

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action to take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or transferred all of your Ordinary Shares in Vela Technologies plc, you should forward this document and the accompanying form of proxy 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 transmission to the purchaser or transferee.

This Document is not, and is not required to be, a prospectus for the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body.

The existing issued Ordinary Shares are currently admitted to trading on AIM, the market of that name operated by the London Stock Exchange (“**AIM**”). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to large or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

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## **Vela Technologies plc**

*(Incorporated under the Companies Act 1985 with registered number 03904195)*

### **Proposed issue of 8% Convertible Unsecured Loan Notes 2018**

### **Proposed Consolidation and Sub-division of Ordinary Shares**

### **Notice of General Meeting**

**and**

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

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 5 to 10 of this Document and, in particular, to paragraph 11 thereof which sets out the recommendations that you vote in favour of the Resolutions to be proposed at the General Meeting.**

Notices convening

- a general meeting of the Company, to be held at the offices of Allenby Capital Limited, 3 St Helen's Place, London EC3A 6AB at 10.00 a.m. on 26 September 2016 and
- the Annual General Meeting of the Company, to be held at the offices of Allenby Capital Limited, 3 St Helen's Place, London EC3A 6AB at 10.00 a.m. on 3 October 2016

are set out at the end of this document. The enclosed blue and white forms of proxy for use at the meetings should be completed and returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and to be valid must arrive not less than 48 hours before the time fixed for the relevant meeting. Completion and return of forms of proxy will not preclude Shareholders from attending and voting in person at the meetings should they so wish.

A copy of this document will also be available from the Company's website: [www.velatechplc.com](http://www.velatechplc.com)

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2016

Announcement of the results for the year ended 31 March 2016	5 September
Announcement of the Fundraising	9 September
Posting of circular, audited accounts and forms of proxy	9 September
Latest time and date for receipt of <b>blue</b> form of proxy for the General Meeting	10.00 a.m. on 22 September
<b>General Meeting</b>	10.00 a.m. on 26 September
Last day of dealings in the Existing Ordinary Shares	26 September
Record time and date for Consolidation and Sub-division	5.00 p.m. on 26 September
Completion and issue of the Loan Notes	26 September
Admission effective and dealings in the New Ordinary Shares expected to commence	8.00 a.m. on 27 September
Crediting of CREST accounts with the New Ordinary Shares in uncertificated form	27 September
Latest time and date for receipt of <b>white</b> form of proxy for the Annual General Meeting	10.00 a.m. on 29 September
Despatch of definitive share certificates in respect of the New Ordinary Shares in certificated form	on or before 30 September
<b>Annual General Meeting</b>	10.00 a.m. on 3 October

### Notes:

- (1) References to times in this Document and in the Notices of General Meeting and Annual General Meeting are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement from the Company through an RIS.
- (3) The timing of the events in the above timetable and in the rest of this Document is indicative only.
- (4) The ISIN for the Existing Ordinary Shares is GB00B7D7F340. Following the Consolidation and Sub-division, the ISIN for the new Ordinary Shares will be GB00BYZ9XC29.

