

NOTICE OF ANNUAL GENERAL MEETING

**SHELLPROOF PLC**

(THE "COMPANY")

*(Incorporated and registered in England and Wales with Registered No. 08225727)*

NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the offices of Cenkos Securities plc, 6.7.8 Tokenhouse Yard, London EC2R 7AS at 11.00am on 26 September 2013 for the following purposes:

**ORDINARY BUSINESS**

1. To receive the Company's annual accounts for the financial year ended 31 March 2013, together with the directors' report and the auditors' report on those accounts.
2. To re-appoint BDO LLP as auditors to the Company to hold office from the conclusion of the meeting until the conclusion of the next annual general meeting at which accounts are laid.
3. To authorise the directors to set the auditors' remuneration.
4. To re-appoint Ian George Robinson as a director of the Company.
5. To re-appoint Benjamin James Walgate as a director of the Company.
6. To re-appoint Andrew Stephen Wilson as a director of the Company.

**SPECIAL BUSINESS**

As special business, to consider and, if thought fit, to pass the following resolutions which will be proposed as to resolution 7 as an ordinary resolution and as to resolutions 8 and 9 as special resolutions:

7. **THAT**, in place of all existing authorities to the extent unused, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £1,333,333.50 (being 2,666,667 ordinary shares of 50p each) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the Company's annual general meeting to be held in 2014, but so that such authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities (as defined in section 560 of the Act) in pursuance of such offers or agreements as if this authority had not expired.
8. **THAT**, subject to and conditional upon Resolution 1 set out in this notice having been passed, in substitution for all subsisting authorities to the extent unused, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above and/or where the allotment constitutes an allotment of equity securities by virtue of section 573 of the Act, as if section 561 of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (a) in connection with a rights issue or open offer in favour of the holders of ordinary shares on the register of members at such record dates(s) or any other persons entitled to participate in such rights issue or open offer (other than the Company itself in respect of any shares held by it as treasury shares) as the Directors may determine, where the equity securities respectively attributable to the interest of the ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them on any record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal practical problems arising under the laws of any territory or the requirements of any recognised regulatory body or stock exchange or otherwise, and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the Company's annual general meeting to be held in 2014; and

- (b) the allotment (other than pursuant to paragraph (a) of this Resolution) to any person or persons of equity securities up to an aggregate nominal value of £400,000 and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the Company's annual general meeting to be held in 2014;

but so that such authority shall allow the Company before such expiry to make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if this authority had not expired.

9. **TO** authorise the Company generally and unconditionally to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.50 each provided that:

- (a) the maximum aggregate number of ordinary shares that may be purchased is 800,000;
- (b) the minimum price (excluding expenses) which may be paid for each ordinary share is £0.50; and
- (c) the maximum price (excluding expenses) which may be paid for each ordinary share is the higher of:
  - i. 105 per cent of the average market value of an ordinary share in the Company for the five business days prior to the day the purchase is made; and
  - ii. the value of an ordinary share calculated on the basis of the higher of the price quoted for:
    - 1. the last independent trade of; and
    - 2. the highest current independent bid for,any number of the Company's ordinary shares on the trading venue where the purchase is carried out.

The authority conferred by this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the date 18 months after the passing of this resolution or, if earlier, at the conclusion of the Company's next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board

Ian Robinson  
Chairman

**Shellproof plc**

Registered Office:  
7 Cowley Street  
London  
SW1P 3NB

3 September 2013

## Notes

1. A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person of his/her choice as that Shareholder's proxy to exercise all or any of that Shareholder's rights to attend and to speak and vote at the meeting on his/her behalf. A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy does not need to be a shareholder of the Company.
2. A Form of Proxy for use in connection with the meeting is enclosed with the document of which this notice forms part. Completion and return of a Form of Proxy will not prevent a Shareholder from attending and voting in person at the meeting. Addresses (including electronic addresses) in this document are included strictly for the purposes specified and not for any other purpose.
3. To appoint a proxy or proxies Shareholders must complete a Form of Proxy, sign it and return it, together with the power of attorney or, any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so that it is received no later than 11.00am on 24 September 2013.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders included in the register of members of the Company at 6:00 pm on 24 September 2013 or, if the meeting is adjourned, in the register of members at 6:00 pm on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the meeting in respect of the meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6:00 pm on 24 September 2013 or, if the meeting is adjourned, in the register of members after 6:00 pm on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held at 11.00 am on 26 September 2013 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: **RA10**), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
8. Copies of the following documents will be available for inspection at the Company's registered office during normal working hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for 15 minutes prior to and during the meeting:
  - a. copies of all service agreements or letters of appointment under which the directors of the Company are employed by the Company.
9. Biographical details of each director who is being proposed for re-appointment or re-election by shareholders can be found by visiting the Company's website [www.shellproofplc.com](http://www.shellproofplc.com).

## EXPLANATION OF RESOLUTIONS

### **Resolution 7 – authority to allot shares**

The directors consider it appropriate that an authority be granted to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £1,333,333.50 representing approximately one third of the Company's issued ordinary share capital as at 2 September 2013 (the latest practicable date before publication of this document) during the shorter of the period up to the conclusion of the next annual general meeting in 2014 or 15 months.

If resolution 2 proposed to the separate general meeting of the Company that is due to take place immediately after the Annual General Meeting is passed, the authority conferred by resolution 7 shall expire on the passing of that resolution.

As at the date of this notice the Company does not hold any ordinary shares in the capital of the Company in treasury.

### **Resolution 8 – disapplication of statutory pre-emption rights**

Resolution 8 will empower the directors to allot ordinary shares in the capital of the Company for cash on a non-pre-emptive basis:

- in connection with a rights issue or other pro-rata offer to existing shareholders; and
- (otherwise than in connection with a rights issue or other pro-rata offer to existing shareholders) up to a maximum nominal value of £400,000, representing approximately 10 per cent of the issued ordinary share capital of the Company as at 2 September 2013 (the latest practicable date before publication of this document).

If resolution 3 proposed to the separate general meeting of the Company that is due to take place immediately after the Annual General Meeting is passed, the authority conferred by resolution 8 shall expire on the passing of that resolution.

### **Resolution 9 – authority to make market purchases of own shares**

Resolution 9 gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 800,000 (representing approximately 10 per cent. of the Company's issued ordinary share capital as at 2 September 2013 (the latest practicable date before publication of this letter), and sets minimum and maximum prices. Save as explained in the paragraph below, this authority will expire at the conclusion of the next annual general meeting or, if earlier, 15 months after the resolution is passed.

If resolution 4 proposed to the separate general meeting of the Company that is due to take place immediately after the Annual General Meeting is passed, the authority conferred by resolution 9 shall expire on the passing of that resolution.

The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The authority will be exercised only if the directors believe that to do so would be in the best interest of shareholders generally.

Companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.