



Notice of Annual General Meeting

Notice is hereby given that the one hundred and seventeenth annual general meeting of the Company will be held at the offices of Touchstar Technologies Ltd, 7 Commerce Way, Trafford Park, Manchester M17 1HW, on 23 June 2021 at 11.00 a.m. The annual general meeting of the Company will be held subject to the provisions of Section A of this Notice, if applicable. This means that depending on the prevailing restrictions at the time of the meeting, you may not be able to attend the meeting and you may only vote via proxy. Section A of this Notice contains more details on the arrangements which may apply in such a scenario.

The annual general meeting will be held for the following purposes:

To consider and, if thought fit, pass the following resolutions of which resolutions 1, 2, 3, 4 and 5 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions:

Ordinary business

1. To receive, consider and adopt the annual financial statements for the year ended 31 December 2020 together with the last directors' report and the auditors' report on those financial statements.
2. To reappoint Ian Paul Martin as a director of the Company who retires by rotation in accordance with the articles of association of the Company.
3. To reappoint Haysmacintyre LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which the financial statements are laid before the Company and that their remuneration be fixed by the directors.
4. That the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (**'Act'**) to allot Relevant Securities (as defined in the notes to this resolution) up to an aggregate nominal amount of £141,251 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on 30 June 2022, or, if earlier, the date of the next annual general meeting of the Company after the passing of this resolution, but the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the board may allot Relevant Securities in pursuance of that offer or agreement.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Special business

5. To approve the establishment and the rules of the Enterprise Management Incentive Scheme Share Option Plan (**'the Plan'**) a summary of the main provisions of which is set out in Note 9, be approved and the directors to be authorised to do all such acts and things necessary to establish and carry the Plan into effect and grant options pursuant to the Plan.
6. That subject to the passing of resolution 4 the directors be generally empowered to allot equity securities (as defined by section 560 of the Act) for cash pursuant to the authority conferred by resolution 4 as if section 561 (1) of the Act did not apply to the allotment. This power shall be limited to:
 - 6.1 the allotment of equity securities in connection with an offer for securities open for acceptance for a period fixed by the directors by way of rights to
 - 6.1.1 holders of ordinary shares; and
 - 6.1.2 holders of such other equity securities as the directors may determine on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance

with the rights attaching to them (but subject to such exclusions or other arrangements necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body or any stock exchange in any territory);

6.2 the allotment of equity securities pursuant to the terms of any share scheme for directors and employees approved by the Company in general meeting;

6.3 the allotment (otherwise than pursuant to sub paragraphs 6.1 and 6.2 above) of equity securities up to an aggregate nominal value of £42,375,

provided that the power hereby conferred shall expire on 30th June 2022, or, if earlier, the date of the next annual general meeting of the Company after the passing of this resolution save that the directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

7. That in accordance with article 43 of the articles of association of the Company and Part 18 of the Act, the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make one or more market purchases (as defined by section 693(4) of the Act) of its ordinary shares of 5p each in the capital of the Company subject to the following conditions:

7.1 the maximum aggregate number of ordinary shares which may be purchased is 847,507 being 10% of the Company's shares in issue as at 31 December 2020;

7.2 the price at which an ordinary share may be purchased shall not exceed 105% of the average of the middle market quotations for the ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase and shall not be less than 5p per ordinary share, in both cases exclusive of expenses; and

7.3 unless previously renewed, varied or revoked, this authority hereby conferred will expire on 30th June 2022, or, if earlier, the conclusion of the Company's next annual general meeting, except that the Company may before such authority expires enter into a contract to purchase its own shares which may be completed wholly partly after the expiry of this authority and may make a purchase of its own shares in pursuance of any such contract.

By order of the board

Natasha M Rourke
Company Secretary
May 2021

Registered office
1 George Square
Glasgow
G2 1AL

Notes

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6 p.m. on 21 June 2021 or, if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
4. 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 rights attached to any one share. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Tel No. 0121 585 1131 (calls are charged at your network provider's standard rate. Lines are open 9.00 a.m. to 5.00 p.m. from Monday to Friday) or you may photocopy the proxy form with this notice. Please indicate in the box provided the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of the multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
5. 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, your proxy will vote or abstain from voting at his or her discretion. Your 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.
6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be completed and signed, sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA and received by Neville Registrars Limited no later than 10.00 a.m. on 21 June 2021. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Neville Registrars Limited ID is 7RA11.
8. Note to Resolution 4
 - 8.1 Relevant Securities means:
 - 8.1.1 Shares in the Company other than shares allotted pursuant to:
 - (a) an employee share scheme (as defined by section 1166 of the Act);
 - (b) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
 - (c) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
 - 8.1.2 Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to allotment of Relevant Securities in the resolution include the grant of such rights.
9. Note to Resolution 5

The operation of the Plan will be overseen by the Company's remuneration committee or such other committee to which directors delegate responsibility for overseeing the operation of the Plan (**'the Committee'**).

The principle provisions relating to the Plan are as follows:

 - 9.1 **Eligibility:** Employees (including employed, executive directors) of the Company will be able to participate in the Plan at the discretion of the Committee unless they have given or have received notice to terminate their employment or under disciplinary investigation.

Options granted to any executive directors of the Company will comply with the shareholder approved directors remuneration policy in effect at that time, particularly as regard to the application individual limits, performance conditions and vesting.