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>“Allenby Capital”</b>	Allenby Capital Limited, the Company’s nominated adviser
<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company to be held on 3 October 2016, notice of which is set out on pages 14 to 16 of this document
<b>“blue form of proxy”</b>	the blue form of proxy accompanying this document for use by Shareholders at the General Meeting
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Company”</b>	Vela Technologies plc
<b>“Completion”</b>	completion of the Fundraising
<b>“Consolidated Ordinary Share(s)”</b>	the ordinary shares of 150p each in the capital of the Company in issue following the Consolidation, but before the Sub-division
<b>“Consolidation”</b>	the proposed consolidation of every 1,500 Existing Ordinary Shares into one Consolidated Ordinary Share of 100p
<b>“CREST”</b>	the electronic settlement system for UK and Irish securities operated by Euroclear UK & Ireland Limited
<b>“CREST Regulations”</b>	The Uncertificated Securities Regulations 2001, as amended
<b>“Document”</b>	this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
<b>“Existing Ordinary Shares”</b>	the 721,588,020 Ordinary Shares of 0.1p each in the capital of the Company in issue as at the date of this document
<b>“Fundraising”</b>	the issue of the Convertible Loan Notes
<b>“General Meeting”</b>	the general meeting of the Company to be held on 26 September 2016, notice of which is set out on pages 11 to 13 of this document
<b>“Independent Director”</b>	Brent Fitzpatrick, Chairman of the Company
<b>“Loan Notes”</b>	the 8% Convertible Unsecured Loan Notes 2018 to be created and issued as described in this document
<b>“Loan Note Instrument”</b>	the instrument to be executed by the Company on Completion to create the Loan Notes
<b>“Noteholder”</b>	a holder of Loan Notes
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting as set out at the end of this Document
<b>“Ordinary Shares”</b>	the ordinary shares of 0.1p in the Company
<b>“Record Date”</b>	5.00 p.m. on 26 September 2016 (or such later date as the Directors may determine and communicate to Shareholders by an appropriate announcement to a Regulatory Information Service) being the date by reference to which the Consolidation and Sub-division is calculated
<b>“Shareholders”</b>	the holders of Ordinary Shares from time to time
<b>“Sub-division”</b>	the proposed sub-division of each Consolidated Ordinary Share into 1,500 new Ordinary Shares of 0.1p each

**“Takeover Code”**

the City Code on Takeovers and Mergers

**“white form of proxy”**

the white form of proxy accompanying this document for use by Shareholders at the AGM

**LETTER FROM THE CHAIRMAN**  
**VELA TECHNOLOGIES PLC**

*(Incorporated and registered in England and Wales with No. 03904195)*

*Directors:*  
Brent Fitzpatrick, *non-executive Chairman*  
Antony Laiker, *executive Director*

*Registered Office:*  
10B Russell Court  
Wool Gate  
Cottingley Business Park  
Cottingley  
Bingley  
West Yorkshire  
BD16 1PE

*To Shareholders*

9 September 2016

Dear Shareholder

**Proposed issue of 8% Convertible Unsecured Loan Notes 2018**  
**Proposed Consolidation and Sub-division of Ordinary Shares**  
**Notice of General Meeting**  
**and**  
**Notice of Annual General Meeting**

**1. Introduction**

Further to the announcement of the Company's full year results on 5 September 2016, I am pleased to enclose the audited accounts of the Company for the year ended 31 March 2016 and notice of the Annual General Meeting of the Company, which is set out at the end of this document.

The Company has today announced a conditional Fundraising to raise £400,000 (before expenses) through the issue of convertible unsecured loan notes to certain existing shareholders including a director of the Company. The Loan Notes are repayable on 30 September 2018 and carry an annual interest rate of 8 per cent. The funds raised through the Issue of the Loan Notes will be used for additional working capital and to provide additional funds for the Company to make further investments in the future in accordance with its investing policy.

The Loan Notes will be convertible into Ordinary Shares at 0.15p per share, a discount of 6.25 per cent. to the opening bid price of 0.16p per share on 8 September 2016, the latest date prior to the publication of this document. The approval of Shareholders is being sought for the creation and issue of the Loan Notes. If the necessary resolutions are passed, the Loan Notes will be issued after the General Meeting.

This document contains notice of a General Meeting to be held a week earlier than the AGM. Notice of the General Meeting is set out on pages 11 to 13 of this document. The Directors are convening the General Meeting separately from and earlier than the AGM primarily in order to approve the issue of the Loan Notes and extend the Company's authorities to allot securities as soon as possible, to enable it to complete the conditional Fundraising announced today.

This purpose of this document is to set out details of the terms of the Loan Notes, provide you with the background to the proposed Consolidation and Sub-division and to the other resolutions to be proposed at both the General Meeting and at the AGM, and explain why the Directors consider the Consolidation and Sub-division to be in the best interests of the Company and the Shareholders as a whole, and why Brent Fitzpatrick (the only independent Director for this purpose) considers the creation and issue of the Loan Notes to be in the best interests of the Company and the Shareholders as a whole.

