

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about its contents or as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your shares in Nanoco Group plc, please pass this document together with the form of voting proxy to be used in respect of the Annual General Meeting 2019 (the "Proxy Form") as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This document should be read as a whole together with the Proxy Form, the Notice of Annual General Meeting 2019 set out at the end of this document and the Annual Report and Accounts for the year ended 31 July 2019 (the "Annual Report and Accounts") which are available for inspection on the Company's website at [www.nanocotechnologies.com](http://www.nanocotechnologies.com). Whether or not shareholders propose to attend the 2019 Annual General Meeting (the "Meeting" or the "AGM"), they are requested to complete and send or deliver the enclosed Proxy Form in accordance with the instructions printed on such form to Nanoco Group plc's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, by no later than 11.00am on 3 December 2019, being 48 hours before the time appointed for holding the Meeting (excluding UK non-working days) or, in circumstances where the AGM is adjourned to a date not later than 48 hours after the time specified for the Meeting, 48 hours before the time of the adjourned meeting, excluding any UK non-working days. The return of a Proxy Form will not preclude a member from attending and voting at the AGM in person should he/she subsequently decide to do so. In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power of authority) must be included with the Proxy Form.

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## **NANOCO GROUP PLC**

(Incorporated and registered in England and Wales with registered number 05067291)

### **Notice of Annual General Meeting 2019**

**To be held at:**

46 Grafton Street  
Manchester  
Greater Manchester  
M13 9NT

**Date and time:**

5 December 2019 at 11.00am

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## Nanoco Group plc

Incorporated and registered in England and Wales with registered number 05067291.

### Directors

Dr Christopher Richards (Non-Executive Chairman)  
Dr Michael Edelman (Chief Executive Officer)  
Dr Nigel Pickett (Chief Technology Officer)  
Brian Tenner (Chief Operating Officer and Chief Financial Officer)  
Dr Alison Fielding (Non-Executive Director)  
Christopher Batterham (Non-Executive Director)

31 October 2019

**Registered office**  
46 Grafton Street  
Manchester  
Greater Manchester  
M13 9NT

To shareholders of Nanoco Group plc

Dear shareholder,

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### Annual General Meeting – 5 December 2019

I have pleasure in inviting you to the 2019 Annual General Meeting (the "Meeting" or the "AGM") of Nanoco Group plc (the "Company"), which will be held at 46 Grafton Street, Manchester, Greater Manchester M13 9NT, at 11.00am on 5 December 2019. This document includes the Notice of AGM, which sets out the resolutions that shareholders are being asked to consider and vote on (the "Resolutions"). These Resolutions are a very important part of the governance of the Company and all shareholders are urged to vote, whether they are able to attend the Meeting or not. If you would like to vote on the Resolutions but cannot come to the AGM, please fill in the Proxy Form sent to you with this document and return it to our registrars as soon as possible. They must receive it by 11.00am on 3 December 2019 (or, in circumstances where the AGM is adjourned to a date later than 48 hours after the time specified for the Meeting, 48 hours before the time of the adjourned meeting, excluding any UK non-working days).

Certain of the Resolutions cross-refer to the Annual Report and Accounts. A copy of the Annual Report and Accounts is available for inspection on the Company's website at [www.nanocotechnologies.com](http://www.nanocotechnologies.com).

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### Explanation of the business of the Meeting

The business to be conducted at the Meeting reflects the ordinary business and related Ordinary Resolutions and Special Resolutions that are put to the Annual General Meeting of the Company each year.

Detailed explanatory notes on all of the business to be considered at this year's AGM are set out below.

Resolutions numbered 1 to 13 are proposed as Ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution. Resolutions numbered 14 to 17 are proposed as Special Resolutions. This means that for each of those Resolutions to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

To more accurately reflect the views of shareholders of the Company, voting on all of the Resolutions will be carried out by way of a poll put to the Meeting in accordance with Article 10.11 of the Company's Articles of Association adopted by Special Resolution on 22 April 2015 (as amended, the "Company's Articles"). The Board of Directors of the Company (the "Board") considers this to be best practice as it gives all shareholders the opportunity to participate in the decision making of the Company and have their votes recorded even if they are unable to attend the Meeting in person.

