



Iofina plc
Registered office:
1 King Street
London EC2V 8AU

*Registered in England and Wales
with registered number 5393357*

10 May 2016

Dear Shareholder

NOTICE OF 2016 ANNUAL GENERAL MEETING

1. Introduction

I am pleased to enclose details of the 2016 annual general meeting (the **AGM**) of Iofina plc (the **Company**) which will be held at 1 Cornhill, London EC3V 3ND on 7 June 2016 at 9:30 a.m. Details of the matters for consideration at the AGM are set out below.

In addition to the ordinary business which the Company is required to attend to pursuant to its articles of association (**Articles**), shareholders are also being asked to:

- (a) renew the authority of the directors of the Company (the **Directors** or the **Board**) to allot shares;
- (b) enable the Directors to allot a limited number of shares for cash without first offering them to existing shareholders; and
- (c) authorise the Company to purchase its own shares.

Resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 and 9 will be proposed as special resolutions.

2. Matters for consideration at the AGM

Ordinary Business

Resolution 1 To receive the report of the Directors and the accounts for the period ended 31 December 2015 together with the auditors' report

The Company is required by law to lay its annual accounts and reports before a general meeting of shareholders, together with the Directors' report and the auditors' report on the accounts and the Directors' report. At the AGM, the Directors will present these documents to shareholders for the financial year ended 31 December 2015. A copy of the Directors' report and annual accounts, together with the auditors' report thereon is enclosed with this letter.

Following the recommendations of the UK Corporate Governance Code and in accordance with the Articles, the following Directors will offer themselves for re-appointment:

Resolution 2 Re-appointment of director

This resolution concerns the re-appointment of Lance Baller as a director of the Company.

Mr Baller is the Non-Executive Chairman of the Company, chairman of the Audit Committee and a member of the Compensation Committee.

Resolution 3 Re-appointment of director

This resolution concerns the re-appointment of Dr William Bellamy as a director of the Company.

Dr Bellamy is the chairman of the Compensation Committee and a member of the Audit Committee.

Resolution 4 Re-appointment of director

This resolution concerns the re-appointment of Dr Thomas Becker as a director of the Company.

Dr Becker is the President and Chief Executive Officer of the Company.

Resolutions 5 and 6 To re-appoint RSM UK Audit LLP as auditors of the Company and to authorise the Directors to fix the remuneration of the auditors

Resolution 5 concerns the re-appointment of RSM UK Audit LLP as auditors of the Company until the conclusion of the next general meeting of the Company at which accounts are laid, that is, the next annual general meeting.

Resolution 6 authorises the director to fix the auditors' remuneration.

Special Business

Resolution 7 Directors' power to allot shares

Section 551 of the Companies Act 2006 (the **Act**) stipulates that directors cannot allot shares or rights to subscribe for shares in a company (other than the shares allotted in accordance with an employees' share scheme) unless they are authorised to do so by its shareholders in general meeting. The Directors' current authority to allot shares was granted at last year's annual general meeting and is due to expire at the conclusion of the AGM. Resolution 7, which is proposed as an ordinary resolution, seeks new authority from shareholders (to the exclusion of the previous general authority granted at last year's annual general meeting) for the Directors to allot relevant securities up to an aggregate nominal value of £425,231. This general authority equates to approximately one third of the nominal value of the issued share capital of the Company. In addition, Resolution 7 grants the Directors authority to allot equity securities up to an aggregate nominal value of £850,462. This additional authority may only be applied to fully pre-emptive rights issues.

The Directors do not have any present intentions of exercising these authorities, but they consider it desirable that the specified amount of unissued share capital is available for issue so that they can more readily take advantage of possible opportunities. Unless renewed, revoked, varied or extended, these authorities will expire at the conclusion of the next annual general meeting of the Company.

Resolution 8 Directors' authority to issue shares for cash

Resolution 8, which is proposed as a special resolution, authorises the Directors in certain circumstances to allot equity securities for cash other than in accordance with statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where: (i) the allotment takes place in connection with a rights issue; or (ii) the allotment is limited to a maximum nominal amount of £446,492.89, (equating to 44,649,289 ordinary shares of £0.01 each in the capital of the Company (**Ordinary Shares**)), representing approximately 35% of the nominal value of the issued ordinary share capital of the Company in each case. Unless renewed, revoked, varied or extended, this authority will expire at the conclusion of the next annual general meeting of the Company. Resolution 8 will also give the Directors power to sell Ordinary Shares held in treasury on a non pre-emptive basis, subject always to the aforesaid limitations.