Further details on the terms of the Consolidation and Sub-division, and the Loan Notes and the resolutions to be proposed at the General Meeting and Annual General Meeting are set out below.

## **2. Reasons for the Fundraising and Use of Proceeds**

The purpose of the Fundraising is to provide additional working capital and to provide additional funds for the Company to make further investments in the future in accordance with its investing policy.

The Fundraising would (if funds were not invested) secure sufficient working capital resources for the Company to meet its ongoing overheads at current levels for approximately two years without having to realise any of its investments, which are mainly unquoted, illiquid stocks. The Independent Director considers that the Fundraising will also strengthen the Company's position in looking at any new investments, and reduce the possibility that the Company might have to raise funds at short notice to take advantage of opportunities to make new investments or invest further funds in existing investee companies.

Fundraisings through the issue of ordinary shares are often carried out at a discount to the bid price, and can attract short term investors, which can place pressure on the market value of a company. Accordingly, the Independent Director considers that it is in the interests of Shareholders as a whole to take advantage of the current opportunity to raise funds at the present time even though there is no identified investment being made.

The Independent Director considers that the terms of the Loan Notes reflect the fact that they carry a higher level of risk to subscribers, being unsecured, unquoted and illiquid. The Loan Notes are convertible at a price which is a small discount to the current bid price for the Ordinary Shares, but the conversion rights are, in practice, very restricted.

## **3. Terms of the Loan Notes**

Subject to the passing of resolutions 1, 2 and 3 at the General Meeting, the Loan Notes will be constituted with the following principal terms:

- (a) **Repayment** – the Loan Notes will be repayable in full on 30 September 2018. The Company has the right to repay the Loan Notes at any earlier time by giving not less than 90 days' notice thereof to the Noteholders. The terms of the Loan Notes also provides for the repayment date to be capable of extension, with the agreement of Noteholders.
- (b) **Interest** – until the Loan Notes are repaid or converted, they will carry interest at an annual rate of 8 per cent, which will be rolled up and paid in one bullet payment on the repayment date or conversion date. Noteholders will be able to elect either to take the rolled-up interest in cash or in the form of Ordinary Shares at 0.15p per share.
- (c) **Conversion** – the Loan Notes may be converted at any time (including upon repayment), at the option of Noteholders, into Ordinary Shares at 0.15p per share. The Loan Notes may only be converted to the extent that the relevant Noteholder would not (taking into account any other persons with whom the Noteholder is acting in concert for the purposes of the City Code on Takeovers and Mergers) have an interest in more than 29.9% of the voting rights in the Company.
- (d) **Transferability** – the Loan Notes will be freely transferrable.
- (e) **Security** – the Loan Notes will not be secured.
- (f) **Dealings** – the Loan Notes will not be admitted to trading on AIM or any other stock exchange.

If all the Loan Notes were to be converted, this would result in the issue of an aggregate 266,666,666 Ordinary Shares. If all the accrued interest to the repayment date were to be taken in the form of shares, this would result in the issue of an aggregate 42,666,666 new Ordinary Shares. These Ordinary Shares would, together, represent approximately 30.0 per cent of the ordinary share capital as enlarged by such issue (assuming no other new Ordinary Shares are issued by the Company).

The Loan Notes may only be converted to the extent that the Noteholder exercising conversion rights does not (taking into account any interests held by persons with whom the Noteholder is "acting in concert" for the purposes of the City Code on Takeovers and Mergers) have an interest in more than 29.9% of the voting rights in the Company.

#### **4. Issue of Loan Notes**

Conditional subscriptions have been received for £200,000 of the Loan Notes from both Scott Fletcher, an existing shareholder in the Company, and Antony Laiker, a director of the Company. The subscriptions for Loan Notes are conditional on the passing of resolutions 1, 2 and 3 at the General Meeting.

Scott Fletcher is beneficially interested in 63,944,656 Ordinary Shares representing 8.86% of the current issued share capital of the Company. If all the Loan Notes proposed to be held by him were to be converted, and all the rolled up interest is satisfied in Ordinary Shares, an aggregate of 154,666,666 new Ordinary Shares would be issued to him and he would be beneficially interested in 218,611,322 Ordinary Shares (representing approximately 21.2 per cent of the Ordinary Shares then in issue, assuming no other new Ordinary Shares were issued by the Company).

