



BIOQUELL PLC

Registered in England & Wales no. 206372

Registered office:
52 Royce Close
West Portway
Andover
Hampshire
SP10 3TS
7 March 2018

Dear Shareholder

2018 ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of Bioquell PLC ("Bioquell" or "the Company") will take place on Monday 23 April 2018 at the offices of Harwood Capital LLP, 6 Stratton Street, London, W1J 8LD. The AGM will start at 11 am. The formal Notice of the AGM is set out on page 4 of this document. Please read all the information there, together with the notes on pages 6 and 7. The AGM will cover five items of Ordinary Business (resolutions 1 to 5) and five items of Special Business (resolutions 6 to 10).

ORDINARY BUSINESS

These items will be proposed as ordinary resolutions. To pass these resolutions at least a simple majority of the votes cast on the resolutions must be in favour.

Resolution 1: Reports of the Directors and the accounts

The Directors of Bioquell ("Directors") must lay the Company's Accounts, the Directors' Report and the Auditors' Report before the members in general meeting. This is a legal requirement once the Directors have approved the Accounts and the Directors and the Auditors have prepared their respective reports.

Resolutions 2: Directors' Remuneration Report

Resolution 2 seeks shareholder approval for the Directors' Remuneration Report for the year ended 31 December 2017. Section 439 of the Companies Act 2006 (the "Companies Act") requires UK-incorporated listed companies to put their directors' remuneration report to an advisory shareholder vote. As the vote is advisory it does not affect the actual remuneration paid to any individual director. The Directors' Remuneration Report is set out on pages 17 to 19 in the 2017 Annual Report.

Resolution 3: Appointment of auditors

At each AGM, the Company is required to appoint auditors to serve until the next such meeting. Resolution 3 proposes the re-appointment of the Company's present auditors, Deloitte LLP. In accordance with normal practice, the Directors require authorisation to determine their remuneration.

Resolutions 4 & 5: Re-election of Directors

The UK Corporate Governance Code states that any non-Executive Director who has served for more than nine years should stand for annual re-election. Mr Simon Constantine has therefore agreed to retire and, being eligible, offer himself for re-appointment.

Article 66 of the Company's Articles of Association ("the Articles") states that one third of the Directors, subject to retirement by rotation, shall retire from office at each AGM. Mr Christopher Mills has therefore agreed to retire and, being eligible, offer himself for re-appointment.

Mr Christopher Mills joined the Board in December 2012. He is Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust PLC, a Director of Oryx International Growth Fund Ltd and is Chief Investment Officer and a member of Harwood Capital LLP.

Mr Simon Constantine joined the Board in November 1999. Previously he held a number of financial and operational positions at Board level within Life Sciences International PLC. He is also Chairman of Capstone Foster Care Ltd and Northern Venture Trust PLC. The Board considers that Mr Constantine continues to be independent of the executive management of the Group and following a review of his performance recommends his re-appointment.

The Board has confirmed, following a performance review, that all Directors standing for re-appointment continue to perform effectively and demonstrate commitment to their role.

Special Business

Resolutions 6 and 9 will be proposed as ordinary resolutions. To pass these resolutions at least a simple majority of the votes cast on the resolutions must be in favour. Resolutions 7, 8 and 10 will be proposed as special resolutions. To pass these resolutions at least 75% of the votes cast on the resolutions must be in favour.

Resolution 6: Renewal of section 551 authority

This resolution provides for the grant of authority to the Directors pursuant to Section 551 of the Companies Act to allot shares up to an aggregate nominal value of £749,061 (representing approximately one third of the Company's issued ordinary share capital (excluding treasury shares) at 6 March 2018 (being the latest practicable date before publication of this letter)). The authority will terminate no later than 15 months after the AGM, or if sooner, the holding of the AGM in 2019.

The Directors have no current intention to use this authority.

Resolution 7: Renewal of Directors' authority to dis-apply pre-emption rights

Under company law, when new Ordinary Shares are allotted (other than pursuant to employee share schemes) they must generally first be offered to existing shareholders on a pro rata basis. Resolution 7 allows the Directors to allot new Ordinary Shares for cash (a) in connection with a rights issue or other pre-emptive offer and (b) otherwise on a non pre-emptive basis up to a maximum aggregate nominal amount of £112,359 (representing approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 6 March 2018 (being the latest practicable date before publication of this letter)). The authority will terminate no later than 15 months after the AGM, or if sooner, the holding of the AGM in 2019. The Directors have no current intention to use this authority.

Resolution 8: Authority to purchase own shares

Resolution 8 gives the Company authority to buy back its own Ordinary Shares in the market as permitted by the Companies Act. The authority limits the number of Ordinary Shares that could be purchased to a maximum of 2,247,182 (representing approximately 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 6 March 2018 (being the latest practicable date before publication of this letter)), and sets minimum and maximum prices. This authority will expire at the conclusion of the next AGM in 2019.

