

# Netcall plc

(Incorporated and registered in England and Wales with number 01812912)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Netcall plc (the "Company") will be held at the offices of Taylor Wessing LLP, 5 New Street Square, London, EC4A 3TW, on Thursday 27 November 2014 at 10.30am, the business of which will be:

### ORDINARY BUSINESS

1. To receive and consider the accounts for the financial year ended 30 June 2014, together with the reports of the Directors and auditors.
2. To re-elect James Andrew Ormondroyd as a Director of the Company.
3. To reappoint Grant Thornton UK LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next General Meeting at which accounts are laid before the Company and to authorise the Directors to agree the remuneration of the auditors.
4. To declare a dividend of 0.9 pence per ordinary share, payable on 12 January 2015 to those shareholders registered at the close of business on 12 December 2014.
5. To resolve as an ordinary resolution:

"That:

in substitution for all subsisting authorities, the Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the power of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:

- (a) up to an aggregate nominal amount of £2,283,880; and
- (b) up to a further aggregate nominal amount of £2,283,880 provided that such shares or rights are equity securities (as defined in section 560(1) of the Act) in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares (and to the holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities) but subject to the Directors having the right to make such exclusions or other arrangements as they deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems under the law in any territory or jurisdiction or the requirements of any regulatory body or stock exchange or any other matters;

and so that this authority shall expire on 26 February 2016 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2015 but so that the Company may, before this authority expires, make any offer, agreement or arrangement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights pursuant to such offer, agreement or arrangement as if the authority had not expired; and

- (c) the authority conferred by this resolution shall revoke and supersede any and all previous authorities to allot relevant securities given to the Directors to the extent the same have not previously been utilised or revoked and have not expired.

## SPECIAL BUSINESS

6. To resolve as a special resolution:

“That:

- (i) subject to the passing of resolution 5 the Directors be and are hereby empowered pursuant to section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 5 in this notice and sell pursuant to section 573 of the Act equity securities held by the Company as treasury shares (as defined by section 724 of the Act) for cash as if section 561 of the Act did not apply to any such allotment or sale provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:
  - (a) in connection with an offer by way of rights, open offer or other pre-emptive offer in favour of the holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of all the holders of ordinary shares in the Company are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them but subject to such exclusions or other arrangements as the Directors may deem fit, necessary or expedient in relation to the fractional entitlements or legal or practical problems arising in respect of the laws of or the requirements of any recognised regulatory body or any stock exchange otherwise in any overseas territory; and
  - (b) otherwise than pursuant to sub-paragraph (a) of this resolution up to an aggregate nominal amount of £685,164;
- (ii) the power hereby conferred shall expire on the conclusion of the next Annual General Meeting following the date of this resolution (or, if sooner, 15 months from the date of the passing of this resolution) but may be previously revoked or varied by special resolution; and
- (iii) the power hereby conferred shall enable the Company to make any offer or agreement before the expiry of that power that would or might require equity securities to be allotted or treasury shares to be sold after such power expires and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement subject to the limits prescribed by paragraph (i) of this resolution as if the power hereby conferred had not expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words ‘subject to the passing of resolution 5’ were omitted.”

7. To resolve as a special resolution:

“That the Company be authorised generally and unconditionally, for the purposes of section 701 of the Act, to make market purchases (within the meaning of section 693 (4) of the Act) of its ordinary shares provided that:

- (a) the maximum number of ordinary shares that may be acquired is 13,703,281 being approximately 10% of the Company’s existing issued share capital;
- (b) the minimum price per share that may be paid for any such shares is £0.05 pence; and
- (c) the maximum price that may be paid for any such shares is not more than the higher of (i) an amount equal to 110% of the average market value for an ordinary share, as derived from the London Stock Exchange Business List, for the five business days prior to the day on which the purchase is made; or (ii) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and (iii) such authority shall expire at the earlier of the close of the next Annual General Meeting or 26 February 2016 except that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after such expiry and to purchase shares in accordance with such contract as if the authority conferred had not expired.”

The Directors believe that the proposals set out in Resolutions 1 to 7 are in the best interests of shareholders as a whole and they unanimously recommend that shareholders vote in favour of each of these resolutions as they intend to do in respect of their own holdings.

Registered Office:  
3<sup>rd</sup> Floor, Hamilton House  
111 Marlowes  
Hemel Hempstead  
Hertfordshire  
HP1 1BB  
Registered Number 01812912  
Dated 24 October 2014

By Order of the Board

*Michael Greensmith*

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**Michael Greensmith**  
Secretary