Antony Laiker is a Director of the Company, and is beneficially interested in 35,191,724 Ordinary Shares representing 4.88 of the current issued share capital of the Company. If all the Loan Notes proposed to be held by him were to be converted, and all the rolled up interest were to be satisfied in Ordinary Shares, an aggregate of 154,666,666 Ordinary Shares would be issued to him and he would be beneficially interested in 189,858,390 Ordinary Shares (representing approximately 18.41 per cent of the Ordinary Shares then in issue, assuming no other new Ordinary Shares were issued by the Company).

As Antony is interested in the issue of the Loan Notes, he has taken no part in the decision to create and issue the Loan Notes.

#### **5. Related Party Transaction**

The subscription by Antony Laiker for £200,000 of Loan Notes is classified as a related party transaction under the AIM Rules. Brent Fitzpatrick, the Independent Director for the purposes of the subscription by Antony Laiker for Loan Notes, considers, having consulted with the Company's nominated adviser, Allenby Capital, that the terms of the transaction are reasonable insofar as the Company's shareholders are concerned.

#### **6. Proposed Consolidation and Sub-division**

The Company's issued share capital currently consists of 721,588,020 Existing Ordinary Shares. The Company currently has over 900 Shareholders. This is a comparatively large number of shareholders, and the costs associated with such a large shareholder base are disproportionately large for a company of our size. There are some 730 Shareholders who hold less than 1,500 Ordinary Shares, which are (at the current market price) worth less than £3.

The proposed Consolidation and Sub-division will comprise two elements:

- (a) every 1,500 Existing Ordinary Shares will be consolidated into one Consolidated Ordinary Share; and
- (b) immediately following the Consolidation, each of the Consolidated Ordinary Shares will be sub-divided into 1,500 New Ordinary Shares.

#### ***Consolidation***

At the General Meeting, it is proposed to consolidate every 1,500 Existing Ordinary Shares into one Consolidated Ordinary Share, under resolution 4 (an ordinary resolution).

As at the date of this document, the Company has 721,588,020 Existing Ordinary Shares in issue. To effect the Consolidation, it will be necessary to issue a further 480 Ordinary Shares to increase this to 721,588,500 Ordinary Shares which is exactly divisible by 1,500.

The Consolidation will result in the creation of 481,059 Consolidated Ordinary Shares. As all the Existing Ordinary Shares are proposed to be consolidated, the proportion of the issued ordinary shareholdings in the Company held by each Shareholder immediately before and after the Consolidation will, except for fractional entitlements, remain unchanged.

**Any Shareholders holding fewer than 1,500 Existing Ordinary Shares at the Record Date will cease to be a shareholder of the Company.**

Shareholders with a holding of more than 1,500 Existing Ordinary Shares, but which is not exactly divisible by 1,500, will have their holding rounded down to the nearest whole number of Consolidated

Ordinary Shares. Fractional entitlements to a Consolidated Ordinary Share will be aggregated and sold in the market following the Sub-division, as described below.

### ***Sub-division***

Immediately following the Consolidation, each Consolidated Ordinary Share will be sub-divided into 1,500 new Ordinary Shares with a nominal value of 0.1p each.

### ***Effects of the Consolidation and Sub-division***

If your current holding of Existing Ordinary Shares is an exact multiple of 1,500, you will hold the same number of new Ordinary Shares following the Consolidation and Sub-division.

If your current holding of Existing Ordinary Shares is not an exact multiple of 1,500, your holding of New Ordinary Shares following the Consolidation and Sub-division will have been rounded down to the nearest 1,500 shares.

### ***Disposal of fractional entitlements***

As mentioned above, fractional entitlements to Consolidated Ordinary Shares arising from the Consolidation will be aggregated and, following the Sub-division, will be sold in the market for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions. As the net proceeds of sale will amount to less than £3 for any entitled Shareholder, they will (in accordance with usual market practice) be retained by the Company.

