

## NETSCIENTIFIC PLC

Incorporated and registered in England and Wales with registered number 08026888

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# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting (the "Meeting") of NetScientific plc (incorporated and registered in England and Wales with registered number 08026888) (the "Company") will be held on Wednesday 21 June 2017 at 11.00 a.m. at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE, United Kingdom to consider and, if thought fit, to pass the following resolutions, of which Resolutions 1 to 8 will be proposed as ordinary resolutions and Resolutions 9 and 10 will be proposed as special resolutions.

## Resolution 1

To receive and adopt the Company's Annual Report and Accounts for the financial year ended 31 December 2016, together with the Directors' Report and the Independent Auditors' Report on those accounts (together the "Annual Report").

## Resolution 2

To receive and approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the financial year ended 31 December 2016 as set out on pages 31 to 33 of the Annual Report.

## Resolution 3

To reappoint BDO LLP as auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next annual general meeting of the Company.

## Resolution 4

To authorise the Audit Committee to determine the remuneration of the auditors.

## Resolution 5

To reappoint Barry Wilson (who retires by rotation in accordance with the Articles of Association of the Company (the "Articles")) as a director of the Company.

## Resolution 6

To reappoint Jonathan Paisner (who retires by rotation in accordance with the Articles) as a director of the Company.

## Resolution 7

To reappoint Ian Postlethwaite (who having been appointed by the directors since the last annual general meeting, retires in accordance with the Articles) as a director of the Company.

## Resolution 8

That, without prejudice to Article 8 of the Articles, the directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 ("Companies Act"), to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company (together "relevant securities"):

- (a) up to an aggregate nominal amount of £851,261;
- (b) comprising equity securities (as defined by section 560(1) of the Companies Act) up to a further aggregate nominal amount of £851,261 in connection with an offer by way of a rights issue:
  - (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
  - (ii) to holders of 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 in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange

provided that this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the passing of this resolution (whichever is earlier), save that the Company may make an offer or agreement before this power expires which would or might require relevant securities to be allotted after this power expires and the directors may allot relevant securities pursuant to any such offer or agreement as if this authority had not expired.

This resolution is in substitution for all unexercised powers previously granted to the directors under section 551 of the Companies Act but without prejudice to any allotment already made or agreed to be made pursuant to such authorities.

## Resolution 9

That, subject to the passing of resolution 8 and without prejudice to Article 8 of the Articles, the directors be given the general power pursuant to sections 570 and 573 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash either pursuant to the authorities granted by resolution 8 or by way of a sale of treasury shares (within the meaning of section 724(5) of the Companies Act) as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares:

- (a) in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 8, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):

#### Resolution 9 (continued)

- (i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
- (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £127,689,

and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the date of the passing of this resolution (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This resolution is in substitution for all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Companies Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

#### Resolution 10

That, subject to the passing of resolution 8, the directors be and are generally empowered in addition to any authority granted under resolution 9 to allot equity securities (within the meaning of section 560 of the Companies Act) for cash either pursuant to the authorities granted by resolution 8 or by way of a sale of treasury shares (within the meaning of section 724(5) of the Companies Act) as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares:

- (a) up to an aggregate nominal amount of £127,689; and
- (b) used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this notice,

and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the date of the passing of this resolution (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

By order of the Board



**Ian Postlethwaite**  
Company Secretary

25 May 2017  
Registered office:  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

## NOTES

1. Only those members registered on the Company's register of members at:

- 11.00 a.m. on Monday 19 June 2017; or,
- if the Meeting is adjourned, the time which is 48 hours (excluding any day which is not a working day) before the appointed time for the adjourned meeting,

("Members") shall be entitled to attend and vote at the Meeting. Any changes to the register of members after the above time and date shall be disregarded in determining the rights of any person to attend and/or vote at the Meeting.

2. Members wishing to attend the Meeting in person should aim to arrive at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE no later than 10.45 a.m. for registration.
3. Any Member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the Meeting instead of him or her. Members should have received a proxy form with this notice of meeting. Appointment of a proxy does not preclude a Member from attending the Meeting and voting in person. If a Member has appointed a proxy and attends the Meeting in person, the proxy appointment will automatically be terminated.
4. A proxy does not need to be a member of the Company but must attend the Meeting to represent the relevant Member. Details of how to appoint the Chairman of the Meeting or another person as proxy using the proxy form are set out in the notes to the proxy form. If a Member wishes his proxy to speak on his behalf at the Meeting, such Member will need to appoint his own choice of proxy (not the Chairman) and give his instructions directly to such proxy.
5. A Member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares and such Member specifies the number of shares in respect of which each proxy is entitled to exercise voting rights. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. If the number of shares to which the proxy relates is left blank on the proxy form, it shall be deemed to constitute an appointment of such proxy in relation to all the shares held by such Member. A Member may not appoint more than one proxy to exercise rights attached to the same share. To appoint more than one proxy, Members should contact the Company's registrar Capita Asset Services on 0870 664 0300 between 9.00 a.m. and 5.30 p.m. Monday to Friday (calls cost 12 pence per minute plus network extras). Members should also tick the relevant box on the form of proxy provided if the proxy appointed pursuant to such form is one of multiple appointments being made by such Member.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy will vote or abstain from voting at his or her discretion. A Member's 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.
7. To appoint a proxy using the enclosed proxy form, the form must be:
  - completed and signed by or on behalf of the Member;
  - sent or delivered to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF (the "Registrars"); and
  - received by the Registrars at such address no later than 11 a.m. (BST) on Monday 19 June 2017 (or, if the Meeting is adjourned, not less than 48 hours (excluding any day that is not a working day) before the appointed time for the adjourned meeting) (the "Cut-off Time").

