

10 February 2016

Dear Shareholder,

### **Etherstack plc General Meeting**

I am pleased to invite you to Etherstack plc's General Meeting, which will be held at 2.00 pm (London time) on 2<sup>nd</sup> March 2016 at the office of Cavendish Ware Limited, Becket House, 8th Floor 36-37 Old Jewry, London.

This General Meeting has been called to approve the proposed 3 for 1 Entitlement Offer. The accompanying Notice of General Meeting describes the business that will be proposed and sets out the procedures for your participation and voting.

Please note that only Shareholders, Chess Depository Interest ("CDI") holders, proxy holders and corporate representatives in attendance at the AGM will be eligible to ask questions of the Directors.

The Directors are of the opinion that all of the resolutions to be proposed are in the best interests of Shareholders and of Etherstack as a whole. Accordingly, they seek your vote in favour of all resolutions.

For Shareholders that are unable to attend the meeting to vote in person, please complete and submit your proxy form in line with the attached instructions. Submitting a proxy form will ensure your vote is recorded but will not prevent you from attending and voting at the meeting itself.

For CDI holders your vote is recorded by completing the Voting Instructions Form. You can still attend the meeting however voting is via the Voting Instructions Form.

I look forward to seeing you at the meeting.

Yours sincerely



**Peter Stephens**  
Chairman

## NOTICE OF MEETING

Notice is hereby given that a General Meeting of Etherstack plc (the “Company”) will be held at 2.00 pm (London time) on 2<sup>nd</sup> March 2016 at the offices of Cavendish Ware Limited, Becket House, 8<sup>th</sup> floor, 36-37 Old Jewry, London EC2R 8DD at which Resolutions 1,2 and 3 will be proposed as Ordinary Resolutions and Resolution 4 as a Special Resolution.

The Explanatory Statement which accompanies and forms part of this Notice, describes the matters to be considered.

### ORDINARY RESOLUTIONS

- 1 The Directors of the Company are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to allot fully paid ordinary shares in the capital of the Company (“Shares”) of 0.4p each in the capital of the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £399,770 in connection with an offer (the “Entitlement Offer”) to all holders of Shares in proportion (as nearly as may be) to the respective numbers of Shares held by them (subject to such exclusions, limits and restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, and legal, regulatory or practical problems in or under the laws applicable in any jurisdiction, or the requirements of any regulatory body or authority or of any stock exchange in any relevant country, or otherwise howsoever) and in connection with a proposed issue of Shares or Options to employees, provided that such authority shall expire on the earlier of the next annual general meeting of the Company or 12 months from the date of this Notice.
- 2 That subject to the passing of resolution 1 above, the Directors of the Company are generally and unconditionally authorised for the purposes of Listing Rule 10.11 of ASX Limited to issue Shares to Peter Francis Howard Stephens (“Mr Stephens” a director of the Company) up to 15 million shares at a subscription price of not less than AUD\$0.10 per Share pursuant to Mr Stephens’ participation in the shortfall of the Entitlement Offer.
- 3 That subject to the passing of resolution 1 above, the Directors of the Company are generally and unconditionally authorised for the purposes of Listing Rule 10.11 of ASX Limited to issue Shares to Paul Martin Barnes (“Mr Barnes” a director of the Company) up to 5 million shares at a subscription price of not less than AUD\$0.10 per Share pursuant to Mr Barnes’ participation in the shortfall of the Entitlement Offer.

### SPECIAL RESOLUTION

- 4 That subject to the passing of resolutions 1, 2 and 3 above, the Directors of the Company are empowered in accordance with section 570 of the Companies Act 2006 to issue equity securities (within the meaning of section 560 of the Companies Act 2006) as though section 561 did not apply to such issue provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £399,770 for the purposes of the Entitlement Offer and proposed issue of Shares or Options to employees. The power conferred by this resolution shall expire on the earlier of the next annual general meeting of the Company or 12 months from the date of this Notice.

### Voting Exclusion Statement

The Company will disregard any votes cast on each of these Resolutions by a person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities), and any associate of those persons.

The following voting exclusion statement applies to the Resolutions under the Listing Rules or where applicable, the provisions of the Companies Act. The Company will disregard any votes on the following Resolutions cast by the following Excluded Persons, unless it is cast:

- by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman as proxy for a member who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy form that the Chairman may vote as a proxy in relation to each resolution to which the voting exclusion relates:

Resolution	Excluded Persons
2	Peter Stephens
3	Paul Barnes

### Record Date

The Directors have fixed the close of business on the day which is 2 days before the date of the Meeting as the record date for determination of Shareholders entitled to notice of and the right to vote at the Meeting, either in person or by proxy.

### Proxy voting by holders of ordinary shares

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or fax number 08707036322 (or +44 8707036322 if you are sending from outside the UK) by 2 pm (London time) on Monday 29<sup>th</sup> February 2016.

### Proxy voting by holders of CDIs

Holders of CDIs are invited to attend the meeting. CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Limited, at GPO Box 242, Melbourne, Victoria, 3001 Australia (free fax number within Australia: 1800 783 447 or outside Australia: +61 3 9473 2555) in order to direct CHESS Depository Nominees Pty Ltd. ("CDN") to vote the relevant underlying Common Shares on his or her behalf or may instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the Common Shares underlying the CDIs in person at the meeting. In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form by 2 pm (Sydney time) on 26<sup>th</sup> February 2016.