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### Ordinary Resolutions (1 to 13)

#### Resolution 1 – Approval of Annual Reports and Accounts

The Companies Act 2006 (the "2006 Act") requires the directors of a public company to lay before the company in general meeting copies of its Annual Report and Accounts in respect of each financial year prior to the end of the period for filing of those reports and accounts. Resolution 1 deals with the receipt by the shareholders of the Company's audited accounts and the reports of the Directors of the Company (the "Directors") and the auditor for the year ended 31 July 2019. Shareholders will have the opportunity to put any questions to the Directors before the Resolution is proposed to the Meeting.

#### Resolutions 2 and 3 – Re-appointment of auditor and auditor's remuneration

The auditor of the Company must be submitted for re-appointment at each general meeting at which the accounts are laid. Resolution 2 proposes the re-appointment of PricewaterhouseCoopers LLP, the Company's existing auditor, as auditor of the Company for a further year. Resolution 3 gives authority to the Board to determine the auditor's remuneration.

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## Ordinary Resolutions (1 to 13) continued

### Resolutions 4 to 9 – Election and re-election of Directors

Since the last Annual General Meeting of the Company, the Directors have appointed Christopher Batterham as an additional Director of the Company and he is seeking election through Resolution 4.

Resolutions 5 to 9 deal, respectively, with the re-election of Dr Christopher Richards, Dr Michael Edelman, Dr Nigel Pickett, Brian Tenner and Dr Alison Fielding as Directors. Notwithstanding the Company's Articles which require all Directors to submit themselves for re-election: (i) if they have been in office for more than three years since their appointment or last appointment; (ii) if they have held office at the time of the two preceding Annual General Meetings and did not retire at either of them; or (iii) (in respect of Non-Executive Directors only) if they have held office for a continuous period of nine years or more at the date of the relevant Annual General Meeting, the Directors recognise the importance of sound corporate governance and have therefore determined, in accordance with the recommendations of the latest UK Corporate Governance Code (the "Code") published by the UK Financial Reporting Council on 16 July 2018, that all Directors will submit themselves for re-election each year at the Company's Annual General Meeting. Separate resolutions will be proposed at the Meeting for each re-election. Dr Christopher Richards, Dr Michael Edelman, Dr Nigel Pickett, Brian Tenner and Dr Alison Fielding are therefore acting in accordance with the Code and, being eligible, will retire voluntarily and submit themselves for re-election.

Biographical details of all of the Directors standing for election or re-election can be found on pages 46 and 47 of the Annual Report and Accounts and on the Company's website.

Following an assessment of the performance of each individual Director, the Nomination Committee has confirmed to the Board that each Director continues to make an effective and valuable contribution and that they demonstrate excellent commitment to their respective roles. The Board therefore supports the election and re-election, as applicable, of Christopher Batterham, Dr Christopher Richards, Dr Michael Edelman, Dr Nigel Pickett, Brian Tenner and Dr Alison Fielding pursuant to Resolutions 4 to 9 inclusive.

### Resolution 10 – Approval of Directors' remuneration report

The 2006 Act requires quoted companies, at each general meeting at which statutory accounts are to be laid, to propose an Ordinary Resolution approving the Directors' remuneration report for the year (the "Remuneration Report"). Pursuant to Resolution 10, shareholders will be asked to approve the content of the Company's Remuneration Report, including the Annual Statement by the Chairman of the Remuneration Committee, for the financial year ended 31 July 2019. A copy of the Remuneration Report is included in the Annual Report and Accounts on pages 68 to 87. The vote is advisory in nature and does not affect the actual remuneration paid to any individual Director.

### Resolution 11 – Approval of amendment to Directors' remuneration policy

Shareholders are given the opportunity by law to vote on whether they approve the Directors' remuneration policy not less than once in every three-year period. The Company's current Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting held on 13 December 2018 (the "2018 Policy"). Under the 2018 Policy, at least 50% of any Executive Director's annual bonus must be paid in cash, with the balance delivered as an award of deferred shares which vest after two years.

As described in the Directors' Remuneration Report for the year ended 31 July 2019, the Company's Remuneration Committee has recommended that 100% of each Executive Director's bonus for the year ended 31 July 2019 be delivered as an award of deferred shares (this remains consistent with the formally approved rules of the Nanoco 2015 Deferred Bonus Plan ("DBP")). Resolution 11 accordingly seeks approval for the payment of up to 100% of any Executive Director's bonus for the year ended 31 July 2019 and any future year as an award under the DBP, notwithstanding that the payment of more than 50% of any such bonus as such an award is not consistent with the 2018 Policy. This amendment will not affect the maximum annual bonus opportunity for Executive Directors, which remains at 100% of salary.