### ***Share certificates***

New share certificates in relation to the New Ordinary Shares will be despatched to Shareholders who hold their Ordinary Shares in certificated form by 30 September 2016. The new share certificates will be sent by first-class post, at the risk of the holders of relevant New Ordinary Shares, to the registered address of that holder or, in the case of joint holders, to the one whose name appears first in the register of members. On receipt of the new share certificates all Ordinary Share certificates previously issued will no longer be valid and should be destroyed. Until a holder of certificated Ordinary Shares receives a new share certificate, transfers of certificated Ordinary Shares will be certified against the register of members.

Shareholders whose holdings are held in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares.

The ISIN for the Existing Ordinary Shares is GB00B7D7F340. Following the Consolidation and Sub-division, the ISIN for the new Ordinary Shares will be GB00BYZ9XC29.

## **7. Authorities to allot securities**

At the General Meeting, Shareholders are being asked to increase the Directors' authorities to allot shares in the Company, for the purposes of the issue and conversion of the Loan Notes and any interest on the Loan Notes which is to be satisfied in ordinary shares. Resolution 2 (an ordinary resolution) and resolution 3 (a special resolution) will, if passed, give the Directors the necessary authorities to allot ordinary shares up to a maximum nominal amount of £309,333.34 (representing approximately 42.87% of the current issued ordinary share capital of the Company), both generally and for cash on a non pre-emptive basis in connection with the issue of the Loan Notes and covering the full exercise of the conversion rights in the Loan Notes. These authorities will expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or, if earlier, 15 months from the date of the resolution. These authorities are being sought separately from the existing general authorities to allot shares, which will be renewed at the Annual General Meeting.

Subject to the passing of resolutions 2 and 3, it is proposed that:

- (a) 480 ordinary shares of 0.1p will be issued at par immediately prior to and for the purposes of the Consolidation, as described above; and
- (b) £400,000 of Loan Notes will be issued in connection with the Fundraising.

At the Annual General Meeting, shareholders will be asked to renew the current general authorities to allot Ordinary Shares (up to a maximum nominal amount of £400,000 (representing approximately 55.4% of the current issued ordinary share capital of the Company), both generally and for cash on a non pre-emptive basis), independently from the authorities being sought at the General Meeting.



The Directors propose that the authorities given by resolutions 1 and 2 should also provide sufficient headroom to enable the Company to take advantage of further fundraising opportunities over the next year should these arise. In addition, this authority would be utilised for any further options to subscribe for Ordinary Shares which are granted to the Directors whilst the authority is in place.

## **8. General Meeting**

A notice convening the General Meeting to be held at the offices of Allenby Capital Limited, 3 St Helen's Place, London EC3A 6AB at 10.00 a.m. on 26 September 2016 is set out on pages 11 to 13 of this document.

At the General Meeting, resolutions will be proposed:

- (i) to approve the creation and issue of the Loan Notes on the basis described in this document;
- (ii) to seek authorities to allot securities in connection with the issue of the Loan Notes, as described in paragraph 7 above; and
- (iii) to effect the Consolidation and Sub-division.

## **9. Annual General Meeting**

A notice convening the Annual General Meeting to be held at the offices of Allenby Capital Limited, 3 St Helen's Place, London EC3A 6AB at 10.00 a.m. on 3 October 2016 is set out on pages 14 to 16 of this document.

The following resolutions will be proposed at the AGM:

- (a) Resolution 1: to approve the annual report and accounts. The Directors are required to lay before the Company at the AGM the accounts of the Company for the financial year ended 31 March 2015, the report of the Directors and the report of the Company's auditors on those accounts.
- (b) Resolution 2: to approve the re-appointment of Murray Harcourt Limited as auditors of the Company. The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next such meeting.
- (c) Resolution 3: to approve the remuneration of the auditors for the next year.
- (d) Resolution 4: to approve the re-election of Antony Laiker, who is retiring by rotation, and is submitting himself for re-election. Under the Articles of Association, Directors must retire and submit themselves for re-election at the annual general meeting if they have not done so at either of the two previous annual general meetings.
- (e) Resolutions 5 and 6: to approve the renewal of general authorities to allot shares, which expire at the AGM, for the purpose of (i) granting the Directors general authority to allot up to a maximum nominal amount of £400,000, representing approximately 55.4% of the current issued ordinary share capital; and (ii) disapplying pre-emption rights in connection with the allotment of up to a maximum nominal amount of £400,000, representing approximately 55.4% of the current issued ordinary share capital.

