

NEKTAN PLC (the 'Company')

# NOTICE OF 2017 ANNUAL GENERAL MEETING

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities if you are resident in the United Kingdom or, if not, from another appropriate adviser.**

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please forward this document and the accompanying form of proxy and form of direction to the purchaser or transferee or to the stakeholder, bank or other agent through whom the sale or transfer was effected, for the transmission to the purchaser or transferee.

**NOTICE IS HEREBY GIVEN THAT** the 2017 Annual General Meeting of the Company for the period commencing 1 July 2016 and ending on 30 June 2017 will be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF and by telephone using telephone number 0800 496 2121 for callers in the UK and +44(0)20 7904 1856 for callers from outside the UK and passcode 4308101 on 7 February 2018 at 11.00 am (UK time) to consider and, if deemed fit, to approve the following resolutions (the "**Resolutions**"), Resolutions 1 to 6 (inclusive) being ordinary resolutions and Resolution 7 being a special resolution:

## ORDINARY RESOLUTIONS

1. To receive the Annual Report and Accounts of the Company for the year ended 30 June 2017 and the reports of the Directors and the auditors thereon.
2. That Sandeep Reddy, who retires in accordance with the Company's Articles of Association (the "**Articles**") and who being eligible, offers himself for re election, be re elected as a Director of the Company.
3. That Gary Shaw, who retires in accordance with the Articles and who being eligible, offers himself for re election, be re elected as a Director of the Company.<sup>1</sup>
4. That Jim Wilkinson, who retires in accordance with the Articles and who being eligible, offers himself for re election, be re elected as a Director of the Company.<sup>1</sup>
5. To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and to authorise the Directors to set the auditors' remuneration.
6. That, in accordance with the Articles, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:
  - (a) up to an aggregate nominal amount of £75,785.77 in connection with the grant or exercise of certain options over the share capital of the Company (the "**Options**");
  - (b) up to an aggregate nominal amount of £26,433.09 in connection with the grant or exercise of certain warrants over the share capital of the Company issued in March 2016 (the "**Spring 2016 Warrants**");
  - (c) up to an aggregate nominal amount of £592,000.00 in connection with and on the terms set out in the convertible loan notes issued pursuant to the Series A Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (as amended by a first amendment deed dated 29 December 2016 and a second amendment deed dated 19 December 2017) and the Series B Fixed Rate Secured Convertible Loan Note Instrument dated 28 April 2015 (as amended by an amendment deed dated 5 October 2015) (the "**CLNs**");
  - (d) up to an aggregate nominal amount of £45,000.00 in connection with the exercise of certain warrants over the share capital of the Company issued to the Series A CLN holders as consideration for agreeing to defer interest on the Series A CLN's (the "**CLN Deferred Interest Warrants**");
  - (e) up to an aggregate nominal amount of £134,000.00 in connection with the grant or exercise of certain warrants over the share capital of the Company issued in connection with the July 2017 debt fundraise (the "**Debt Warrants**");
  - (f) up to an aggregate nominal amount of £3,425,000.00 in connection with the grant or exercise of certain limited exercise warrants over the share capital of the Company issued in connection with the July 2017 debt fundraise (the "**Anti-Dilution Warrants**");
  - (g) otherwise than in connection with the matters set out in sub-paragraphs (a) to (f) above, up to an aggregate nominal amount of £148,137.24; and
  - (h) otherwise than in connection with the matters set out in sub-paragraphs (a) to (f) above, up to an aggregate nominal value of £296,274.49 (after deducting from such limit any relevant securities allotted under paragraph (g) above) in connection with any offer by way of a rights issue.

<sup>1</sup> Article 84 - At each AGM any director who: (i) has been appointed since the last AGM; (ii) held office at the time of the last two AGM's and did not retire at either of them; or (iii) held office (other than employment or executive office) for a continuous period of 9 years or more at the date of the AGM, must retire and will be eligible for re-appointment.

# NEKTAN PLC (the 'Company')

## NOTICE OF 2017 ANNUAL GENERAL MEETING

Unless previously renewed, revoked or varied, the authority conferred by this Resolution 6 shall apply in substitution for all existing authorities until the conclusion of the next annual general meeting of the Company after the date on which this Resolution is passed or, if earlier, the close of business on the date 15 months following the passing of this Resolution but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to be granted after the authority expires and the directors may allot shares or grant such rights under such an offer or agreement as if the authority conferred hereby had not expired.

For the purposes of this Resolution 6, "rights issue" means an offer to:

- i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- ii. holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such limits, restrictions or arrangements as the directors consider necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

### SPECIAL RESOLUTION

7. That, subject to the passing of Resolution 6 and in place of any existing authority, the Directors be given the general power to allot equity securities for cash, pursuant to the authority conferred by Resolution 6, as if article 5 of the Articles did not apply to any such allotment, provided that this power shall be limited to:

- (a) up to an aggregate nominal amount of £75,785.77 in connection with the grant or exercise of the Options;
- (b) up to an aggregate nominal amount of £26,433.09 in connection with the grant or exercise of the Spring 2016 Warrants;
- (c) up to an aggregate nominal amount of £592,000.00 in connection with the CLNs;
- (d) up to an aggregate nominal amount of £45,000.00 in connection with the exercise of the CLN Deferred Interest Warrants;
- (e) up to an aggregate nominal amount of £134,000.00 in connection with the grant or exercise of the Debt Warrants;

- (f) up to an aggregate nominal amount of £3,425,000.00 in connection with the grant or exercise of the Anti-Dilution Warrants;
- (g) in connection with a rights issue pursuant to sub-paragraph (h) of Resolution 6 as the Directors may consider necessary, appropriate or expedient to deal with fractional entitlements, record dates, any legal or practical problems in or under the laws of any territory, the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever; and
- (h) otherwise than in connection with the matters set out in sub-paragraphs (a) to (g) above, up to an aggregate nominal amount of £44,441.17.

