

Annual General Meeting
THURSDAY 23 JUNE 2016

Notice to shareholders in terms of Article 35 of the Articles of Association

*Resolutions 1 – 5 are proposed as ordinary resolutions and require more than half of the votes cast.
Resolutions 6 – 9 are proposed as extraordinary resolutions and require the approval of not less than 75% in nominal value of all the shares represented at the AGM and at least 51% in nominal value of all the shares entitled to vote at the AGM.*

Notice is hereby given of the 8th Annual General Meeting of RS2 Software p.l.c. to be held at The Xara Lodge, L/O Rabat (see enclosed map) on Thursday, 23 June 2016 at 10.00hrs for the purpose of considering and if thought fit, passing the resolutions hereunder.

ORDINARY RESOLUTIONS (ORDINARY BUSINESS)

1 To approve the accounts

Resolution:

That the Financial Statements for the year ended 31 December 2015 and the Directors' and Auditors' Report thereon be hereby received and approved.

2 To appoint auditors

Resolution:

That the reappointment of KPMG as Auditors, be hereby approved and the Board of Directors be hereby authorised to fix their remuneration.

3 Appointment of Directors

Resolution:

That in accordance with the provisions of Article 56.4 of the Articles of Association of the Company, since there are as many nominations as there are vacancies, no election will take place and that the nominees Mr Mario Schembri, Mr Radi Abd el Haj, Mr Maurice Xuereb, Dr Robert Tufigno, Mr Franco Azzopardi, Mr Christopher Wood, and Mr John Elkins be automatically appointed as Directors.

4 Dividend

Resolution:

That a net final dividend of €0.0278c per Ordinary Share amounting to €2,501,997.5536 as recommended by the Directors be hereby approved for payment on Thursday, 30 June 2016.

ORDINARY RESOLUTIONS (SPECIAL BUSINESS)

5 Aggregate emoluments of Directors

Resolution:

That, for the purpose of Article 63 of the Articles of Association, the maximum aggregate emoluments that may be paid to the Directors of the Company in any financial year shall be €250,000.

EXTRAORDINARY RESOLUTION (SPECIAL BUSINESS)

6 Amendment to the Memorandum of Association:

Resolution:

To replace Article 8 of the Memorandum of Association with the following:

“The business and affairs of the Company shall be managed by a Board of Directors which shall be composed of not less than three (3) and not more than eight (8) directors, of which at least one third (1/3) shall be non-executive directors, unless an appointment is made in accordance with the provisions of Article 55.3 of the Articles of Association of the Company”.

7 Capitalisation of Reserves & Allotment of Bonus Shares

Resolution:

That the directors be and are authorised to capitalise a sum of five hundred thousand Euro (€500,000) being part of the amount standing to the credit of the Company's non-distributable reserves of the share premium account and that such sum be appropriated to the holders of the issued ordinary shares of the Company registered on Monday, 23 May 2016 (“the Record Date”) and be generally and unconditionally authorised, pursuant to Article 85 of the Companies Act, to exercise all the powers of the Company to apply such amount in paying up and allotting in full five million (5,000,000) Ordinary Shares of ten cents each (€0.10) in the capital of the Company (ranking *pari passu* in all respects with the existing issued ordinary shares of the Company) to be allotted, issued and credited as fully paid up at par to and amongst such holders in the proportion of 1 (one) new ordinary share of ten cents (€0.10) each for every eighteen (18) Ordinary Shares held at the Record Date but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or exchange (the “Bonus Issue”).

8 Share Split

Resolution:

- (a) That, the authorised share capital of the Company currently consisting of ten million Euro (€10,000,000) and divided into one hundred million (100,000,000) Ordinary Shares of ten Euro cents each (€0.10) be increased to ten million Euro and two Euro cents (€10,000,000.02) and re-designated into one hundred sixty six million, six hundred and sixty six thousand, six hundred and sixty seven (166,666,667) Ordinary Shares of six Euro cents each (€0.06).
- (b) That pursuant to the increase and change in nominal value of the share capital of the Company as set forth in (a) above:
 - i. in the event that Resolution 7 is not approved, the eighty nine million, nine hundred and ninety nine thousand, nine hundred and twelve (89,999,912) Ordinary Shares having a nominal value of ten Euro cents each (€0.10) which are currently in issue in the capital of the Company shall, due to the rounding up of shares as a result of fractional entitlement, be re-designated and divided into one hundred and forty nine million, nine hundred and ninety nine thousand, eight hundred and fifty four (149,999,854) Ordinary Shares having a nominal value of six Euro cents (€0.06) each, and all of the aforementioned one hundred and forty nine million, nine hundred and ninety nine thousand, eight hundred and fifty four (149,999,854) Ordinary Shares shall be allotted proportionally to those members appearing on the register of members of the Company as at Monday, 4 July 2016 (“Eligible Members”) at the ratio of five (5) shares for each three (3) shares held by each of the Eligible Members, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or exchange. The consideration for the increase in the issued share capital of the Company resulting from the re-designation of the Ordinary Shares as aforesaid is to be satisfied by the payment of cash: **€0.04**; OR
 - ii. in the event that Resolution 7 is approved and pursuant to the issuance of the Bonus Issue as indicated in Resolution 7 above, the ninety four million, nine hundred and ninety nine thousand, nine hundred and twelve (94,999,912) Ordinary Shares having a nominal value of ten Euro cents each (€0.10) which would be in issue following the Bonus Issue as aforesaid shall, due to the rounding up of shares as a result of fractional entitlement, be re-designated and divided into one hundred and fifty eight million, three hundred and thirty three thousand, one hundred and eighty seven (158,333,187) Ordinary Shares having a nominal value of six Euro cents (€0.06) each, and all of the aforementioned one hundred and fifty eight million, three hundred and thirty three thousand, one hundred and eighty seven (158,333,187) Ordinary Shares shall be allotted