## **10. Action to be taken**

Shareholders will find enclosed with this document two forms of proxy:

- (a) the **blue** form of proxy is for use at the **General Meeting**, and should be returned by no later than 10.00 a.m. on 22 September 2016 for the General Meeting to be held on 26 September 2016; and
- (b) the **white** form of proxy is for use at the **Annual General Meeting**, and should be returned by no later than 10.00 a.m. on 29 September 2016 for the AGM to be held on 3 October 2016.

Whether or not you intend to be present at either meeting, you are requested to complete, sign and return the forms of proxy to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but, in any event, so as to arrive by no later than 48 hours before the time and date of the meeting. The completion and return of a form of proxy will not preclude you from attending the relevant meeting and voting in person should you wish to do so.

**Both Antony Laiker (Executive Director) and Scott Fletcher have agreed to abstain from voting on Resolutions 1, 2 and 3 at the General Meeting given their proposed participation in the Fundraising.**

**11. Recommendation**

**Brent Fitzpatrick, as the independent Director, considers resolutions 1, 2 and 3 to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole and accordingly recommends that Shareholders vote in favour of those resolutions, as he intends to do in respect of the 1,500,000 Ordinary Shares (equivalent to approximately 0.2 per cent of the Ordinary Shares) beneficially owned by him.**

**The Directors consider resolution 4 to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of those resolutions, as they intend to do in respect of the 36,691,724 Ordinary Shares (equivalent to approximately 5.08 per cent of the Ordinary Shares) beneficially owned by them in aggregate.**

Yours faithfully

Brent Fitzpatrick

**Chairman**

# Vela Technologies plc

(Registered in England No. 03904195)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Allenby Capital Limited at 3 St Helen's Place, London EC3A 6AB at 10.00 a.m. on 26 September 2016, to consider and, if thought fit, to pass the following resolutions, which will be proposed as to resolutions 1, 2 and 4 as ordinary resolutions, and as to resolution 3 as a special resolution:

## RESOLUTIONS

- 1 THAT, subject to the passing of resolutions 2 and 3 below, the creation and issue of 8% Convertible Unsecured Loan Notes 2018 on the terms described in the Circular to shareholders dated 9 September 2016 of which this notice forms part, be and is hereby approved.
- 2 THAT, in addition to all existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be authorised generally and unconditionally pursuant to Section 551 of the Companies Act 2006 as amended to exercise all the powers of the Company to allot shares and/or rights to subscribe for or to convert any security into shares, provided that the authority conferred by this resolution shall be limited to the allotment of shares and/or rights to subscribe or convert any security into shares of the Company up to an aggregate nominal amount of £309,333.34 such authority (unless previously revoked, varied or renewed) to expire on the conclusion of the Annual General Meeting of the Company to be held in 2017 or, if earlier, 15 months after the date on which this resolution has been passed, provided that the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require shares and/or rights to subscribe for or to convert any security into shares to be allotted after such expiry and the directors may allot such shares and/or rights to subscribe for or to convert any security into shares in pursuance of such offer, agreement or other arrangement as if the authority conferred hereby had not expired.
- 3 THAT, in addition to all existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be and are hereby generally empowered to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) pursuant to the general authority conferred by resolution 2 above for cash or by way of sale of treasury shares as if Section 561 of the Companies Act 2006 or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to
  - (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever;
  - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £309,333.34,

such authority and power (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2017, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired.

