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the AGM.
- (viii) As at the date of this Notice the Company's issued share capital was 23,886,213 ordinary shares of 1p each. Each ordinary share carries one vote and therefore the total number of voting rights at 8 April 2015 was 23,886,213.

Explanation of resolutions to be proposed

Resolutions 1-3 are standard ordinary resolutions dealing with the Company's duty to lay the annual accounts and statutory reports before the members in general meeting, the approval of the directors' remuneration report and the declaration of a final dividend.

Resolutions 4-7 deal with the re-election of directors. In line with best practice, all directors of the Company are standing for re-election by shareholders. This exceeds the requirement set out in the Company's Articles for a third of the Board to retire by rotation at each AGM. The directors' biographies are set out on page 16 of the published Annual Report and are available on our website: <http://www.hydrogengroup.com>

All the directors have been recommended for re-election by the Nomination Committee. Each director makes a valuable contribution and is committed to the Company. The Non-Executive directors remain independent in character and judgement.

The Board is undertaking a search for a Finance Director and will keep shareholders informed of progress via the website and announcements made to the market through an appropriate Regulatory Information Service.

Resolution 8 and 9 deal with the re-appointment and remuneration of the statutory auditor. The Company is required to appoint an auditor at each AGM at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the independence, objectivity and effectiveness of the auditor on behalf of the Board and supports the re-appointment of Grant Thornton UK LLP.

Resolution 10 renews the authority granted at the AGM in 2014 for the directors to allot securities in the Company. This authority is limited in section (a) of the resolution to an allotment up to a maximum nominal amount of £79,620, representing just under one third of the issued share capital of the Company as at the date of the Notice. It is standard practice for most public companies to renew this authority annually. The directors are seeking to renew this authority to enable them to make small share issues if appropriate, in the best interests of the Company at that time. The directors have no present intention of exercising this authority.

Section (b) of resolution 10 proposes to give the directors authority to issue shares equivalent to a further one third of the Company's current issued share capital only in the case of a rights issue. This meets institutional investor recommendations. The directors do not currently intend to conduct a rights issue but wish to maintain flexibility. If approved, the authorities granted would remain valid until the conclusion of the next AGM in 2016.

Resolution 11 will be proposed as a special resolution, requiring a voting majority of 75%. It seeks to renew the authority given at the 2014 AGM for the directors to issue equity securities of the Company for cash, outside the pre-emption rights provided by the Act.

This authority is sought in connection with a rights issue or similar issue, or otherwise in connection with an allotment of up to 5% in nominal value of the Company's issued share capital as at the date of the Notice. The authority, if granted, would remain valid until the conclusion of the next AGM in 2016.

Resolution 12 will also be proposed as a special resolution, requiring a voting majority of 75%. It also seeks to renew and update a power previously granted at the 2014 AGM. If passed, the Company will have the power to buy up to 2,388,621 shares, representing approximately 10% of the Company's issued share capital as at the date of the Notice, subject to the constraints set out in the resolution. If granted, the authority would expire on the date of the next AGM in 2016 or, if earlier, 18 months after the passing of resolution 12.

The Company has no current intention to repurchase shares in the market but wishes to retain the flexibility to do so. The authority will only be exercised if the Board considers there is likely to be a beneficial impact on earnings per ordinary share and a purchase would be in the best interests of the Company at the time.