proportionally to those members appearing on the register of members of the Company as at Monday, 4 July 2016 ("Eligible Members") at the ratio of five (5) shares for each three (3) shares held by each of the Eligible Members, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or exchange. The consideration for the increase in the issued share capital of the Company resulting from the re-designation of the Ordinary Shares as aforesaid is to be satisfied by the payment of cash: **€0.02.**

9 Amendment to the Memorandum of Association

Resolution:

That subject to and conditional upon the passing of:

- a) Resolution 8(b)(i) above, Article 7 of the Memorandum of Association of the Company shall be replaced with the following:

"7. SHARE CAPITAL

- (a) *The authorised share capital of the Company is ten million Euro and two Euro cents (€10,000,000.02) divided into one hundred sixty six million, six hundred and sixty six thousand, six hundred and sixty seven (166,666,667) Ordinary Shares of six Euro cents each (€0.06).*
- (b) *The issued share capital is of eight million, nine hundred and ninety nine thousand, nine hundred ninety one Euro and twenty four Euro cents (€8,999,991.24) divided into one hundred forty nine million, nine hundred ninety nine thousand, eight hundred fifty four (149,999,854) Ordinary Shares of six Euro cents (€0.06) each.*
- (c) *All shares shall rank pari passu.*
- (d) *In the event of there being any unissued shares in the capital of the Company, such shares shall be at the disposal of the Board of Directors who, subject to any provision in the Memorandum and Articles of Association, may allot, issue or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such times as the Board of Directors shall think fit."*

- b) Resolution 8(b)(ii) above, Article 7 of the Memorandum of Association of the Company shall be replaced with the following:

"7. SHARE CAPITAL

- (a) *The authorised share capital of the Company is ten million Euro and two Euro cents (€10,000,000.02) divided into one hundred sixty six million, six hundred and sixty six thousand, six hundred and sixty seven (166,666,667) Ordinary Shares of six Euro cents each (€0.06).*
- (b) *The issued share capital is of nine million, four hundred and ninety nine thousand, nine hundred ninety one Euro and twenty two cents (€9,499,991.22) divided into one hundred fifty eight million, three hundred and thirty three thousand, one hundred and eighty seven (158,333,187) Ordinary Shares of six Euro cents (€0.06) each.*
- (c) *All shares shall rank pari passu.*
- (d) *In the event of there being any unissued shares in the capital of the Company, such shares shall be at the disposal of the Board of Directors who, subject to any provision in the Memorandum and Articles of Association, may allot, issue or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such times as the Board of Directors shall think fit."*

By Order of the Board,



Ivan Gatt
Company Secretary

30 May 2016

Notes:

- i. This notice has been mailed to shareholders registered as at Monday, 23 May 2016 (Record Date), who are entitled to attend and vote at the Annual General Meeting. Only such shareholders shall be entitled to attend and vote at the Annual General Meeting (AGM). Any change to an entry on the Register after the Record Date shall be disregarded in determining the right of any person to attend and vote at the AGM.
- ii. A shareholder entitled to vote may appoint a proxy to attend and vote instead of him/her using the enclosed Form of Proxy. The appointed proxy need not be a shareholder. To be valid, the Form of Proxy must (a) reach the Office of the Company Secretary at RS2 Software p.l.c, RS2 Buildings, Fort Road, Mosta MST1859, Malta, or scanned and sent electronically by electronic mail to finance@rs2.com by Friday, 17 June 2016.
- iii. In order to be admitted to the Meeting, a member is to present his/her Identity Card/Passport or other official photo identification document and the Admission Form enclosed with this notice.
- iv. In the case of joint holders (with the exception of husband and wife), only the first-named holder on the Register of Members shall be entitled to attend and vote at the Meeting unless a proxy in the joint names of more than one person has been received by the Company in the ordinary course of receipt of proxies.
- v. A single representative of a joint shareholding, who is not the first-named on the register, will only be eligible to attend and vote at the Meeting if a Form of Proxy has been duly executed in his/her favour by all other joint shareholders.
- vi. In the case of shares held jointly by husband and wife, either or both of them, may attend the Meeting provided that:
 - a) Irrespective of whether both the husband and the wife attend the Meeting, only one voting document will be issued and only one of them shall be entitled to vote and;
 - b) If they wish to appoint a proxy, the Form of Proxy must be signed and executed by both husband and wife.
- vii. When a shareholder is a body corporate, including a company, a partnership, an association of persons, a foundation or other entity, a representative thereof will only be eligible to attend and vote at the Meeting if a Form of Proxy has been duly executed in his/her favour by the competent organ of the entity which he/she represents and that the Form of Proxy has been duly received by the Company Secretary by Friday, 17 June 2016. The office of the Company Secretary reserves the right to request evidence of the aforesaid.
- viii. A shareholder who is a minor may be represented at the Meeting by his/her legal Guardian who will be required to present his/her Identity Card and the Admission Form enclosed with this notice.
- ix. Admission to the Meeting will commence thirty minutes before the appointed time.
- x. Voting documents will be issued even if the Meeting has proceeded to business and will continue to be so issued only until such time as the Meeting proceeds to vote on the Agenda. Thereafter, no further voting documents will be issued and admittance to the meeting will be discontinued.

