

Notice of Annual General Meeting

Collagen Solutions plc

(Registered number: 8446337)

Notice is hereby given that an Annual General Meeting of Collagen Solutions plc (the "Company") will be held at the offices of Shepherd and Wedderburn LLP, 191 West George Street, Glasgow G2 2LB at 10.00am on 24 August 2015 for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. To receive and adopt the Company's accounts for the financial year ended 31 March 2015, together with the Directors' Report and the Auditors' Report on those accounts.
2. To re-elect Brian Geoffrey Bennett as a director of the Company.
3. To re-appoint Baker Tilly UK Audit LLP as auditors of the Company.
4. To authorise the directors to fix the auditors' remuneration.
5. That:
 - (A) the directors be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £729,896.22;
 - (B) in addition to the authority contained in sub-paragraph (A) of this resolution, the directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (the "Act")) up to a maximum nominal amount of £569,896.22 in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
 - (C) the authorities given in this resolution:
 - (1) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
 - (2) unless renewed, revoked or varied in accordance with the Act, shall expire on 30 September 2016, or, if earlier, at the end of the next Annual General Meeting of the Company to be held in 2016, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and
 - (D) for the purpose of this resolution, "Pre-Emptive Offer" means an offer of equity securities to:
 - (1) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
 - (2) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them,

in each case, subject to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractional entitlements or legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

To consider and, if thought fit, pass the following as a special resolution:

6. That:
 - (A) subject to the passing of resolution 5 set out in the notice of Annual General Meeting dated 29 July 2015 (the "Allotment Authority"), the directors be given power pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560(1) of the Act) for cash, pursuant to the Allotment Authority as if section 561(1) of the Act did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities:
 - (1) in the case of paragraph (A) of the Allotment Authority:
 - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
 - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £256,453.30; and
 - (2) in the case of paragraph (B) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and

(B) the power given in this resolution:

- (1) shall be in substitution for all pre-existing powers under section 570 of the Act; and
- (2) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, 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.

By order of the Board



Gill Black
Company Secretary

29 July 2015

Registered office
c/o Shepherd and Wedderburn LLP

Condor House
10 St. Paul's Churchyard
London EC4M 8AL
England

Notes

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his/her rights to attend, speak and vote at that meeting on his/her behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. To appoint a proxy, a member may complete, sign and date the enclosed proxy form and deposit it at the office of the Company's registrars, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 10.00am on 20 August 2015. 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 enclosed with the proxy form.
3. In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his/her intention to revoke his/her proxy appointment and deposit it at the office of the Company's registrars, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU prior to the commencement of the meeting.
4. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's registrars prior to the commencement of the meeting.
5. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at 6.00pm on 20 August 2015 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

Notice of Annual General Meeting continued

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Explanatory notes to the Notice of Annual General Meeting

These notes give an explanation of the proposed resolutions. Resolutions 1 to 5 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 6 is proposed as a special resolution. This means that for resolution 6 to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Annual report and accounts

The directors must lay the Company's accounts, the Directors' Report and the Auditors' Report before the shareholders in a general meeting. This is a legal requirement after the directors have approved the accounts and the Directors' Report, and the auditors have prepared their report.

Resolution 2 – Re-election of directors

The Company's Articles of Association require that at the Annual General Meeting of the Company any directors who have been appointed since the last Annual General Meeting; or any who were not appointed or re-appointed at one of the preceding two Annual General Meetings, must retire from office. Accordingly, Brian Geoffrey Bennett will offer himself for re-election at the Annual General Meeting.

Biographical details of the directors are set out on pages 20 and 21 of the annual report and accounts.

Resolutions 3 and 4 – Re-appointment and remuneration of auditors

The Company is required to appoint auditors for each financial year of the Company. Resolution 3 proposes the re-appointment of Baker Tilly UK Audit LLP as the Company's auditors for the current financial year of the Company ending on 31 March 2016. Resolution 4 seeks authority for the directors to decide the auditors' remuneration.

Resolution 5 – Renewal of authority to allot shares

The purpose of this resolution is to renew the directors' power to allot shares. Section 551 of the Companies Act 2006 (the "Act") provides that the directors may not allot new shares (other than for employee share schemes) without shareholder approval. This resolution proposes that authority be granted in substitution of the existing authority to allot securities up to a maximum amount of £729,896.22. Of this amount, £569,896.22 represents approximately one-third of the Company's total issued ordinary share capital as at 31 July 2015, being the latest practicable date prior to publication of this document, and £160,000 represents the nominal amount of shares which the Directors anticipate will require to be issued in satisfaction of its obligations to the vendors of Collbio Limited under the acquisition agreement dated 9 December 2013, the first tranche of which the Directors' anticipate will fall due prior to or shortly after the AGM and a second and final tranche will potentially fall due at some point thereafter depending on the performance of Collbio Limited (the "Collbio Allotments"). The Directors confirm that they would not use the authority in excess of £569,896.22 other than for the Collbio Allotments.

In addition, following guidance issued by the ABI in December 2008 and updated in November 2009, the Company is seeking additional authority to allot securities in connection with a fully pre-emptive rights issue up to a maximum amount of £569,896.22, representing approximately one-third of the Company's total issued ordinary share capital as at 17 July 2015, being the latest practicable date prior to publication of this document. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue of an amount equal to two-thirds of the issued ordinary share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The directors consider that the authorities sought pursuant to resolution 5 are desirable to allow the Company to retain flexibility although they have no present intention of exercising these authorities. The authorities will expire at the end of the 2016 Annual General Meeting or, if earlier, on 30 September 2016, unless previously cancelled or varied by the Company in general meeting.

Resolution 6 – Disapplication of pre-emption rights

Section 561(1) of the Act provides that if the directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, it must first offer them to existing shareholders in proportion to their existing shareholdings. Section 561 does not apply in connection with an employee share scheme. The purpose of this resolution is to allow the directors to allot equity securities for cash as if section 561(1) of the Act did not apply, in connection with rights issues, open offers and other pre-emption offers pursuant to the authority granted by resolution 5, and otherwise up to a total amount of £256,453.30, representing approximately 15% of the Company's total issued ordinary share capital as at 17 July 2015, being the latest practicable date prior to publication of this document. This power is being sought in order to give the Company the flexibility to raise funds in the future should it choose to do so.

The authority will expire at the end of the 2016 Annual General Meeting or, if earlier, on 30 September 2016, unless previously cancelled or varied by the Company in general meeting.