

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your shares in Synairgen plc (the 'Company'), please send this document, together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold only part of your holding of shares in Synairgen plc, please contact your stockbroker, bank or other agent through whom the sale was effected immediately.

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**SYNAIRGEN PLC**

*(Incorporated in England and Wales with Registered Number 5233429)*

**Notice of Annual General Meeting**

to be held at the offices of Fasken Martineau LLP,  
Third Floor, 17 Hanover Square, London W1S 1HU  
at 11.00 am on 9 June 2014

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A Form of Proxy for the Annual General Meeting is enclosed and should be completed in accordance with the instructions set out on the form and returned so as to reach the Company's Registrar, Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham BR3 4TU no later than 11.00 am on 5 June 2014. Completion and return of the Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish.

**SYNAIRGEN PLC**

*(Incorporated in England and Wales with Registered Number 5233429)*

*Directors:*

Simon Shaw (Chairman)  
Richard Marsden  
Phillip Monk  
John Ward  
Iain Buchanan  
Bruce Campbell  
Paul Clegg  
Stephen Holgate

*Registered Office:*

Mailpoint 810, Level F, South Block  
Southampton General Hospital  
Tremona Road  
Southampton  
SO16 6YD

15 May 2014

**Dear Shareholder**

**Annual General Meeting 2014**

This year's Annual General Meeting will be held at 11.00 am on Monday, 9 June 2014 at the offices of Fasken Martineau LLP, Third Floor, 17 Hanover Square, London W1S 1HU. Full details of the meeting and the resolutions that will be put to shareholders are set out in the enclosed Notice of Meeting.

If you cannot come to the meeting in person, your vote is still important and I would urge you to complete, sign and return the enclosed proxy card to be received by 11.00 am on Thursday, 5 June 2014.

**Resolutions**

In addition to the routine business, we are asking shareholders to approve one item of special business at this year's Annual General Meeting. An explanation of all of the items of ordinary and special business is set out in the Appendix to this letter.

**Recommendation**

Your Directors are of the opinion that all resolutions which are to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders and are most likely to promote the success of the Company and therefore unanimously recommend that you vote in favour of the proposed resolutions.

Yours sincerely

**Simon Shaw**  
Chairman

## APPENDIX

### ORDINARY BUSINESS

The following notes explain the items of ordinary business. Resolutions 1 to 7 will be proposed as ordinary resolutions:

#### *Report and Accounts (Resolution 1)*

The Directors are required to lay the Strategic Report, the Directors' Report, the audited accounts and the Auditor's Report before the Company in general meeting. The shareholders are therefore requested to receive and adopt the Report and Accounts for the year ended 31 December 2013.

#### *Appointment of Directors (Resolutions 2 to 4)*

Article 124 of the Company's Articles of Association requires that, at the AGM, one third of Directors (excluding Directors retiring in accordance with Article 130) shall retire. Accordingly, Richard Marsden, John Ward and Paul Clegg shall retire and, being eligible, offer themselves for re-appointment. Resolutions 2, 3 and 4 propose their re-appointment.

Biographical details are given on pages 11 and 12 of the Report and Accounts.

#### *Appointment of Auditor (Resolution 5)*

At each general meeting at which the accounts are laid before shareholders, the Company is required to appoint auditors to serve until the next such meeting. Resolution 5 proposes the re-appointment of BDO LLP as the Company's auditor and that the Directors be authorised to fix its remuneration.

#### *Approval of the Directors' Remuneration Report (Resolution 6)*

Resolution 6 proposes the approval of the Directors' Remuneration Report for the year ended 31 December 2013, as set out on pages 17 to 20 of the Report and Accounts.

The Directors' Remuneration Report contains, amongst other things, a forward-looking statement of the Company's policy on Directors' remuneration for subsequent financial years, details of the Directors' service contracts and specific disclosures relating to each Director's remuneration.

#### *Authority to allot shares (Resolution 7)*

By an ordinary resolution of the Company passed on 10 June 2013 at the 2013 AGM, shareholders authorised the Directors under section 551 of the Companies Act 2006 to issue equity securities without the prior consent of shareholders for a period from 10 June 2013 until the earlier of 30 June 2014 and the conclusion of the 2014 AGM. Resolution 7 proposes to authorise the Directors to allot equity securities up to a maximum nominal amount of £334,505 (which equates to 33,450,500 ordinary shares), which represents the sum of:

- £260,809, being approximately 33.3% of the nominal value of issued share capital of the Company at 15 May 2014; and
- £73,696, being the nominal value of shares under option.

Other than pursuant to the exercise of share options, including awards made under the Staff Option Scheme, the Long-Term Incentive Plan and the Qualifying Non-Employee Option Scheme, the Directors have no present intent to issue any ordinary shares. This authority will expire on the earlier of 30 June 2015 and the conclusion of the 2015 AGM.

### SPECIAL BUSINESS

The following notes explain the item of special business. Resolution 8 will be proposed as a special resolution.

#### *Disapplication of pre-emption rights (Resolution 8)*

Also on 10 June 2013, a special resolution was passed under section 570 of the Companies Act 2006, empowering the Directors to allot equity securities for cash without first being required to offer such shares to existing shareholders in proportion to their existing holdings for a period from 10 June 2013 until the earlier of 30 June 2014 and the conclusion of the 2014 AGM. It is proposed that this authority also be renewed. The authority relates to: pre-emptive issues; the allotment of up to 1,692,800 ordinary shares on the exercise of options already granted by the Company other than pursuant to an employee share scheme (as defined in the Companies Act 2006); and 11,748,200 shares, which represents approximately 15% of the issued ordinary share capital of the Company as at 15 May 2014. This authority will expire on the earlier of 30 June 2015 and the conclusion of the 2015 AGM.