CHILDREN WILL NOT BE ALLOWED TO ATTEND THE MEETING

Voting Instructions

Voting will take place by show of hands unless a poll is demanded by anyone who may, according to the Company's Articles of Association, demand a poll.

Voting by inserting number of votes (equivalent to the number of shares held)

The total number of votes held may be applied to each and every resolution.

The number of votes held may be split up in any ratio whatsoever in favour or against any resolution. To amplify, a shareholder may, if such a shareholder decides to vote, utilise all or part of the votes for each resolution and in any manner the shareholder desires. What has to be borne in mind is that on no account may a shareholder use more votes than the shareholder is entitled to. If this occurs, the shareholder's vote on that particular resolution will be invalid.

A shareholder may use part of the vote to vote 'FOR' a particular resolution and use the remaining votes (or part of them) to vote 'AGAINST' the same resolution. Such a vote will be valid as long as the shareholder does not exceed the total number of votes the shareholder is entitled to.

Voting by placing a mark

The use of a cross or a mark (instead of putting a number of votes) in the appropriate space on the ballot paper under either 'FOR' or 'AGAINST' will be interpreted to mean that the shareholder has assigned all the votes either 'FOR' or 'AGAINST' the resolution as the case may be. A cross or a mark placed in both 'FOR' and 'AGAINST' for the same resolution renders the shareholder's vote on that particular resolution invalid.

Any resolution not voted for on the ballot paper will be treated as an abstention.

Appointment of a Proxy

Every shareholder is entitled to appoint a proxy to attend and, if the shareholder so wishes, to vote on the shareholder's behalf.

A shareholder may appoint a proxy and mark the box authorising the proxy to vote as the appointed proxy wishes. In this case, the shareholder must not put any mark whatsoever in the boxes reserved for voting, as otherwise this voting preference will be treated as superseding the conflicting instruction that the appointed proxy is to vote as he/she wishes and the Form of Proxy itself will be registered as a pre-voted proxy.

A shareholder may appoint a proxy and mark the box specifying how the appointed proxy is to vote. In this case, the shareholder MUST vote for each resolution the shareholder wishes to vote upon. Any resolution not voted on the Form of Proxy will be treated as an abstention and will not be available for the appointed proxy to vote at the Meeting.

Each proxy holder will be given only ONE ballot paper which will include the total of ALL votes to which he is entitled.

Voting for Directors

Pursuant to Article 56.4 of the Articles of Association of the Company, since there are as many nominations as there are vacancies, no election will take place and the nominees are automatically appointed Directors.

Draft Resolutions and Documents

The draft resolutions to be considered and voted upon at the meeting are included as an integral part of this notice. The full unabridged text of any documents submitted to the meeting shall, unless dispatched to members, be available at the registered office of the Company and on www.rs2.com.

A copy of this notice together with all documents and information required by Listing Rule 12.11 are available at www.rs2.com.

Right to ask questions

Every shareholder shall have the right to ask questions which are pertinent and related to items on the agenda of the Annual General Meeting and to have such questions answered by the Directors or such person as the Directors may delegate for that purpose subject to any reasonable measures that the Company may take to ensure the identification of the shareholder.

If they desire, shareholders may send the questions in writing either at RS2 Software p.l.c, RS2 Buildings, Fort Road, Mosta MST1859, Malta or to agm@rs2.com by Friday, 10 June 2016.

The said right shall also be enjoyed by a proxy holder appointed by the shareholder.

We may provide one overall answer to questions having the same content.

Whilst every effort will be made to provide an answer to all questions raised, an answer to a question asked is not required where:

- a) to give an answer would interfere unduly with the preparation for the AGM, involve the disclosure of confidential information or cause prejudice to the business interests of the Company;
- b) the answer has already been given on the Company's website in the form of an answer to a question;
- c) it is not in the interests of good order of the Meeting that the question be answered; or
- d) the Company is unable to provide an immediate reply, provided that such reply is subsequently posted on the Company's website.

N.B. All references to a shareholder include a proxy holder appointed by a shareholder.