

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action to take you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised pursuant to the Financial Services and Markets Act 2000.**

If you sell or have sold or otherwise transferred all of your ordinary shares in Nasstar plc ("Nasstar" or the "Company") please send this document, together with the accompanying form of proxy, immediately 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.

## **Nasstar plc**

(Incorporated and registered in England & Wales with Registered No. 5623736)

### **NOTICE OF 2016 ANNUAL GENERAL MEETING**

**and**

### **EXPLANATORY CIRCULAR TO SHAREHOLDERS**

A letter from the Chairman of the Company explaining the background to and the reasons for the proposed resolutions, including the grant of authority to the Directors to allot relevant securities and the disapplication of pre-emption rights, is set out on pages 2 to 4 of this document. **You are recommended to vote in favour of all of the resolutions to be proposed at the Annual General Meeting.**

The notice convening the annual general meeting of the Company is set out at the end of this document. The 2016 Annual General Meeting will be held at the Company's offices at Datapoint House, 400 Queensway Business Park, Queensway, Telford, Shropshire, TF1 7UL on Monday 23 May 2016 at 9.00 a.m.. **A form of proxy for use at the meeting is enclosed with this document and should be completed, signed and returned in accordance with the instructions thereon as soon as possible but in any event so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by not later than 9.00 a.m. on Thursday 19 May 2016.** The completion and return of a form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you wish to do so.

This document does not comprise or form part of any offer or invitation to acquire or to dispose of or to subscribe for any interests in shares or securities in the Company and none of its contents nor the fact of its existence may be relied on in connection with any contract therefor.

## Letter from the Chairman

### **Nasstar plc**

(Incorporated and registered in England & Wales with Registered No. 5623736)

*Directors:*

Peter Daresbury (Non-Executive Chairman)  
Nigel Redwood (Chief Executive Officer)  
Niki Redwood (Finance Director)  
Nick Bate (Non-Executive Director)  
Angus McCaffery (Non-Executive Director)  
Mike Read (Non-Executive Director)  
David Redwood (Non-Executive Deputy Chairman )

*Registered Office:*

Datapoint House  
400 Queensway Business  
Park  
Queensway  
Telford  
Shropshire  
TF1 7UL

25 April 2016

*To Shareholders*

Dear Shareholder,

### **Notice of 2016 Annual General Meeting**

#### **Introduction and Background**

I am pleased to invite you to this year's Annual General Meeting ("AGM"). The AGM gives the Directors the opportunity to present the Company's performance and strategy to Shareholders and to listen and respond to your questions. We continue to implement our growth and acquisition strategy and have done so successfully again this year. We have completed our acquisition of the business and assets of VESK Virtual Desktop LLP, Appiam Ltd and VESK Ltd. We have announced on 11 April 2016 pleasing financial results and are delighted to have declared our proposed maiden dividend. The AGM will only deal with Ordinary Business which are the matters usually covered at annual general meetings. There will be no Special Business at this AGM. The Company's audited financial statements for the twelve months ended 31 December 2015 accompany this letter and notice and are also available from the Company's website at [www.nasstar.com/investors](http://www.nasstar.com/investors).

#### **Ordinary Business**

The following notes explain the items of ordinary business to be conducted at the AGM.

Resolution 1: To approve the 2015 report and accounts

Shareholders shall have the opportunity to ask questions on the Company's reports and financial statements for the 12 month period ended 31 December 2015 and to approve their contents.

Resolution 2: To approve the re-appointment of KPMG LLP as auditors

The Company's auditors must offer themselves for reappointment at each annual general meeting at which accounts are presented. The Directors, advised by the audit committee members (who are Nick Bate, Angus McCaffery and Mike Read) are satisfied with the service provided from and the terms of engagement of KPMG LLP as the Company's auditors and are pleased to propose their re-election to that role under resolution 2.

Resolution 3: To authorise the Company's audit committee to set the remuneration of the auditors

This resolution would authorise the Company's audit committee to determine the remuneration of the auditors.

Resolution 4: To reappoint Lord Daresbury as a director of the Company

The deputy chairman of the Company, David Redwood, confirms on behalf of the board that my continuation as a director of the Company would be appropriate and in the interests of shareholders. My biographical details appear on the Company's website at [www.nasstar.com](http://www.nasstar.com) and details of my interests in shares in the Company are set out on pages 10 and 11 of the Company's 2015 annual report and financial statements.

Resolution 5: Authority to allot equity securities

The purpose of Resolution 5 is to renew the Directors' power to allot shares and rights to subscribe for them.

The authority in Resolution 5 will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into shares. The authority is a general authority to allot new shares and grant rights to subscribe for, or convert other securities into shares up to a nominal value of £1,282,918.73 which is equivalent to approximately 33 per cent of the total issued Ordinary Share capital of the Company, as at the date of publication of this document.

The Directors recognise that the Company may need to issue new Ordinary Shares as either share consideration and/or to fund cash consideration which may be greater than the current cash reserves of the Company for any further acquisition and so are asking for a similar proportionate size authority to that obtained at the last annual general meeting. The Directors do not have a present intention of exercising the authority to be given by Resolution 5 because no acquisition or transaction has been finalised and no binding commitments to issue new Ordinary Shares have been entered into, although the Directors continue to actively review from time to time the range of acquisition opportunities available and potentially available to the Company. The Directors will therefore consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that arise which are consistent with the Company's strategic objectives.

If the resolution is passed, the authority will expire on the earlier of the end of the AGM in 2017 or on 23 October 2017.