4 THAT:

- (a) every 1,500 ordinary shares of 0.1p each in the issued share capital of the Company be consolidated into one consolidated ordinary share of 150p each ("**Consolidated Ordinary Share**"), such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of 0.1p each in the capital of the Company as set out in the Company's articles of association for the time being; and that (as no shareholder is entitled to a fraction of a share) the Directors be and are hereby authorised to arrange for the aggregation and sale of such fractional entitlements at the best price reasonably obtainable and to distribute the net proceeds to such shareholders (subject to a minimum entitlement of £3) and to retain the balance of the net proceeds of sale for the benefit of the Company; and
- (b) each of the 481,059 Consolidated Ordinary Shares of 150p arising from the consolidation under paragraph (a) of this resolution be sub-divided into 1,500 ordinary shares of 0.1p, such shares having the same rights and being subject to the same restrictions as the existing ordinary shares of 0.1p each in the capital of the Company as set out in the Company's articles of association for the time being.

Dated: 9 September 2016

*Registered Office:*  
10B Russell Court  
Wool Gate  
Cottingley Business Park  
Cottingley  
Bingley  
West Yorkshire  
BD16 1PE

*By order of the Board*  
EK Wilson  
Secretary

**Notes:**

1. As a member of the Company, you are entitled to appoint a proxy 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.
2. 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.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
4. If you do not give your proxy an indication of how to vote on any resolution, 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.
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:

- (a) completed and signed;
- (b) sent or delivered to the Company's Registrars, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
- (b) received by no later than 10.00 a.m. on 22 September 2016.

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.

6. To change your proxy appointment, 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 apply 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, you may photocopy the enclosed proxy form.

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.

7. In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating that you revoke your proxy appointment to Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. 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 no later than 10.00 a.m. on 22 September 2016.

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.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 6.00 p.m. on 22 September 2016 or, if this meeting is adjourned, at 6.00 p.m. on the date two business days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## Vela Technologies plc

(Registered in England No. 03904195)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting of the Company will be held at the offices of Allenby Capital Limited at 3 St Helen's Place, London EC3A 6AB at 10.00 a.m. on 3 October 2016 for the following purposes:

### RESOLUTIONS

#### *Ordinary business*

To consider and, if thought fit, to pass resolutions 1 to 4 (inclusive) as ordinary resolutions:

- 1 To receive and adopt the directors' report, the auditor's report and the Company's accounts for the year ended 31 March 2016.
- 2 To re-appoint Murray Harcourt Limited as auditor in accordance with section 489 of the Companies Act 2006, to hold office until the conclusion of the Annual General Meeting of the Company in 2016.
- 3 To authorise the Directors to determine the remuneration of the auditor.
- 4 To re-appoint Antony Laiker as a Director of the Company.

#### *Special business*

To consider and, if thought fit, to pass resolution 5 as an ordinary resolution and resolution 6 as a special resolution:

- 5 THAT, in addition to all existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be authorised generally and unconditionally pursuant to Section 551 of the Companies Act 2006 as amended to exercise all the powers of the Company to allot shares and/or rights to subscribe for or to convert any security into shares, provided that the authority conferred by this resolution shall be limited to the allotment of shares and/or rights to subscribe or convert any security into shares of the Company up to an aggregate nominal amount of £400,000 such authority (unless previously revoked, varied or renewed) to expire on the conclusion of the Annual General Meeting of the Company to be held in 2017 or, if earlier, 15 months after the date on which this resolution has been passed, provided that the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require shares and/or rights to subscribe for or to convert any security into shares to be allotted after such expiry and the directors may allot such shares and/or rights to subscribe for or to convert any security into shares in pursuance of such offer, agreement or other arrangement as if the authority conferred hereby had not expired.
- 6 THAT, in addition to all existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be and are hereby generally empowered to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) pursuant to the general authority conferred by resolution 5 above for cash or by way of sale of treasury shares as if Section 561 of the Companies Act 2006 or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to
  - (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements

of any regulatory body or stock exchange in any territory or otherwise howsoever;

- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £400,000,

such authority and power (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2017, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired.

Dated: 9 September 2016

*Registered Office:*  
10B Russell Court  
Wool Gate  
Cottingley Business Park  
Cottingley  
Bingley  
West Yorkshire  
BD16 1PE

*By order of the Board*  
EK Wilson  
Secretary

**Notes:**

1. As a member of the Company, you are entitled to appoint a proxy 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.
2. 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.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
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