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting ('AGM') of Synairgen plc (the 'Company') will be held at the offices of Fasken Martineau LLP, Third Floor, 17 Hanover Square, London W1S 1HU on Monday, 9 June 2014 at 11.00 am to transact the following business:

### **ORDINARY BUSINESS**

To consider and, if thought fit, to pass the following resolutions, all of which will be proposed as Ordinary Resolutions:

- 1 To receive and adopt the audited accounts of the Company for the year ended 31 December 2013, together with the Strategic, Directors' and Auditor's reports in respect of such accounts.
- 2 To re-appoint as a Director Richard Marsden, who is retiring by rotation in accordance with Article 124 of the Company's Articles of Association and who, being eligible, offers himself for re-appointment.
- 3 To re-appoint as a Director John Ward, who is retiring by rotation in accordance with Article 124 of the Company's Articles of Association and who, being eligible, offers himself for re-appointment.
- 4 To re-appoint as a Director Paul Clegg, who is retiring by rotation in accordance with Article 124 of the Company's Articles of Association and who, being eligible, offers himself for re-appointment.
- 5 To re-appoint BDO LLP as the Company's Auditor to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to determine its remuneration.
- 6 To approve the Directors' Remuneration Report for the year ended 31 December 2013.
- 7 That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £334,505. This authority shall expire on the earlier of 30 June 2015 and the conclusion of the 2015 Annual General Meeting of the Company save that the Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of this authority and the Directors may allot equity securities pursuant to that offer or agreement as if this authority had not expired; and this authority shall be in substitution for any other authority to allot equity securities but without prejudice to the continuing authority of the Directors to allot equity securities in pursuance of an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made.

## **SPECIAL BUSINESS**

As special business, to consider and if thought fit, to pass Resolution 8, which will be proposed as a Special Resolution:

- 8 That, subject to Resolution 7 above being passed, the Directors be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 7 above and to allot equity securities (including where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act) in each case as if section 561(1) of the Act did not apply to such allotment provided that this power shall be limited to:-
- (i) the allotment of equity securities, whether by way of rights issue, open offer or otherwise, to holders of Ordinary Shares and to holders of other securities in the Company that by their terms are entitled to participate in such rights issue, open offer or otherwise in such a manner that the number of equity securities allotted to them is in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto and the Directors may deal as they see fit with fractional entitlements, overseas shareholders and with the legal or practical problems or requirements of any regulatory body or stock exchange in any territory;
  - (ii) the allotment of equity securities up to an aggregate nominal amount of £16,928 upon the exercise of options granted by the Company other than pursuant to an employee share scheme as defined in the Act; and
  - (iii) (other than pursuant to sub-paragraphs (i) and (ii) above) the allotment or sale of equity securities up to an aggregate nominal amount of £117,482 (representing approximately 15% of the nominal value of the issued share capital of the Company at 15 May 2014);

and this power shall be in substitution for all such powers previously given but without prejudice to the continuing power of Directors to allot equity securities pursuant to an offer or agreement made by the Company before the date this resolution is passed and unless previously renewed, varied or revoked by the Company in general meeting shall expire on the earlier of 30 June 2015 and the conclusion of the Annual General Meeting of the Company to be held in 2015 save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities (including where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act) in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

15 May 2014

By Order of the Board

John Ward  
*Company Secretary*

Mailpoint 810, Level F, South Block  
Southampton General Hospital  
Tremona Road  
Southampton SO16 6YD

## **EXPLANATORY NOTES**

### **Entitlement to attend and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
  - 6.00 pm on 5 June 2014; or,
  - if this Meeting is adjourned, at 6.00 pm on the day two business days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

### **Appointment of proxies**

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

### **Appointment of proxy using hard copy proxy form**

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham BR3 4TU; and
- received by Capita Asset Services no later than 11 am on 5 June 2014.

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 or authority) must be included with the proxy form.

### **Appointment of proxy by joint members**

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### **Corporate representatives**

7. 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 the other corporate representatives for that shareholder at the Meeting who have been appointed in respect of different parts of the holding of that corporate shareholder then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) in respect of each different part of the shareholding as corporate representative in accordance with the directions he has received from such corporate representatives in relation to the respective parts of the shareholding in respect of which they are each appointed or (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 in accordance with the directions he receives from the other corporate representatives in respect of the parts of the corporate shareholders shareholding in respect of which such corporate representatives have each been appointed.

### **Changing proxy instructions**

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy appointments**

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice 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 revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Asset Services no later than 11.00 am on 5 June 2014. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### **Issued shares and total voting rights**

10. As at 6.00 pm on 15 May 2014, the Company's issued share capital comprised 78,320,891 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 pm on 15 May 2014 was 78,320,891.

### **Transactions by Directors**

11. A statement or summary of transactions of Directors (and their family interests) in the share capital of the Company and copies of their service contracts will be available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the AGM and will also be available for inspection at the place of the AGM for at least 15 minutes prior to and during the Meeting.