### Resolution 12 – Approval for political donations

It remains the policy of the Company not to make political donations or to incur political expenditure. However, the Directors consider that it is in the best interests of shareholders for the Company to participate in public debate and opinion forming on matters which affect its business. To avoid inadvertent infringement of the 2006 Act, which defines political donations and expenditure widely, the Directors are seeking shareholders' authority for the Company and its UK subsidiaries to make political donations and to incur political expenditure, up to a maximum aggregate amount of £50,000, during the period from the date of the Meeting until the conclusion of the next Annual General Meeting of the Company to be held after the passing of the Resolution or, if earlier, 15 months from the date of the passing of the Resolution, unless such authority is renewed prior to this time.

Neither the Company nor any of its subsidiaries has made any political donations since the 2018 Annual General Meeting and the Company proposes to maintain its policy of not making such payments.

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## Ordinary Resolutions (1 to 13) continued

### Resolution 13 – Authority of the Directors to issue and allot new ordinary shares

The existing authority granted to the Directors by shareholder resolution at the Annual General Meeting held on 13 December 2018 to allot shares in the Company in accordance with section 551 of the 2006 Act expires at the conclusion of the AGM.

The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 551 of the 2006 Act. Upon the passing of Resolution 13, the Directors will have authority (pursuant to paragraph (a) of Resolution 13) to allot ordinary shares in the capital of the Company ("Ordinary Shares") (and other relevant securities, as defined within section 551 of the 2006 Act) up to an aggregate nominal amount of £9,540,234, which is approximately one-third of the Company's issued Ordinary Share capital (excluding treasury shares) as at 25 October 2019, being the latest practicable date before the publication of this document.

In addition, in accordance with guidance from the Investment Association ("IA") on the expectations of institutional investors in relation to the authority of directors to allot shares, which the Directors believe it is appropriate for the Company to follow, upon the passing of Resolution 13, the Directors will have authority (pursuant to paragraph (b) of Resolution 13) to allot, including the Ordinary Shares referred to in paragraph (a) of Resolution 13, Ordinary Shares (and other relevant securities, as defined within section 551 of the 2006 Act) in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount of £19,080,468 as reduced by the nominal amount of any shares issued under paragraph (a) of Resolution 13. This amount (before any reduction) represents approximately two-thirds of the Company's current issued Ordinary Share capital (excluding treasury shares) as at 25 October 2019, being the latest practicable date before the publication of this document.

As a result, if Resolution 13 is passed, the Directors could allot shares representing up to two-thirds of the current issued share capital of the Company pursuant to a rights issue.

Although the Directors have no present intention to exercise this authority other than in connection with the exercise of options granted pursuant to the Company's employee share schemes, it is considered desirable to give the Directors the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities in the interests of the Company as a whole.

This authority will, if granted, expire on the conclusion of the next Annual General Meeting of the Company to be held after the passing of the Resolution or, if earlier, 15 months from the date of the passing of the Resolution, unless such authority is renewed prior to this time. The Directors intend to renew such power at successive Annual General Meetings of the Company in accordance with current best practice.

As at 25 October 2019, being the latest practicable date before the publication of this document, the Company held 12,222 Ordinary Shares in treasury, representing approximately 0.004% of the Company's current issued Ordinary Share capital (excluding treasury shares) as at that date.

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## Special Resolutions (14 to 17)

### Resolutions 14 and 15 – Disapplication of statutory pre-emption rights

The existing authority granted to the Directors by shareholder resolution at the Annual General Meeting held on 13 December 2018 to allot shares for cash pursuant to sections 570 and 573 of the 2006 Act expires at the conclusion of the AGM.

If the Directors wish to exercise the authority under Resolution 13 and allot shares (or sell any shares which the Company currently holds and/or may subsequently purchase and elect to hold as treasury shares) for cash, the 2006 Act requires that unless shareholders have given specific authority for the waiver of their statutory pre-emption rights, the shares must be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash or to sell treasury shares for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 14 would, if passed, authorise the Directors to do this by allowing the Directors to allot shares for cash or sell treasury shares for cash: (i) by way of a rights issue (subject to certain exclusions), or by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions); or (ii) otherwise up to an aggregate nominal value of £1,431,035, which is equivalent to approximately 5% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 25 October 2019, being the latest practicable date before the publication of this document, in each case, without the shares first being offered to existing shareholders in proportion to their existing holdings.

