

# 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 3 Laurence Pountney Hill, London EC4R 0EU on Tuesday 21 May 2013 at 10 am, to consider and, if thought fit, to pass resolutions 1-12 below as Ordinary Resolutions and resolutions 13 and 14 as Special Resolutions.

### **ORDINARY BUSINESS**

1. That the Company's annual accounts for the year ended 31 December 2012, together with the directors' and auditor's reports, be received.
2. That the directors' remuneration report for the year ended 31 December 2012 be approved.
3. That a final dividend of 3.0p per ordinary share for the year ended 31 December 2012 be declared payable on 24 May 2013 to shareholders on the register at the close of business on 3 May 2013.
4. That Barbara Anderson be elected as a director of the Company.
5. That Anne Baldock be elected as a director of the Company.
6. That John Glover be re-elected as a director of the Company.
7. That Martyn Phillips be re-elected as a director of the Company.
8. That Stephen Puckett be elected as a director of the Company.
9. That Tim Smeaton be re-elected as a director of the Company.
10. That Ian Temple be re-elected as a director of the Company.
11. That Grant Thornton UK LLP be re-appointed as auditor to the Company until the conclusion of the Company's next AGM and that the directors be authorised to determine the auditor's remuneration.
12. That for the purposes of section 551 of the Companies Act 2006 (the "**Act**") (and so that expressions used in this resolution shall bear the same meanings as in the said section 551) and in substitution for all previous authorities:
  - (a) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(a) and (b) of the Act, respectively, up to a maximum nominal amount of £78,830 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 AGM to be held in 2014 (unless previously revoked or varied by the Company in general meeting);

- (b) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act) 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 an aggregate nominal amount of £78,830 during the period expiring at the end of the Company's next AGM to be held in 2014, 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 be and 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**

**13.** That, subject to the passing of resolution 12 above, the directors be generally empowered 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 12 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 12(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 13(a) above) of equity securities up to an aggregate nominal value not exceeding £11,824;

and this power, unless renewed, shall expire at the end of the Company's AGM to be held in 2014 and the directors' power shall extend to the making, before such expiry, of 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 offer or agreement as if the authority conferred hereby had not expired.

**14.** That the Company be and is hereby generally and unconditionally authorised 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 2,364,924;
- (b) the minimum price (exclusive of expenses) which may be paid for such shares is 1p per share, being the nominal amount thereof;
- (c) the maximum price (exclusive of expenses) which may be paid for such 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 14 is passed; save that the Company may make a contract to purchase its own shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of its own shares in pursuance of any such contract.

BY ORDER OF THE BOARD

M Scrafton  
Secretary  
Hydrogen Group plc

4 April 2013

Registered Office: 6 Laurence Pountney Hill  
London EC4R 0BL

**Notes:**

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights and to attend and speak and vote in his place, so long as each proxy is appointed to exercise the voting rights attached to different shares. A proxy need not be a member of the Company. Voting will take place by means of a show of hands, unless a poll vote is demanded.
- (ii) To appoint a proxy you may use the Form of Proxy provided. Full details on giving voting instructions are provided on the Form of Proxy.
- (iii) To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 10 am on Friday 17 May 2013 at the offices of Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The cut-off time for receipt of proxy appointments also applies to amendment of proxy instructions. Any amended proxy appointment received after 10am on Friday 17 May 2013 will be disregarded.
- (iv) Completion of the Form of Proxy will not prevent you from attending and voting in person. However, if you 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 registered in the register of members of the Company as at the close of business on Friday 17 May 2013 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 and, 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 terms and conditions of appointment of the non-executive directors will be available for inspection at the registered office of the Company, 6 Laurence Pountney Hill, London EC4R 0BL, 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 and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
- (viii) As at the date of this Notice the Company's issued share capital was 23,649,241 ordinary shares of 1p, each carrying one vote. The total number of voting rights at 4 April 2013 was therefore 23,649,241.

## **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.

This year, for the first time, all directors of the Company are standing for election or re-election, in line with best practice among listed companies. This exceeds the requirement set out in the Company's Articles for a third of the Board to retire by rotation at each AGM.

**Resolutions 4-10** deal with the election-or re-election of each director of the Company. Details of all the directors are set out on pages 10 and 11 of the 2012 Annual Report and brief biographies are available on our website at [http://www.hydrogengroup.com/Leadership\\_team](http://www.hydrogengroup.com/Leadership_team).

Barbara Anderson, Anne Baldock and Stephen Puckett, who were appointed to the Board on 7 September 2012, stand for election by shareholders for the first time, whilst John Glover, Martyn Phillips, Tim Smeaton and Ian Temple are each retiring and seeking re-election. Each of the retiring directors has been nominated for re-election by the Board, acting on the recommendation of the Nomination Committee. The Board believes that each of the non-executive directors is independent in character and judgement and that all directors standing for election or re-election make an effective and valuable contribution to the Board and demonstrate commitment to their role.

**Resolution 11** deals 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. Grant Thornton UK LLP acts as the external auditor of the Company. The Audit Committee has reviewed the independence, objectivity and effectiveness of Grant Thornton UK LLP on behalf of the Board and supports their re-appointment as auditor.

**Resolution 12** renews the authority granted at the AGM in 2012 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 £78,830, representing approximately 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 provide them with the ability to make small share issues if considered suitable and in the best interests of the Company at that time. Otherwise, the directors have no present intention of exercising this authority.

Section (b) of resolution 12 proposes to give the directors authority to issue an additional amount of securities, again up to a maximum nominal value of £78,830, equal to approximately one third of the Company's current issued share capital. This additional authority is to be applied to rights issues only and is in accordance with the recommendations of the Rights Issue Review Group and the Association of British Insurers (the "ABI"). 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 2014.

**Resolution 13** will be proposed as a special resolution, requiring a voting majority of 75%. It seeks to renew the authority given at the 2012 AGM for the directors to issue equity securities of the Company for cash without applying 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 five per cent in nominal value of the Company's issued share capital at the date of the Notice, being £11,824. The authority, if granted, would remain valid until the conclusion of the next AGM in 2014.

**Resolution 14** will also be proposed as a special resolution, requiring a voting majority of 75%. It seeks to renew a similar authority granted at the 2012 AGM and, if passed, will permit the Company to buy up to 2,364,924 of the Company's ordinary shares, representing approximately ten per cent of the issued share capital as at the date of the Notice, subject to the constraints set out in the resolution. Should any shares be purchased under this authority, such shares would be cancelled immediately or held in treasury. This authority would be exercised only if the directors believed it to be in the best interests of the Company as a whole at that time. There is no current intention to make market purchases. The authority would expire on the date of the next AGM in 2014 or, if earlier, 18 months after the passing of resolution 14.