## NOTES:

- (1) A member of the Company may appoint one or more proxies to attend, speak and vote instead of the member. A proxy of a member need not also be a member. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share.
- (2) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited with the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not less than 48 hours before the time for holding the meeting. A Form of Proxy accompanies this document for use by members. As an alternative to completing the hard copy Form of Proxy, you can appoint a proxy electronically by completing the online proxy form at [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements. For an electronic proxy appointment to be valid, your appointment must be received by Neville Registrars Limited no later than 10.30am on 25 November 2014.
- (3) Completion of the Form of Proxy will not preclude a member from attending and voting in person.
- (4) A corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf. Holders of ordinary shares are entitled to attend and vote at General Meetings of the Company. On a vote by a show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote, unless the proxy has been appointed by more than one member and has been instructed by more than one member to vote for the resolution and by one or more members to vote against the resolution, in which case the proxy has one vote for and one against. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which he/she is the holder.
- (5) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 as amended the Company specifies that only those shareholders registered in the Register of Members of the Company as at 10.30am on 25 November 2014 (the "Specified Time") shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant register of members (the "Register") for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. Should the Annual General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of shareholders to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Annual General Meeting. Should the Annual General Meeting be adjourned for a longer period, to be so entitled, shareholders must have been entered on the Register at the time which is 48 hours before the time fixed for the adjourned Annual General Meeting or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in the Notice.
- (6) There are no Directors' service contracts of more than one year's duration.
- (7) Copies of Contracts of Service and letters of appointment (including indemnities) between any Director and the Company or its subsidiaries are available for inspection at the registered office of the Company during normal business hours and will also be available for inspection at the place of the Annual General Meeting until the conclusion of the Annual General Meeting.
- (8) CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal 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 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 CRESTCO's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed Proxy must be transmitted so as to be received by Neville Registrars Limited (**ID: 7RA11**) no later than 10.30am on 25 November 2014. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to 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 sponsor(s) or voting service provider(s) 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 as amended.
- (9) As at 23 October 2014, being the last practicable date before the date of this Notice there were 137,032,812 ordinary shares in issue, each with equal voting rights. The total number of voting rights in the Company as at 23 October 2014, being the last practicable date before the date of this Notice is 137,032,812. Held in treasury are 1,869,181 shares. Holders of ordinary shares are entitled to attend, speak and vote, either in person or by proxy, at General Meetings of the Company.
- (10) **For further details relating to voting or participation rights of shareholders including the information required by Section 311A of the Companies Act 2006, please refer to the Company's Articles of Association, copies of which together with a copy of this Notice, the Form of Proxy and the Annual Report and Accounts for the period ending 30 June 2014 including the information required by Section 311A of the Companies Act 2006 can be found at and are available on our website at [www.netcall.com](http://www.netcall.com).**

# NETCALL plc (“Netcall” or the “Company”)

## EXPLANATORY NOTES TO THE NOTICE OF AGM

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the UK or, if not, another appropriately authorised financial adviser, without delay. If you have sold or transferred all of your ordinary shares in Netcall, you should pass this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.**

To Ordinary Shareholders in the Company and for information purposes to holders of options over shares in the Company under employee and unapproved share option schemes.

Company No: 01812912  
Registered Office: 3rd Floor, Hamilton House  
111 Marlowes  
Hemel Hempstead  
Hertfordshire  
HP1 1BB

Dear Shareholder,

### **ANNUAL GENERAL MEETING**

A formal Notice of the Annual General Meeting (“Notice”) of the Company to be held at the offices of Taylor Wessing LLP, 5 New Street Square, London, EC4A 3TW, at 10.30am on Thursday 27 November 2014 together with a Form of Proxy for use at the Annual General Meeting is annexed hereto. A copy of the Annual Report and Accounts for the period ended 30 June 2014 will be supplied on request, alternatively the Annual Report and Accounts can be downloaded from the Company’s website at [www.netcall.com](http://www.netcall.com). The Notice sets out the resolutions to be proposed at the Annual General Meeting and this letter explains their terms more fully. Information on current trading and future prospects of the Company is set out in the Chairman’s and Chief Executive’s statements in the 2014 Annual Report and Accounts.

### **ORDINARY BUSINESS**

#### **Resolution 1: Report and Accounts**

The Directors are under a duty in respect of each financial period to lay the accounts and the reports of the Directors and the auditor before the Company in General Meeting. This affords the shareholders the opportunity to ask questions on the contents of the Annual Report and Accounts for the period ended 30 June 2014 before voting on the resolutions.

#### **Resolution 2: Re-election of Directors**

Article 106 of the Company’s Articles of Association requires that at each Annual General Meeting one-third of the Directors who are subject to retirement by rotation and in office at the opening of business on the date of the Notice calling the relevant Annual General Meeting retire from office.

Accordingly James Andrew Ormondroyd retires and seeks re-election. Biographical details of all Directors can be found on our website [www.netcall.com](http://www.netcall.com) and are contained within the 2014 Annual Report.

#### **Resolution 3: Reappointment and Remuneration of Auditors**

This resolution proposes, on the recommendation of the audit committee, the reappointment of Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company, and in accordance with standard practice, authorising the Directors to determine the auditors’ remuneration.

#### **Resolution 4: To Declare a Dividend**

The Board announced on 23 September 2014 its recommendation that a dividend of 0.9 pence per share be paid and seeks shareholder approval for payment to holders of ordinary shares on the register at 12 December 2014 with the dividend to be paid on 12 January 2015.