In addition to the authority granted by Resolution 14, Resolution 15 authorises Directors to allot equity shares up to an aggregate of £1,431,035 (being approximately 5% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 25 October 2019) for cash pursuant to the authority contained in Resolution 13 where that allotment is in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

## Special Resolutions (14 to 17) continued

### Resolutions 14 and 15 – Disapplication of statutory pre-emption rights continued

The authority to issue up to an aggregate 10% of the issued Ordinary Share capital of the Company reflects guidance from the Pre-Emption Group's revised statement of principles published on 12 March 2015 (the "PEG Principles"). Resolutions 14 and 15 are proposed as separate Special Resolutions in compliance with the best practice guidance issued by the Pre-Emption Group's whilst they are also reflective of the form of template resolutions published by the Pre-Emption Group in May 2016. The PEG Principles provide the Company with greater flexibility to undertake non-pre-emptive issuances in connection with acquisitions and specified capital investments.

The Directors confirm, in accordance with the PEG Principles, that it is intended that a maximum of £1,431,035 (representing 5% of its issued share capital excluding treasury shares) will be available (pursuant to Resolution 14) for general purposes and that it will only allot shares with a nominal value in excess of £1,431,035 for cash pursuant to the authority conferred in Resolution 15 where that allotment is in connection with an acquisition or specified capital investment (as described in the PEG Principles) which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

Although the Directors have no present intention to exercise the authorities conferred by Resolutions 14 and 15 other than in connection with the exercise of options granted pursuant to the Company's employee share schemes, it is considered prudent to give the Directors additional flexibility and the opportunity to finance expansion opportunities as and when they arise in the interests of the Company as a whole.

Each of the authorities conferred by Resolution 14 and Resolution 15, if granted, will expire on the conclusion of the next Annual General Meeting of the Company to be held after the passing of such Resolution or, if earlier, 15 months from the date of the passing of such Resolution, unless such authorities are renewed prior to this time.

The Directors intend to seek renewal of the powers conferred by Resolutions 14 and 15 at subsequent Annual General Meetings of the Company in accordance with current best practice.

### Resolution 16 – Authority of the Company to purchase its own shares

The existing authority granted to the Directors by shareholder resolution at the Annual General Meeting held on 13 December 2018 to purchase its own shares will expire at the conclusion of the AGM.

The Directors consider that it would be beneficial if, in certain circumstances, the Company had the power to purchase its own Ordinary Shares, albeit that no share buybacks were carried out during the reporting year ended 31 July 2019, for the purposes of returning surplus funds to shareholders and providing a return on investments. The Directors therefore consider that it would be beneficial for the shareholders as a whole if the Company were to be granted the flexibility to repurchase its own shares.

Accordingly, the Directors recommend that the existing power to purchase Ordinary Shares (in defined circumstances) up to a maximum prescribed limit be renewed for a further limited period.

The Company will only make such purchases if the Directors are satisfied, after careful consideration, that these are in the best interests of the Company and shareholders generally and could be reasonably expected to result in an increase in expected earnings per share. Furthermore, account will be taken of the overall financial implications for the Company.

If such purchases of its own shares were made, the Company would be able to do either, or a combination, of the following:

- (a) cancel the purchased Ordinary Shares so reducing the total number of Ordinary Shares in issue; or
- (b) where the Ordinary Shares were purchased out of distributable profits, subject to certain limitations, hold them as treasury shares.

Treasury shares themselves may be cancelled, sold for cash or transferred for the purposes of the Company's share schemes. The statutory pre-emption rights apply to a sale of treasury shares for cash and the disapplication of the statutory pre-emption rights in Resolutions 14 and 15 include, within the authorised amount, any sales of treasury shares for cash which may occur. Finally, if such purchases were made, to the extent the purchased shares are held as treasury shares, any increase in earnings per share would only be temporary, until the shares in question were either cancelled, or sold or transferred out of treasury.

Resolution 16 authorises the Directors to purchase up to a maximum of 28,620,702 Ordinary Shares, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 25 October 2019, and provides that the maximum price per Ordinary Share payable on any exercise of the authority shall be the higher of: (i) an amount equal to 105% of the average of the market value for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days prior to making any such purchase; and (ii) the higher of the price of the last independent trade and the highest current bid on the London Stock Exchange at the time the purchase is carried out. The minimum price payable shall be 10 pence per Ordinary Share, being the nominal value of an Ordinary Share. For this purpose, both the maximum and minimum prices permitted to be paid are exclusive of expenses.