By order of the Board



**Paul Barnes FCCA**  
**Company Secretary**

Registered Office: 1<sup>st</sup> Floor, 28 Poland Street, London W1F 8QN

Date: 10 February 2016

Notes:

1. As a member, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share.
2. A form of proxy accompanies this notice. To be valid, your proxy form and any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority should be sent to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so as to arrive no later than by 2 pm (London time) on 29 February 2016.
3. If you appoint a proxy, this will not prevent you attending the meeting and voting in person if you wish to do so.
4. Any corporation which is a member can authorise one or more person(s) to act as its representative(s) at the meeting.
5. In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, to have the right to attend and vote at the meeting a member must first have his or her name entered in the Company's register of members by no later than the close of business on the day that is two days before the date of the meeting or, if this meeting is adjourned, at the close of business on the day two days prior to the adjourned meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.
6. Except as provided above, members who have general queries about the meeting should email [shareholderhelp@etherstack.com](mailto:shareholderhelp@etherstack.com) .

## Explanatory Notes to the resolutions

### Resolutions 1 and 4: Proposed Entitlement Offer

Etherstack plc is proposing an Entitlement Offer. The proposed Offer is being made as a renounceable entitlement issue of 3 CDIs for every 1 Share or CDI held by Shareholders registered at the Record Date at an issue price of \$0.10 per CDI.

The purpose of the Offer is to strengthen the balance sheet net asset position and to provide additional working capital for the Company together with funding to repay debt and convertible notes.

Based on the capital structure of the Company as at the date of this Notice of Meeting and assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date, a maximum of 95,942,352 CDIs will be issued pursuant to this Offer to raise up to \$9,594,235.

All of the CDIs offered under this Entitlement Offer will rank equally with the Shares and CDIs on issue.

In addition, the Company is seeking authorisation for the issue of up to 4,000,000 share or options which will be used for Employee Option and Employee Share schemes.

### Resolutions 2 and 3: Approval for Peter Stephens and Paul Barnes to participate in any Shortfall offer

Listing Rule 10.11 states unless one of the exceptions in Listing Rule 10.12 applies, a company must not issue or agree to issue equity securities without the approval of ordinary shareholders to, among others, a related party. Peter Stephens and Paul Barnes are related parties for the purposes of Listing Rule 10.11 by virtue of being Directors and approval is sought for Peter Stephens and Paul Barnes to participate in any shortfall offer to the extent outlined below:

- Peter Stephens; up to 15 million Shares at an issue price of \$0.10 per Share
- Paul Barnes; up to 5 million Shares at an issue price of \$0.10 per Share
- the Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date
- the Shares will be issued at an issue price of \$0.10 per Share and will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
- some or all of the funds raised from the issue of Shares to Peter Stephens and Paul Barnes will be used to offset amounts owed by the company to Peter Stephens and Paul Barnes. Funds contributed in excess of amounts owed by the company to Peter Stephens and Paul Barnes will be used to provide additional working capital.

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## GLOSSARY

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**ASX** means ASX Limited.

**ASX Listing Rules or Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**CDI** means Chess Depository Interest.

**Company** means Etherstack plc.

**Convertible Notes** means the convertible notes issued by Etherstack plc convertible into fully paid ordinary Shares.

**Convertible Note Holders** means the holders of the Convertible Notes.

**Directors** means the current directors of the Company.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory notes to the resolutions and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Special resolution** means a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution;

┌ 000001 000 ESK  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

### Lodge your vote:



#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## CDI Voting Instruction Form

 For your vote to be effective it must be received by 2.00pm (Sydney time) Friday 26 February 2016

### How to Vote on Items of Business

Each CHESS Depository Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI that you own at 7.00pm on Wednesday 10 February 2016 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depository Nominees Pty Ltd enough time to tabulate all CHESS Depository Interest votes and to vote on the underlying shares.

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

[www.investorcentre.com](http://www.investorcentre.com)

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## CDI Voting Instruction Form

Please mark  to indicate your directions

### STEP 1 CHESSE Depository Nominees will vote as directed

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#### Voting Instructions to CHESSE Depository Nominees Pty Ltd

I/We being a holder of CHESSE Depository Interests of Etherstack plc hereby direct CHESSE Depository Nominees Pty Ltd to vote the shares underlying my/our holding at the Annual General Meeting of Etherstack plc to be held at the office of Cavendish Ware Limited, Becket House, 8th Floor 36-37 Old Jewry, London on Tuesday 2 March 2016 at 2.00pm (London time) and at any adjournment of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESSE Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

### STEP 2 Items of Business

PLEASE NOTE: If you mark the Abstain box for an item, you are directing CHESSE Depository Nominees Pty Ltd or their appointed proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

- To allot fully paid ordinary shares of 0.4p each in Company Shares and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £399,770 in connection with an Entitlement Offer and a proposed issue to employees.
- To issue shares to Mr Peter Stephens up to 15 million shares at a subscription price of not less than AUD\$0.10 per Share as a participant in the shortfall of the Entitlement Offer.
- To issue shares to Mr Paul Barnes up to 5 million shares at a subscription price of not less than AUD\$0.10 per Share as a participant in the shortfall of the Entitlement Offer.

For Against Abstain

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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#### SPECIAL BUSINESS

- That subject to the passing of resolutions 1, 2 and 3 above, the Directors of the Company are empowered in accordance with section 570 of the Companies Act 2006 to issue equity securities (within the meaning of section 560 of the Companies Act 2006) as though section 561 did not apply to such issue provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £399,770 for the purposes of the Entitlement Offer and a proposed issue to employees.

For Against Abstain

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If you do not mark either the 'For', 'Against' or 'Abstain' box your vote will not be counted.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

ESK

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Computershare +