#### **Resolution 5: To Renew Power of the Board to Allot Shares**

The Companies Act 2006 (the "Act") provides that the Directors may not allot ordinary shares unless authorised to do so by the Company in General Meeting or by its Articles of Association ("Articles"). The Directors by the Articles are empowered to allot unissued shares but the power is subject to shareholder renewal. The renewal of this power is sought until the conclusion of the 2015 Annual General Meeting or fifteen months from the date of the passing of this resolution, whichever is the earlier, subject to the limitation specified in resolution 5. The Directors' current authority expires at the close of the forthcoming Annual General Meeting; accordingly, this resolution proposes that the Directors are given authority to allot ordinary shares and other relevant securities up to an aggregate nominal amount of £2,283,880 without obtaining the further consent of its shareholders. This is the approximate equivalent of one-third of the issued share capital of the Company as at 23 October 2014 being the last practicable date prior to publication of this document.

In addition, the proposed new authority will allow the Directors to allot new shares and other relevant securities in connection with a rights issue up to a further aggregate nominal amount of £2,283,880 equivalent to approximately a further one-third of the Company's issued ordinary share capital as at 23 October 2014 being the last practicable date prior to publication of this document. This latter authority is being sought in accordance with recent changes in corporate governance guidelines. Once this resolution is passed the Directors will have the authority in certain circumstances to allot new shares and other relevant securities up to a nominal amount of £4,567,760 representing a total amount equal to approximately two-thirds of the Company's issued ordinary share capital as at 23 October 2014 being the last practicable date before the publication of this document. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines in order to respond to market developments and to enable allotments to take place. If the Directors do exercise the additional authority, they intend to follow emerging best practice as regards its use (including the Directors standing for reappointment in certain circumstances), as recommended by the Association of British Insurers ("ABI") and the National Association of Pension Funds ("NAPF").

The Directors have no present intention of allotting, or agreeing to allot, any shares otherwise than in connection with the Company's employee share schemes, to the extent permitted or required by such schemes.

### **SPECIAL BUSINESS**

#### **Resolution 6: To Disapply Rights of Pre-emption**

The Act gives holders of ordinary shares, with limited but important exceptions, certain rights of pre-emption on the issue for cash of new equity securities. The Directors believe that it is in the best interests of the Company that, as in previous years, the Board should have limited authority to allot some shares for cash without first having to offer such shares to existing shareholders. The Directors' current authority expires at the close of the forthcoming Annual General Meeting and, accordingly, this resolution seeks to renew this authority on similar terms for a further period, expiring at the earlier of the close of the 2015 Annual General Meeting and 26 February 2016. The authority, if granted, will relate to allotment in respect of rights issues, and similar offerings (where difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements and certain other technical matters) and generally to allotments (other than in respect of rights issues) of equity securities having an aggregate nominal value not exceeding £685,164. This authority extends to approximately 10% of the issued share capital of the Company as at 23 October 2014 being the latest practicable date prior to the publication of this document. Whilst the Board recognises that the 10% figure is outside the accepted ABI/NAPF guidelines the Board considers that, given the Company's size, market position and general liquidity, 10% is appropriate. The Board has no present intention of exercising this authority but wishes to have the flexibility to do so in the future.

#### **Resolution 7: Purchase of Own Shares**

This resolution is to grant the Company authority to make market purchases of its own shares. The authority should not be taken to imply that shares will be purchased at any particular price or, indeed, at all. The authority will expire on the earlier of the conclusion of the 2015 Annual General Meeting and 26 February 2016. The resolution specifies the maximum number of shares which may be purchased (representing approximately 10% of the Company's issued ordinary share capital as at 23 October 2014 being the last practicable date before publication of this document) and the maximum and minimum prices at which they may be bought. Given the size of the Company it has determined in consultation with its advisers that a buy back price not exceeding 10% above mean mid-prices, using the recent averages of mid-prices, would be appropriate. The purchases will only be made on the AIM Market of the London Stock Exchange. The Directors have not yet decided whether such shares, if repurchased, would be cancelled or taken into treasury, a decision will be taken in the light of prevailing circumstances. The Board will only exercise the power to make purchases of shares after considering the effect on earnings per share and the benefit to shareholders generally.

**Recommendation**

Your Directors believe the suggestions in relation to the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its members as a body. The Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial shareholdings.

**Action to be taken**

All ordinary shareholders are entitled to attend and vote on all resolutions at the Annual General Meeting. A Form of Proxy for use at the Annual General Meeting is enclosed. Whether or not you do intend to be present at the meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it is received by the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, no later than 10.30am on 25 November 2014. Completion and return of the Form of Proxy will not prevent you from attending the meeting and voting in person should you wish. Any shareholder wishing to arrange payment of their dividend entitlement by BACS transfer is requested to contact the Company's registrar by telephone on 0121 585 1131 or by e-mail to [info@nevilleregistrars.co.uk](mailto:info@nevilleregistrars.co.uk).

Please note that the Annual Report and Accounts for the period ended 30 June 2014, together with the Notice and the Form of Proxy are also available on the Company's website at [www.netcall.com](http://www.netcall.com).

Yours sincerely

By Order of the Board.

**Michael Greensmith**

Company Secretary

Netcall plc

24 October 2014