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### Special Resolutions (14 to 17) continued

#### **Resolution 16 – Authority of the Company to purchase its own shares** continued

As at 25 October 2019, being the latest practicable date before the publication of this document, the number of Ordinary Shares in respect of which options have been granted and which remain outstanding (and on the assumption that all conditions to the exercise of such options will be satisfied) is 18,150,305 (constituting approximately 6.341% of the current issued Ordinary Share capital of the Company as at 25 October 2019). If the Company were to buy back the maximum number of Ordinary Shares permitted pursuant to Resolution 16, then the total number of options to subscribe for Ordinary Shares (on the assumptions set out above) outstanding as at 25 October 2019 would represent approximately 7.046% of the reduced issued share capital.

This authority, if granted, will expire on the conclusion of the next Annual General Meeting of the Company to be held after the passing of the Resolution or, if earlier, 15 months from the date of the passing of the Resolution, unless such authority is renewed prior to this time.

The Board intends to seek renewal of this power at subsequent Annual General Meetings of the Company in accordance with current best practice.

#### **Resolution 17 – Reduced notice of general meetings (other than Annual General Meetings)**

Resolution 17 will be proposed to enable the Company to call general meetings (other than Annual General Meetings) on 14 clear days' notice. Changes made to the 2006 Act by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increase the required notice period for general meetings from 14 clear days to 21 clear days, unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. Annual General Meetings will continue to be held on 21 clear days' notice. Resolution 17 seeks approval to retain the flexibility available before the Shareholders' Rights Regulations came into force on 3 August 2009. It is intended that the shorter notice will only be used where it would clearly be to the advantage of shareholders as a whole and it would not normally be used where the proposals to be put before the meeting are not time sensitive. The approval will be effective until the next Annual General Meeting of the Company after the passing of the Resolution, when it is intended that a similar resolution will be proposed. Note that in order to take advantage of the reduced notice period of 14 clear days, the Company must make a means of electronic voting available to all shareholders for that meeting.

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### Action to be taken by shareholders

Every shareholder has a right to attend the AGM or to appoint one or more proxies to attend in his/her stead. Enclosed with this letter is a Proxy Form for use at the AGM.

Proxy Forms should be completed and returned in accordance with the instructions printed thereon so that they arrive at the Company's registrars, Neville Registrars Limited, as soon as possible and in any event not later than 48 hours before the time fixed for the AGM (excluding non-working days), that is to say no later than 11.00am on 3 December 2019 or, in circumstances where the AGM is adjourned, 48 hours before the time of the adjourned meeting, excluding any UK non-working days. Completion and return of a Proxy Form will not prevent shareholders from attending and voting at the AGM should they wish to do so.

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### Availability of the Annual Report and Accounts on the Company's website

A copy of the Annual Report and Accounts is available for inspection on the Company's website at [www.nanocotechnologies.com](http://www.nanocotechnologies.com).

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### Recommendations

Your Directors consider that the Resolutions to be put to the Meeting are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all of the Resolutions to be proposed at the AGM, as they intend to do in respect of their own interests (both beneficial and non-beneficial), amounting in aggregate to 13,841,258 Ordinary Shares.

I look forward to your attendance at the AGM.

Yours faithfully

**Dr Christopher Richards**  
Non-Executive Chairman  
31 October 2019

# Notice of Annual General Meeting

Nanoco Group plc

Notice is hereby given that the 2019 Annual General Meeting (the "AGM" or the "Meeting") of Nanoco Group plc (the "Company") will be held at 46 Grafton Street, Manchester, Greater Manchester M13 9NT, at 11.00am on 5 December 2019, or any adjournment thereof, for the following purposes:

## Resolutions

To consider and, if thought fit, to pass the following Resolutions of which numbers 1 to 13 will be proposed as Ordinary Resolutions and numbers 14 to 17 as Special Resolutions as part of the ordinary business of the Company.

### Ordinary Resolutions (1 to 13)

#### Resolution 1 – Annual Report and Accounts

To receive and adopt the Company's audited accounts and financial statements for the year ended 31 July 2019 together with the Directors' report and the Auditor's report.