9.2 **Grant Price:** Options will be granted at the discretion of the Committee with an exercise price linked to the market traded value of a share in the Company as at the date on which an option is granted. Any grant will be made in accordance with the AIM Rules and applicable legislation in force from time to time.

9.3 **Exercise of any Options:** Options will vest and then be exercisable subject to a number of performance conditions being satisfied as determined by the Committee. These, in principle, will be related to (but not exclusively):

9.3.1 The Company's share price will need to be consistently above a specified figure for a defined period of time

9.3.2 The total after tax profits of the Company achieving an agreed threshold

9.3.3 A sustained increase in the recurring revenue in excess of an agreed threshold

9.3.4 Such other criteria which may be specified by the Committee on the date of grant at its absolute discretion

Options will only vest if the Committee is satisfied that each condition has been met in full, the decision of the Committee shall be final.

9.4 **Leavers:** In the event that an employee leaves at any time prior to the conditions being satisfied and the option vesting, unless determined by the Committee to be as a consequence of being a good leaver (being where a leaver leaves as a consequence of ill health or death) all options granted will be immediately forfeited. To the extent that they subsequent leave after the performance conditions have been satisfied and the Options have vested any Options which have not been previously exercised unless they subsequently leave as a consequence of being a good leaver shall also be forfeited.

9.5 **Exercise Period:** Any exercise options will be subject to the AIM Rules and applicable legislative provisions. All Options have to be exercised by the tenth anniversary of their grant.

9.6 **Option Shares:** The number of Options which are capable of being granted under the Plan will be capped at a maximum of 10% of the issued share capital as at the date that the Plan is approved. Options are to be granted in 2021, 2022, 2023 and 2024 on the basis that up to 25% of the available Options will be granted in any one year. Each grant of Options shall be subject to the satisfaction of the conditions set out in paragraph 9.3 determined to be applicable to the relevant period as determined by the Committee.

9.7 **Amendment:** The Committee will have the discretion to make appropriate changes to the Plan to benefit the administration of the Plan or reflect any legislative changes and otherwise as they determine appropriate.

9.8 This summary in note 9 does not form part of the rules of the Plan. This should not be taken as affecting the interpretation of the detailed terms and conditions of the Plan.

Section A

COVID-19 Provisions

1. The legal position which will apply on the date of the annual general meeting as regards Covid-19 restrictions on gatherings is currently uncertain.
2. At the date of this Notice, it is therefore not known whether members will be able to lawfully attend the meeting in person.
3. The Company considers that there are three likely scenarios:
 - 3.1 Scenario 1: attendance is prohibited under prevailing regulations
 - 3.2 Scenario 2: attendance is permitted, subject to a limit on the number of attendees
 - 3.3 Scenario 3: attendance is permitted with no limit on numbers
4. **Under Scenario 1:**
 - 4.1 Attendance
 - 4.1.1 Members must not attend the annual general meeting
 - 4.1.2 At least two directors who are members (one of whom will be the Chairman or, if he is unable to attend for any reason, an acting Chairman appointed by the board) will attend the annual general meeting in order to form a quorum
 - 4.1.3 The Company secretary will attend the annual general meeting
 - 4.1.4 No other persons will be admitted to the annual general meeting
 - 4.2 Voting
 - 4.2.1 In order to vote on the resolutions, members must do so via a proxy form or through CREST if they are registered to do so
 - 4.2.2 The notes set out on the previous page provide further details on how to vote via proxy
5. **Under Scenario 2:**
 - 5.1 Attendance
 - 5.1.1 Members will be able to attend the annual general meeting, subject to the relevant limit
 - 5.1.2 Members may be refused admission to the meeting in order to ensure that the limit is not exceeded
 - 5.2 Voting
 - 5.2.1 In order to vote on the resolutions, in respect of members who are not present at the annual general meeting, members must vote via a proxy form or through CREST if they are registered to do so
 - 5.2.2 The notes set out on the previous page provide further details on how to vote via proxy
6. **Under Scenario 3:** members may freely attend with no limits on numbers
7. The Company will publish an update on its website www.touchstarplc.com to confirm the position on attendance once further detail is available from the UK government. This update will also be released via the 'RNS' service
8. In any event, in order to maximise member participation through voting and to minimise any residual public health risks, the Company recommends that members, irrespective of which scenario might apply, vote via a proxy form or through CREST if they are registered to do so and do not attend the annual general meeting in person
9. To ensure that, in any event, members are still able to ask questions of the board:
 - 9.1 questions may be submitted to the board in writing (via email or post) in advance of the annual general meeting
 - 9.2 questions submitted via post should be sent to the Company's registered office; emailed questions should be sent to the following address: investor@touchstar.co.uk
 - 9.3 written responses to any questions submitted will be circulated after the annual general meeting to all persons who have submitted a question

- 9.4 questions must be received 48 hours in advance of the annual general meeting
- 9.5 the board reserves the right (acting in good faith) to disregard any questions which appear to be frivolous, vexatious or unrelated to the Company or the business of the annual general meeting
- 9.6 as with questions asked in person, the board's response will be subject to any prevailing obligations of confidence and/or stock exchange rules
10. Any queries regarding the application or operation of this Section A should be directed to the Company in writing to the postal address or email address specified above