In the case of a Member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by an officer of the corporation, an attorney for the corporation or any other person authorised to sign the proxy form on behalf of the corporation.

Any power of attorney or any other authority under which the proxy form is signed (or a notarially certified copy of such power or authority) must be included with the proxy form.

8. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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 Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the Cut-off Time. 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. After this time any change in instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

9. 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).

10. If a Member wishes to change his proxy instructions he should submit a new proxy appointment using the methods set out above, so as to arrive before the Cut-off Time. Any amended proxy appointment received after the Cut-off Time will be disregarded.

If a Member submits more than one valid proxy appointment in respect of the same share for use at the Meeting, the appointment received last (regardless of its date or the date of its execution) shall (provided it is received before the Cut-off Time) be treated as replacing and revoking any other proxy appointment as regards that share.

11. A Member may terminate the authority of a person to act as such Member's proxy by notice in writing to the Company delivered to the Registrars at the address specified above no later than the Cut-off Time. In the case of a Member which is a corporation, the termination notice must be executed under its common seal or signed on its behalf by an officer of the corporation, an attorney for the corporation or any other person authorised to sign such notice on behalf of the Corporation. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the termination notice.
12. 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.
13. Copies of the service contracts of the executive directors and letters of appointment for the non-executive directors will be available for inspection at the Meeting for at least 15 minutes prior to and during the Meeting..
14. Except as provided above, Members who have general queries about the Meeting should write to the Company Secretary of the Company at Anglo House, Bell Lane Office Village, Bell Lane, Amersham, Buckinghamshire HP6 6FA, United Kingdom. No other methods of communication will be accepted.

## Explanatory Notes to the Business of the Annual General Meeting

### Resolution 1

The Company's Annual Report and Accounts for the financial year ended on 31 December 2016 and the Directors' Report and the Independent Auditors' Report on those accounts will be presented to shareholders for approval.

### Resolution 2

Although AIM traded companies are not required by company law or the UK Corporate Governance Code to present a separate Remuneration Report to their shareholders for a vote, your Board has decided that the Remuneration Report, which is contained in the Annual Report and describes how the directors' remuneration policy has been implemented during the previous financial year, should be subject to an advisory shareholder vote. As the vote is advisory only, it does not affect the historical remuneration paid to any individual director.

### Resolutions 3 and 4

At every annual general meeting at which accounts are presented to shareholders, the Company is required to appoint an auditor to serve from the conclusion of that meeting until conclusion of the next such annual general meeting. BDO LLP have confirmed that they are willing to continue as the Company's auditors for the next financial year. The Company's shareholders are asked to reappoint them and to authorise the Audit Committee to determine their remuneration.

### Resolutions 5, 6 and 7

In accordance with Article 35 of the Articles, which requires that at every annual general meeting of the Company at least one third of the directors for the time being retire from office by rotation, having so retired by rotation in accordance with Article 35, Barry Wilson and Jonathan Paisner are standing for reappointment by the shareholders at the Meeting. In accordance with Article 30.3 of the Articles, Ian Postlethwaite, who was appointed as a director by the Board of directors of the Company, is standing for reappointment by the shareholders at the Meeting.

### Resolution 8

This resolution seeks to authorise the directors to allot shares, subject to the normal pre-emption rights reserved to shareholders contained in the Companies Act. It renews a similar authority given at last year's annual general meeting and is in two parts. Paragraph (a) of Resolution 8 will give the directors authority to allot new shares up to an aggregate nominal amount equal to £851,261. This amount represents one third of the issued ordinary share capital of the Company. Paragraph (b) of Resolution 8 will give the directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders of up to a further aggregate nominal amount of £851,261. This amount represents approximately one third of the existing issued share capital. Resolution 8 seeks authorities to allot shares in line with the guidance issued by the Investment Association.

### Resolutions 9 and 10

Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Companies Act) for cash or sell treasury shares for cash, then under the Act they must first offer such shares or securities to shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disapplied by shareholders. Resolutions 9 and 10, which will be proposed as special resolutions, will enable the directors to allot equity securities for cash or sell treasury shares for cash up to a maximum aggregate nominal amount of £1,702,523, representing, in aggregate, approximately two-thirds of the existing issued share capital without having to comply with statutory pre-emption rights.

Sub-paragraph (a) of Resolution 9 allows the directors to allot equity securities for cash without complying with the statutory pre-emption rights up to an aggregate nominal amount of (i) £1,702,523 in connection with a rights issue; or (ii) £851,261 in connection with an open offer or other pre-emptive offer, in each case. Sub-paragraph (b) of resolution 9 allows the directors to allot equity securities or sell treasury shares for cash without complying with the statutory pre-emption rights provided the allotment is a non-pre-emptive issue or sale for cash which is limited to securities for an aggregate nominal amount of £127,689, representing approximately 5 per cent of the issued ordinary share capital of the Company.

Resolution 10 allows the directors to allot equity securities or sell treasury shares for cash without complying with the statutory pre-emption rights in addition to the authority granted by Resolution 9, provided (i) the allotment is a non-pre-emptive issue or sale for cash which is limited to securities for an aggregate nominal amount of £127,689, representing approximately 5 per cent of the issued ordinary share capital of the Company; and (ii) the allotment is used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice. The directors confirm that they do not intend to issue more than 7.5 per cent of the issued ordinary share capital of the Company on a non-pre-emptive basis (except in connection with an acquisition or specified capital investment as referred to above) in any rolling three year period without prior consultation with shareholders.