#### Resolution 2 – Re-appointment of the auditor

To re-appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office from the conclusion of the Meeting until the conclusion of the next Annual General Meeting at which the accounts are to be laid before the Company.

#### Resolution 3 – Auditor's remuneration

To authorise the Board of Directors of the Company (the "Board") to agree the remuneration of the Company's auditor.

#### Resolution 4 – Election of Director

To elect Christopher Batterham as a Director of the Company.

#### Resolution 5 – Re-election of Director

To re-elect Dr Christopher Richards as a Director of the Company.

#### Resolution 6 – Re-election of Director

To re-elect Dr Michael Edelman as a Director of the Company.

#### Resolution 7 – Re-election of Director

To re-elect Dr Nigel Pickett as a Director of the Company.

#### Resolution 8 – Re-election of Director

To re-elect Brian Tenner as a Director of the Company.

#### Resolution 9 – Re-election of Director

To re-elect Dr Alison Fielding as a Director of the Company.

#### Resolution 10 – Directors' remuneration report

To approve the Directors' remuneration report contained on pages 68 to 87 of the Company's Annual Report and Accounts for the year ended 31 July 2019.

#### Resolution 11 – Amendment to Directors' remuneration policy

That:

- (a) the payment to each Executive Director of the Company of 100% of their bonus in respect of the Company's financial year ended 31 July 2019 in the form of an award of shares under the Nanoco 2015 Deferred Bonus Plan ("DBP"); and
- (b) the payment to any Executive Director of the Company of up to 100% of their bonus in respect of any financial year of the Company ending after 31 July 2019 in the form of an award of shares under the DBP,

be and are hereby approved for the purposes of sections 226B(1)(b) and 226C(1)(b) of the Companies Act 2006 (the "2006 Act").

#### Resolution 12 – Approval for political donations

That the Company, and those companies that are subsidiaries of the Company at any time during the period for which this Resolution has effect, be authorised for the purposes of Part 14 of the 2006 Act, during the period from the date of passing of this Resolution until the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, 15 months from the date of the passing of this Resolution:

- (a) to make political donations to political parties and/or independent election candidates;
- (b) to make political donations to political organisations other than political parties; and
- (c) to incur political expenditure,

provided that the aggregate amount of any such donations and expenditure made by the Company or any subsidiary shall not exceed £50,000.



## Notice of Annual General Meeting continued

### Resolutions continued

#### Ordinary Resolutions (1 to 13) continued

##### Resolution 12 – Approval for political donations continued

All existing authorisations and approvals relating to political donations or expenditure under Part 14 of the 2006 Act are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval.

Words and expressions defined for the purposes of the 2006 Act shall have the same meaning in this Resolution.

##### Resolution 13 – Authority to allot shares

That, in substitution for any existing authority, the Directors of the Company (the “Directors”) be and hereby are generally and unconditionally authorised in accordance with section 551 of the 2006 Act to exercise all the powers of the Company to allot ordinary shares of 10 pence each in the capital of the Company (“Ordinary Shares”) and to grant rights to subscribe for, or to convert any security into, Ordinary Shares:

- (a) up to an aggregate nominal amount of £9,540,234, being approximately one-third of the nominal value of the Ordinary Shares (excluding treasury shares) in issue on 25 October 2019; and
- (b) comprising equity securities (within the meaning of section 560 of the 2006 Act) up to an aggregate nominal amount of £19,080,468 (such amount to be reduced by the nominal amount of any relevant securities allotted under paragraph (a) above) in connection with an offer by way of a rights issue,

to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, or legal or regulatory or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

The authority hereby conferred shall expire on the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, 15 months from the date of the passing of this Resolution, unless such authority is renewed prior to this time. Under the authority hereby conferred, the Directors may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

#### Special Resolutions (14 to 17)

##### Resolution 14 – General authority to disapply pre-emption rights

That (subject to the passing of Resolution 13) the Directors be and hereby are authorised pursuant to and in accordance with sections 570 and 573 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) wholly for cash pursuant to the authority conferred by Resolution 13 and/or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment or sale provided that such authority shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority in Resolution 13(b) by way of rights issue only):
  - (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
  - (ii) to holders of other equity securities as required by the rights attaching to those securities as the Directors otherwise consider necessary,

but subject to such limits or exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, or legal or regulatory or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter; and

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) above) to any person up to a maximum aggregate nominal value of £1,431,035, representing approximately 5% of the issued and outstanding Ordinary Shares as at 25 October 2019.