Historically, the Company has requested an authority representing approximately 20% of the nominal value of the Ordinary Shares in issue. However, the Directors realise that the Company must maintain an adequate authority in place should any noteholders elect to convert convertible loan notes currently in issue for Ordinary Shares for such time that any notes remain outstanding. The Directors consider that, in addition to the aforesaid requirement, the power proposed to be granted by Resolution 8 is

necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

Resolution 9 Authority to purchase shares (market purchases)

Under Resolution 9, which is proposed as a special resolution, the Company will seek to renew the current limited authority to make purchases in the market of its own Ordinary Shares subject to specified limits, including the minimum and maximum prices which may be paid. The maximum number of Ordinary Shares which the Company may purchase pursuant to this authority is limited to 12,756,939 Ordinary Shares representing approximately 10% of the issued share capital of the Company.

In seeking this authority the Board is not indicating any commitment to buy back Ordinary Shares. The Board will only exercise the authority if, in the light of market conditions prevailing at the time, it considers that the purchases of Ordinary Shares can be expected to result in an increase in earnings per share and be in the best interests of shareholders generally. The Directors do, however, consider it desirable for this authorisation to be available to provide flexibility in the management of the Company's capital reserves. In the event of any purchase under this authority, the Directors would either hold the purchased Ordinary Shares in treasury or cancel them. The authority will expire at the conclusion of the next annual general meeting of the Company.

3. Action to be taken

Whether or not you intend to attend the AGM, please complete and return the accompanying Form of Proxy to the Company's registrars, Capita Asset Services, at The Registry, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 9:30 a.m. on 5 June 2016. By doing so, you will not preclude yourself from attending and voting in person at the Meeting.

4. Recommendation

The Board considers each of the proposed resolutions to be in the best interests of the Company and shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of all the resolutions as each member of the Board intends to do in respect of their own beneficial shareholdings (if any) amounting to 4,500,000 Ordinary Shares representing approximately 3.53% of the issued share capital of the Company.

Yours faithfully



Lance J. Baller
Chairman

IOFINA PLC

NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the **AGM**) of Iofina plc (the **Company**) will be held at 1 Cornhill, London EC3V 3ND on 7 June 2016 at 9:30 a.m. for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions:

1. Report and accounts

To receive the audited accounts of the Company for the year ended 31 December 2015, together with the directors' report and the auditors' report thereon.

2. Re-appointment of director

To re-appoint Lance Baller as a director.

3. Re-appointment of director

To re-appoint Dr William Bellamy as a director.

4. Re-appointment of director

To re-appoint Dr Thomas Becker as a director.

5. Re-appointment of auditors

To re-appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before shareholders.

6. Auditors' remuneration

To authorise the directors to determine the remuneration of the auditors.

Special Business

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

7. Directors' authority to allot shares

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the **Act**):

- (a) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being **relevant securities**) up to an aggregate nominal amount of £425,231 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (b) below in excess of £425,231); and further
- (b) to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £850,462 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (a) above) in connection with an offer by way of rights issue:
 - (i) in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as

nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and

- (ii) to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever,

provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the next general meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

8. Directors' power to issue shares for cash

That the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by resolution 7 above, and/or by way of a sale of treasury shares for cash (by virtue of section 573 of the Act), in each case as if section 561(1) of the Act did not apply to such allotment provided that:

- (a) the power conferred by this resolution shall be limited to:

- (i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 7, by way of a rights issue only):

- (A) in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and

- (B) to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (ii) in the case of the authority granted under paragraph (a) of resolution 7 and/or in the case of any sale of treasury shares for cash, the allotment, otherwise than pursuant to subparagraph (i) above, of equity securities or sale of treasury shares up to an aggregate nominal value equal of £446,492.89; and

- (b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the next annual general meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the directors may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

9. Authority to purchase shares (market purchases)

That the Company be and is hereby unconditionally and generally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of £0.01 each (**Ordinary Shares**) provided that:

- (a) the maximum number of Ordinary Shares authorised to be purchased is 12,756,939;
- (b) the minimum price which may be paid for any such Ordinary Share is £0.01;
- (c) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average middle market quotations 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 the Ordinary Share is contracted to be purchased; and
- (d) this authority shall, unless previously renewed, revoked or varied, expire on the conclusion of the next annual general meeting, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

Dated: 10 May 2016

By order of the Board:

Registered office:
1 King Street
London EC2V 8AU

Simon W. Holden
Company Secretary

Notes:

1. A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him. A proxy need not also be a member of the Company but must attend the AGM in order to represent his appointor. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the AGM or another person as proxy and how to appoint a proxy electronically or by using the CREST proxy appointment service. To be effective the form must reach the Company's registrars, Capita Asset Services, at The Registry, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 9:30 a.m. on 3 June 2016.
2. Copies of the executive directors' service contracts with the Company and any of its subsidiary undertakings and letters of appointment of the non-executive directors are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) 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 from 9:30 a.m. on the day of the AGM until its conclusion.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those persons registered in the register of members of the Company as at close of business on 3 June 2016 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
4. Please note that communications regarding the matters set out in this notice of Annual General Meeting will not be accepted in electronic form other than as specified in the enclosed form of proxy.
5. As at close of business on 9 May 2016 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 127,569,398 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 9 May 2016 are 127,569,398.