Listed 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.

If Resolution 8 is passed at the AGM, it is the Company's current intention to hold in treasury all of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so. The Company may hold a maximum of up to 10% of its issued share capital in treasury in accordance with guidelines issued by the Investment Association.

As at 6 March 2018 (being the latest practicable date before publication of this letter), there were options over 1,874,233 Ordinary Shares representing approximately 8.1% of the Company's issued ordinary share capital (excluding treasury shares). If the authority to purchase the Company's Ordinary Shares was exercised in full, these options would represent approximately 8.9% of the Company's issued ordinary share capital (excluding treasury shares).

Resolution 9 – Political donations

Resolution 9 is designed to deal with the rules on political donations contained in the Companies Act. Political donations to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by shareholders in advance. What constitutes a political donation, a political party, a political organisation or political expenditure is not easy to decide, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward Resolution 9. This will allow the Company to continue to support the community and put forward its views to wider business and Government interests without running the risk of being in breach of the law. As permitted under the Companies Act, Resolution 9 has also been extended to cover any political donations made, or political expenditure incurred, by any subsidiaries of the Company.

Resolution 10: Length of notice of general meetings other than AGMs

Resolution 10 is a special resolution to allow the Company to hold general meetings (other than AGMs) on 14 clear days' notice. The minimum notice period for general meetings of listed companies is 21 clear days, but companies may reduce this period to 14 clear days provided that (a) the company offers a facility for shareholders to vote by electronic means (this condition is met if the company has a facility enabling all shareholders to appoint a proxy by means of a website), and (b) on an annual basis, a special resolution approving the reduction of the minimum notice period from 21 clear days to 14 clear days is passed. The Board is therefore proposing Resolution 10 as a special resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than AGMs. The approval of this resolution will be effective until the end of the AGM in 2019, when it is intended that the approval will be renewed.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Recommendation

Your Directors consider all of the proposed resolutions to be in the best interests of the Company and the shareholders as a whole and unanimously recommend you vote in favour of them. The Directors intend to vote in favour of the resolutions in respect of their own shareholdings which amount, in aggregate, to 6,713,110 shares representing approximately 29.8% of the existing issued ordinary share capital of the Company (excluding treasury shares) as at 6 March 2018.

Yours sincerely

IAN JOHNSON

Chairman

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Bioquell PLC will be held at the offices of Harwood Capital LLP, 6 Stratton Street, London, W1J 8LD on 23 April 2018 at 11 am for the following purposes:

ORDINARY RESOLUTIONS

1. To receive the Report of the Directors, the Audited Accounts and the Auditor's Report for the year ended 31 December 2017.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2017 set out on pages 17 to 19 in the 2017 Annual Report.
3. To re-appoint Deloitte LLP as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting before which accounts are laid and to authorise the Directors to determine the remuneration of the auditors.
4. To re-elect Mr Christopher Mills as a director of the Company.
5. To re-elect Mr Simon Constantine as a director of the Company.

As special business to consider and, if thought fit, pass the following resolutions, of which resolutions numbered 6 and 9 will be proposed as ordinary resolutions and resolutions numbered 7, 8 and 10 will be proposed as special resolutions.

6. That the Directors be and they are hereby generally and unconditionally authorised in substitution for all existing authorities to exercise all powers of the Company to allot relevant securities (within the meaning of section 551 of the Companies Act 2006 ("the Companies Act")) and to make offers or agreements to allot relevant securities up to an aggregate nominal amount of £749,061, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019, or the date falling 15 months after the passing of this resolution (whichever is the earlier) but, in each case, prior to its expiry the Company be allowed to make any offer or agreement which will or might require any such relevant securities to be allotted (and treasury shares to be sold) or any such rights to be granted after the expiry of this authority and the Directors may, notwithstanding such expiry, allot shares (and sell treasury shares) and grant such rights pursuant to any such offer or agreement made by the Company as if the authority had not expired.

SPECIAL RESOLUTIONS

7. That, subject to resolution numbered 6 being passed, the Directors be and they are generally and unconditionally authorised pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash under the authority given by that resolution and/or sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment or sale, provided that this power shall be limited to:
 - (a) the allotment of equity securities and sale of treasury shares for cash in connection with any rights issue or issue of equity securities to the holders of relevant shares of the Company in proportion (as nearly as may be) to their respective holdings of such shares or (where applicable) in accordance with the rights for the time being attached to such shares (but subject to statutory exclusion, or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or any stock exchange in any territory or any other matter); and
 - (b) (otherwise than pursuant to sub-paragraph (a) of this resolution 7) any other allotment of equity securities for cash or sale of treasury shares up to a maximum aggregate nominal value of £112,359.