The authority hereby conferred shall expire on the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, 15 months from the date of the passing of this Resolution, unless such authority is renewed prior to this time. Under the authority hereby conferred the Directors may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.



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## Resolutions continued

### Special Resolutions (14 to 17) continued

#### Resolution 15 – Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

That (subject to the passing of Resolution 13 and in addition to any authority granted under Resolution 14), the Directors be authorised to allot equity securities (as defined in section 560 of the 2006 Act) for cash under the authority conferred by Resolution 13 and/or to sell Ordinary Shares held by the Company as treasury shares as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,431,035, representing approximately 5% of the issued and outstanding Ordinary Shares as at 25 October 2019; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Dis-applying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice.

The authority hereby conferred shall expire on the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, 15 months from the date of the passing of this Resolution, unless such authority is renewed prior to this time. Under the authority hereby conferred the Directors may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

#### Resolution 16 – Company's authority to purchase its own shares

That pursuant to the authorities contained in its Articles of Association (the "Articles"), the Company be generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of Ordinary Shares on such terms and in such manner as the Directors may think fit provided that:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 28,620,702;
- (b) the minimum price which may be paid for an Ordinary Share is 10 pence, such minimum price being exclusive of any advance corporation tax and any expenses;
- (c) the maximum price which may be paid for an Ordinary Share is the higher of: (i) an amount equal to 105% of the average of the market value for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out, such maximum price being exclusive of any advance corporation tax and any expenses; and
- (d) this authority shall expire on the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, 15 months from the date of the passing of this Resolution, unless such authority is renewed prior to this time.

Under the authority hereby conferred, the Company may before such expiry make an offer or agreement to purchase Ordinary Shares under this authority which might be executed and completed wholly or partly after such expiry, and the Company may make a purchase of Ordinary Shares in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

#### Resolution 17 – Reduced notice of general meetings (other than Annual General Meetings)

That a general meeting of the Company, other than an Annual General Meeting, may be called by notice of at least 14 clear days in accordance with the provisions of its Articles, provided that the authority of this Resolution shall expire on the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this Resolution.

By order of the Board

**Brian Tenner**

Company Secretary  
31 October 2019

## Explanatory notes

The following notes explain your general rights as a shareholder and your rights to attend and vote at the AGM or to appoint someone else to vote on your behalf.

1. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in certificated or uncertificated form must be entered on the Company's relevant share register (the "Register") at 6.00pm on 3 December 2019 (the "Specified Time") in order to be entitled to attend and vote at the AGM. Such shareholders may only cast votes in respect of Ordinary Shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the Meeting. Should the AGM be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned AGM. Should the AGM be adjourned for a longer period, then to be so entitled, members must be entered on the Register at 6.00pm on the date which is 48 hours before the time fixed for the adjourned AGM, excluding any UK non-working days or, if the Company gives notice of the adjourned AGM, at the time specified in the Notice.
2. Any member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote instead of the member. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares of the member. A proxy need not be a member of the Company. Completion and return of a Proxy Form will not preclude a member from attending, speaking and voting at the Meeting in person, should he/she subsequently decide to do so. If a member has appointed a proxy and attends the Meeting in person, the proxy appointment will automatically be terminated.
3. The right to appoint a proxy does not apply to persons whose Ordinary Shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the 2006 Act ("Nominated Persons"). Nominated Persons may have a right under an agreement with the registered shareholder who holds the Ordinary Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Ordinary Shares as to the exercise of voting rights.
4. In order to be valid, any Proxy Form and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's registrars, Neville Registrars Limited, in accordance with the instructions set out on the Proxy Form not less than 48 hours (excluding non-working days) before the time of the AGM (11.00am on 3 December 2019 or, in circumstances where the AGM is adjourned to a date later than 48 hours after the Specified Time, 48 hours before the time of the adjourned meeting, excluding any UK non-working days).
5. A Proxy Form accompanies this Notice of AGM. Details of how to appoint a proxy are set out in the notes to the Proxy Form. If a member wishes to appoint more than one proxy and so requires additional Proxy Forms, the member can photocopy the Proxy Form.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournments of it by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service providers, should refer to their sponsors or voting service providers, who will be able to take the appropriate action on their behalf.
  - 6.1 For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for those instructions as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy, must, to be valid, be transmitted so as to be received by the Company's agent (ID: 7RA11) by the latest time for receipt of proxy appointments specified in the Notice of AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
  - 6.2 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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 voting service providers, to procure that its CREST sponsors or voting service providers take) 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 sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
  - 6.3 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.