Unless previously renewed, revoked or varied, the power conferred by this Resolution 7 shall apply in substitution for all existing powers until the conclusion of the next Annual General Meeting of the Company after the date on which this Resolution is passed or, if earlier, the close of business on the date 15 months following the passing of this Resolution but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted after the power expires and the directors may allot equity securities under such an offer or agreement as if the power conferred hereby had not expired.

For the purposes of this Resolution 7, "rights issue" has the same meaning given in Resolution 6.

### BY ORDER OF THE BOARD

---

Jim Wilkinson, Director

Dated this 8 January 2018

## NEKTAN PLC (the 'Company')

# EXPLANATORY NOTES

1. Only those members registered in the register of members of the Company at 6:00 p.m. on 5 February 2018 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned, the time by which a person must be entered in the register of members of the Company in order to have the right to attend and vote at the meeting is 6:00 p.m. on the day that is two days prior to the day of the adjourned meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and to speak and vote on his behalf at the meeting. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. The completion and return of a proxy form will not prevent a member who wishes to do so from attending and voting at the meeting in person.
3. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Each proxy must be appointed on a separate proxy form. Additional proxy forms may be obtained by contacting Patrick Sinclair on Patrick.Sinclair@nektan.com. Alternatively, members may photocopy the accompanying proxy form the required number of times before completing it. A member appointing more than one proxy must indicate on the relevant proxy forms the number of shares in respect of which each proxy is appointed.
4. To be valid, a proxy form and any power of attorney or other authority (if any) under which it is signed (or a duly certified copy of such power or authority) must be received by post (during normal business hours only) or by hand at 2.1 Waterport Place, 2 Europort Avenue, Gibraltar, not less than 48 hours before the time appointed for holding the meeting at which the person named in such instrument proposes to vote, i.e. 11:00 am (UK time) on 5 February 2018.
5. The form of direction accompanying this Notice must be signed by the depositary interest holder or an attorney duly authorised in writing and deposited with Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 72 hours before the time appointed for holding the meeting at which the person named in such instrument proposed to vote, i.e. 11:00 am (UK time) on 2 February 2018. Any form of direction received after that time will not be valid for the scheduled meeting.
6. CREST members who wish to give a form of direction or appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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, to procure that his CREST sponsor or voting service provider take) 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 connection, 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.
9. 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.
10. Any corporation which is a member may 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.

## NEKTAN PLC (the 'Company')

# EXPLANATORY NOTES

11. 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).
12. As at 5 January 2018 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 44,441,174 Ordinary Shares, carrying one vote each. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company as at 5 January 2018 is 44,441,174.
13. Resolution 1 is required by the Gibraltar Companies Act 2014 (as amended) which states the directors must present audited consolidated accounts of the Company to a general meeting of shareholders.
14. Resolutions 2, 3 and 4 confirm the retirement and re election of each of Sandeep Reddy, Gary Shaw and Jim Wilkinson. Their profiles can be found in the Company's Annual Report and Accounts.
15. Resolution 5 is required by section 255 of the Gibraltar Companies Act 2014 (as amended) that states that the Company must appoint an auditor to hold office at each annual general meeting. The audit committee recommends, and the board agrees with, the reappointment of BDO LLP as auditors.
16. Resolution 6 gives the Directors authority to allot Ordinary Shares up to an aggregate nominal value of: (a) £75,785.77 in connection with options exercisable by Chrystal Capital Partners LLP and Disruptive Tech Limited and in relation to the Employee Share Scheme (as defined in the Articles); (b) £26,433.09 in connection with warrants issued over share capital in the Company in March 2016; (c) £592,000.00 in connection with the possible conversion of the outstanding CLNs; (d) £45,000.00 in connection with the issue of the CLN Deferred Interest Warrants; (e) £134,000.00 in connection with the exercise of the Debt Warrants held by Gary Shaw and Sandeep Reddy; (f) £3,425,000.00 in connection with the Anti-Dilution Warrants; (g) £148,137.24 being up to one-third of the aggregate nominal amount of the Company's entire issued ordinary share capital; and (h) £296,274.49 being up to two-thirds of the Company's entire issued share capital (less any shares issued under (g)) by way of a rights issue. The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the passing of the resolution. These authorities would also negate previous authorities to allot Ordinary Shares in the Company.
17. Resolution 7 disapplies pre-emption rights contained in the Articles for the allotment of equity securities pursuant to the authority contained in Resolution 6. This authority allows the Directors to allot Ordinary Shares on a non-pre-emptive basis, for all of the Ordinary Shares set out in each of sub paragraphs (a) to (f) of Resolution 6 and for the Ordinary Shares in sub-paragraph (g) relating to a rights issue with flexibility in dealing with fractions and other ancillary matters requiring administrative disapplication of pre-emption rights and further up to a nominal value equal to one tenth of the aggregate nominal amount of the Company's entire issued share capital generally. The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the passing of the resolution.