This power shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or on the date falling 15 months after the passing of this resolution (whichever is the earlier) but, in each case, prior to its expiry the Company be allowed to make any offer or agreement which will or might require any such equity securities to be allotted (and treasury shares to be sold) or any such rights to be granted after the expiry of this authority and the Directors may, notwithstanding such expiry, allot shares (and sell treasury shares) and grant such rights pursuant to any such offer or agreement made by the Company as if the authority had not expired.

SPECIAL RESOLUTIONS continued

8. That the Company be and is hereby generally and unconditionally authorised, in accordance with section 701 of the Companies Act, to make market purchases (within the meaning of section 693(4) of the Companies Act) of ordinary shares of 10 pence each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine provided that:
- (a) the maximum number of Ordinary Shares authorised to be purchased is 2,247,182;
 - (b) the minimum price which may be paid for an Ordinary Share is 10 pence (exclusive of expenses payable by the Company);
 - (c) the maximum price which may be paid for an Ordinary Share (exclusive of expenses payable by the Company) cannot be more than the higher of:
 - (i) 105 per cent of the average market value of an Ordinary Share for the five business days prior to the day on which the Ordinary Share is contracted to be purchased; and
 - (ii) the value of an Ordinary Share calculated on the basis of the higher of:
 - (a) the last independent trade of; or
 - (b) the highest current independent bid for,
- any number of Ordinary Shares on the trading venue where the market purchase by the Company will be carried out; and
- (d) the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 except that the Company may before such expiry make a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.
9. That, in accordance with sections 366 and 367 of the Companies Act, the Company and all companies which are subsidiaries of the Company during the period when this resolution 9 has effect are authorised to:
- (a) make political donations to political parties or independent election candidates, as defined in the Companies Act, not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties, as defined in the Companies Act, not exceeding £50,000 in total; and
 - (c) incur political expenditure, as defined in the Companies Act, not exceeding £50,000 in total,
- during that period beginning with the date of the passing of this resolution and ending on the conclusion of the Annual General Meeting of the Company to be held in 2019 provided that the authorised sums referred to in sub-paragraphs (a), (b) and (c) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter), or, if earlier, on the day on which the Company enters into any contract or undertaking in relating to the same.
10. That the Company is authorised to call a general meeting, other than an Annual General Meeting, on not less than 14 clear days' notice during the period beginning on the date of the passing of this resolution and ending on the conclusion of the next Annual General Meeting of the Company.

By order of the Board

G N POPE

Secretary
7 March 2018

REGISTERED OFFICE

52 Royce Close
West Portway
Andover
Hampshire
SP10 3TS

NOTICE OF MEETING

NOTES:

1. A member entitled to attend, vote and speak at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his or her behalf. If more than one proxy is appointed, each proxy must be appointed to exercise rights attaching to different shares held by the member.
2. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General 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 Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. 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).
4. A form of proxy is provided with this notice and instructions for use are shown on the form. To be valid, forms of proxy must be completed in accordance with one of the following methods:
 - (a) in hard copy form by post, by courier or by hand so as to be received at the offices of the Company's Registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; or
 - (b) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case must be received not less than 48 hours before the time fixed for the Annual General Meeting (i.e. no later than 9 am on 19 April 2018) or any adjournment thereof (in each case excluding any non-working days). Completion of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so wishes.

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment 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's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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. 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. You may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
9. As at 6 March 2018 (being the last business day before the publication of this notice), the Company's issued ordinary share capital consisted of 23,268,816 Ordinary Shares carrying one vote each. The Company holds 797,000 Ordinary Shares in treasury and is not permitted to exercise voting rights in respect of those shares. Therefore the total voting rights in the Company are 22,471,816.
10. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:
 - (a) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting; or
 - (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting.

The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

11. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
 - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

12. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.bioquellplc.com.
13. Copies of the Directors' letters of appointment and service contracts are available for inspection at the registered office of the Company, 52 Royce Close, West Portway, Andover, Hampshire SP10 3TS during usual business hours on each business day and will also be available at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting. The register of Directors' interests will be available for inspection at the commencement of, and during, the Annual General Meeting.
14. As permitted by regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders who are registered on the Company's register of members at close of business on 20 April 2018 or, in the event that the Annual General Meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend the Annual General Meeting and to vote in respect of the number of Ordinary Shares registered in their names at that time. Changes to entries on the register of members after close of business on 20 April 2018 or, in the event that the Annual General Meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and/or vote at the Annual General Meeting.



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BIOQUELL PLC

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West Portway
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Hampshire SP10 3TS
UK

T: +44 (0)1264 835900
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