7. Members should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to:  
(i) the audit of the Company's accounts (including the Independent auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.
8. 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 Ordinary Shares.
9. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that: (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.
10. To change a proxy instruction, a member needs to submit a new proxy appointment using the methods set out above. Note that the deadlines for receipt of proxy appointments (11.00am on 3 December 2019 or, in circumstances where the AGM is adjourned to a date later than 48 hours after the Specified Time, 48 hours before the time of the adjourned meeting, excluding any UK non-working days) also apply in relation to amended instructions and any amended proxy appointment received after the relevant deadline will be disregarded. Where a member has appointed a proxy using the paper Proxy Form and would like to change the instructions using another such form, that member should contact the Company's registrars, Neville Registrars Limited, on 0121 585 1131; lines are open 9.00am to 5.00pm Monday to Friday. If more than one valid proxy appointment is submitted, the appointment received last before the deadline for the receipt of proxies will take precedence.
11. In order to revoke a proxy instruction, a signed letter clearly stating a member's intention to revoke a proxy appointment must be sent by post or by hand to the Company's registrars, Neville Registrars Limited, in accordance with the instructions on the Proxy Form. Note that deadlines for receipt of proxy appointments (11.00am on 3 December 2019 or, in circumstances where the AGM is adjourned to a date later than 48 hours after the Specified Time, 48 hours before the time of the adjourned meeting, excluding any UK non-working days) also apply in relation to revocations and any revocation received after the deadline will be disregarded.
12. In the event that a member is a joint holder and the joint holder purports to appoint a proxy, only the appointment submitted by the member whose name appears first on the register will be accepted.
13. The "Vote Withheld" option on the Proxy Form is provided to enable a member to abstain on any particular Resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a particular Resolution.
14. The total number of Ordinary Shares of 10 pence in issue as at 25 October 2019, being the latest practicable date before the publication of this Notice of AGM, was 286,219,246 Ordinary Shares carrying one vote each. There are 12,222 Ordinary Shares held in treasury as at 25 October 2019. The total level of voting rights in the Company as at this date was therefore 286,207,024.
15. Copies of the service contracts and letters of appointment of each of the Directors of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the date of the AGM and at the place of the AGM from at least 15 minutes prior to and until the conclusion of the AGM. A copy of this Notice of Annual General Meeting (the provisions of which relating to Resolution 11 comprise the payment particulars memorandum in relation to the proposed amendments to the annual bonus arrangements for the Company's Executive Directors which is required to be made available in accordance with section 226D of the Companies Act 2006) will be available for inspection at the Company's registered office for not less than 15 days ending with the date of the Annual General Meeting, at the Annual General Meeting, and will be available at [www.nanocotechnologies.com/investor-relations/shareholder-services/annual-general-meeting-information](http://www.nanocotechnologies.com/investor-relations/shareholder-services/annual-general-meeting-information) until the conclusion of the Annual General Meeting.

## Explanatory notes continued

16. Any member attending the AGM has the right to ask questions. It would be helpful if members could state their name before asking a question. The Company must cause to be answered any question relating to the business to be dealt with at the Meeting put by a member attending the Meeting. However, members should note that no answer need be given in the following circumstances:
  - (a) if to do so would interfere unduly with the preparation of the Meeting or would involve a disclosure of confidential information;
  - (b) if the answer has already been given on a website in the form of an answer to a question; and/or
  - (c) if it is undesirable, in the interests of the Company or the good order of the Meeting, that the question be answered.
17. Any electronic address provided either in this Notice of AGM or in any related documents (including the Proxy Form) may not be used to communicate with the Company for any purposes other than those expressly stated.
18. As required by section 311A of the 2006 Act, this Notice of AGM, together with information about the total number of Ordinary Shares and voting rights in the Company in respect of which members are entitled to exercise voting rights at the Meeting as at 6.00pm on 25 October 2019, being the latest practicable date before the publication of this Notice of AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of AGM, will be available on the Company's website, [www.nanocotechnologies.com](http://www.nanocotechnologies.com).
19. The AGM will be held at 46 Grafton Street, Manchester, Greater Manchester M13 9NT, at 11.00am on 5 December 2019.