Resolution 6: Disapplication of pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme),

company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of Resolution 6 is to authorise Directors to allot new shares pursuant to the authority given by Resolution 5, or sell treasury shares, for cash in connection with a pre-emptive offer or otherwise up to a nominal value of £192,437.81 which is equivalent to approximately 5 per cent of the total issued Ordinary Share capital of the Company as at the date of this document without the shares first being offered to existing shareholders in proportion to their existing holdings.

The Board considers the authority in Resolution 6 to be appropriate in order to allow the Company the flexibility to finance any further acquisitions or other opportunities without the need to comply with the strict requirements of the statutory pre-emption provisions.

Resolution 7: To approve the payment of a final dividend

A final dividend may only be paid after it has been approved by the Company's shareholders. A final dividend of 0.045 pence per ordinary share is recommended by the directors for payment to shareholders who were on the register at the close of business on 3 June 2016. If approved, the final dividend shall be paid on 4 July 2016. The ex-dividend date is 2 June 2016.

### **Action to be taken in respect of the Annual General Meeting by the holders of Ordinary Shares**

Set out at the end of this document is the notice convening the Annual General Meeting of the Shareholders to be held at the offices of the Company at Datapoint House, 400 Queensway business Park, Queensway, Telford, Shropshire, TF1 7UL on Monday 23 May 2016 at 9.00a.m., at which the resolutions set out in the notice of AGM (the "Resolutions") will be proposed.

A Form of Proxy for use at the Annual General Meeting of the Shareholders is enclosed with this document.

Whether or not you intend to attend and participate at the Annual General Meeting, the Form of Proxy should be completed and signed in accordance with the instructions on it and in accordance with the Company's articles of association and returned 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 be received not later than 9.00a.m. on Thursday 19 May 2016.

The completion and return of the Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person should you so wish.

### **Recommendation**

The Directors consider that the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that you vote in favour of the Resolutions as set out in the Notice of the Annual General Meeting, as your Directors intend to do or procure to be done in respect of their legal and/or beneficial holdings of Ordinary Shares, which amount, in aggregate, to 37,642,249 Ordinary Shares, representing approximately 7.05 per cent of the issued share capital of the Company.

Yours faithfully

A handwritten signature in black ink that reads "Peter Daresbury". The signature is written in a cursive, flowing style.

**Lord Daresbury (Peter)**  
**Non-Executive Chairman**

**Company Number: 5623736**

**NASSTAR PLC**

**(the "Company")**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the **ANNUAL GENERAL MEETING ("AGM")** of the Company will be held at Datapoint House, 400 Queensway Business Park, Queensway, Telford, Shropshire, TF1 7UL on Monday 23 May 2016 at 9.00 a.m..

The meeting will be held in order to consider and, if thought fit, pass resolutions 1-5 and resolution 7 as ordinary resolutions and resolution 6 as a special resolution.

**Ordinary resolutions**

1. To receive and adopt the report and accounts of the Company for the period ended 31 December 2015.
2. To re-appoint KPMG LLP of One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH as auditors to hold office until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
3. To authorise the audit committee of the directors to fix the remuneration of the auditors.
4. To re-elect Lord Daresbury as a director who retires as a director pursuant to article 24 of the Company's articles of association.
5. That the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal value of £1,282,918.73 and such authority shall apply in substitution for all previous authorities and to expire on the date which is earlier of the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

**Special resolution**

6. That, subject to the passing of resolution 5 above, the Directors be and are hereby empowered to allot equity securities (as defined in Section 560(1) of the Act) wholly for cash pursuant to the authority given by resolution 9 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(2) of the Act up to a nominal value of £192,437.81 as if section 561(1) of the Act did not apply to any such allotment, such authority to expire on the date which is earlier of the conclusion of the next annual

general meeting of the Company or 15 months after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting, but in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require equity securities to be allotted after the authority ends.

For the purposes of this resolution:

- (i) references to an allotment of equity securities shall include a sale of treasury shares; and
- (ii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

### **Ordinary resolution**

7. To approve the final dividend on the ordinary shares of 1 penny each of 0.045p per share for the year ended 31 December 2015 to shareholders on the register at close of business on 3 June 2016.

BY ORDER OF THE BOARD



Director  
For and on behalf of Nasstar Plc

Dated: 25 April 2016

Registered Office: Datapoint House, 400 Queensway Business Park, Queensway,  
Telford, Shropshire, TF1 7UL

## **NOTES:**

1. Shareholders entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and speak on their behalf. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. To appoint more than one proxy you may photocopy the Proxy Form which accompanies this notice. Investors who hold their shares through a nominee may wish to attend the meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. Shareholders are invited to complete and return the enclosed Proxy Form. Completion of the Proxy Form will not prevent a Shareholder from attending and voting at the meeting if subsequently he/she finds they are able to do so. To be valid, completed Proxy Forms must be received at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, by not later than 9.00 a.m. on Thursday 19 May 2016 (being 48 hours prior to the time fixed for the meeting excluding Saturday and Sunday) or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting.
2. Representatives of Shareholders which are corporations attending the meeting should produce evidence of their appointment by an instrument executed in accordance with section 44 of the Companies Act 2006 or signed on behalf of the corporation by a duly authorised officer or agent and in accordance with article 19.6 of the Company's articles of association.
3. 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.
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of Ordinary Shares registered in the register of members of the Company at 9.00 a.m. on Thursday 19 May 2016 (being 48 hours prior to the time fixed for the meeting excluding any part of a day that is not a working day) shall be entitled to attend and vote at the AGM in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after 9.00 a.m. on Thursday 19 May 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.