

Letter from the Chairman

ClearStar, Inc.

Incorporated in Cayman Islands
Registered Office: Maples Corporate Services Limited,
PO Box 309,
Ugland House,
Grand Cayman,
KY1-1104,
Cayman Islands

Dear Shareholder

ClearStar, Inc. (the “Company”)

I have great pleasure in inviting you to the third annual general meeting (“AGM”) of the Company to be held at the law office of Eversheds Sutherland LLP located at 999 Peachtree St NE #2300, Atlanta, GA 30309 on 23 May 2017 at 11 am US eastern time (4 pm BST). If you cannot attend in person and would like to participate by phone, the dial in details for the ClearStar, Inc. AGM are as follows:

United Kingdom: +44 (0) 203 875 4507

United States: +1 (773) 231-9226

Meeting ID: **149 360 3445**

You will find with this document:

- the annual report and financial statements of the Company for the financial year ended 31 December 2016;
- the notice of the AGM setting out the resolutions to be proposed, together with explanatory notes and guidance notes for shareholders who wish to vote by post or through the CREST voting service; and
- a form of proxy or direction.

The purpose of this letter is to explain certain aspects of the business of the AGM to you.

Resolutions to be proposed at the AGM

The resolutions to be proposed at the forthcoming AGM are as follows:

Resolution 1:

Resolution 1 deals with the receipt of the annual report and financial statements of the Company for the financial year ended 31 December 2016.

Resolutions 2, 3, 4, 5 and 6:

The directors believe that the board continues to maintain an appropriate balance of knowledge and skills and that all the non-executive directors are independent in character and judgement. This follows a process of formal evaluation which confirms that each director makes an effective and valuable contribution to the board and demonstrates commitment to the role (including making sufficient time available for board and committee meetings and other duties as required). In accordance with the UK Corporate Governance Code the shareholders will be asked to confirm that the directors continue as directors of the Company.

Resolution 7:

It is proposed that the directors be granted with the authority to allot up to 9,075,725 ordinary shares of US\$0.0001 par value each (representing approximately 25 per cent. of the Company’s current issued share capital as at the date of this letter).

Resolution 8:

Authority is sought for the Company to purchase up to 3,630,290 ordinary shares of US\$0.0001 par value each (representing approximately 10 per cent. of the Company’s current issued share capital as at the date of this letter). The directors have no present intention of exercising the authority to make market purchases, but the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company. Any actual purchase would have to be approved by the board of directors of the Company.

Action to be taken

If you are unable to attend the meeting in person or by phone, you should complete, sign and return the applicable forms of proxy in accordance with the instructions therein in good time before the meeting and in any event by no later than 11 am US eastern time (4 pm BST) on 19 May 2017. Alternatively, CREST members who wish to appoint one or more proxies through the CREST system should do so by following the instructions contained within the notice of the AGM by no later than 11 am eastern time (4 pm BST) on 18 May 2017.

Depositary Interests

If your shareholding in the Company is by way of a Depositary Interest, and you wish to instruct Capita to vote in respect of your interest, you should use the enclosed Form of Direction. The completed Form of Direction must be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by 11 am US eastern time (4 pm BST) on 18 May 2017.

Recommendation

Your directors consider all the resolutions to be put to the AGM to be in the best interests of the Company and its shareholders as a whole and accordingly unanimously recommend you vote in favour of them as they intend to do so in respect of their own beneficial shareholdings (save in respect of those matters in which they are interested).

The directors and I look forward to welcoming as many of you as possible at our meeting and we thank you for your support.

Barney Quinn
Non-Executive Chairman

Dated: 21 April 2017

ClearStar, Inc.

(The "Company")

Notice of Annual General Meeting of the Company

NOTICE IS GIVEN that the Third Annual General Meeting of the Company ("AGM") will be held at the law office of Eversheds Sutherland LLP located at 999 Peachtree St NE #2300, Atlanta, GA 30309 on 23 May 2017 at 11 am US eastern time (4 pm BST) to transact the business set out below. If you cannot attend in person and would like to participate by phone, the dial in details for the ClearStar, Inc. AGM are as follows:

United Kingdom: +44 (0) 203 875 4507

United States: +1 (773) 231-9226

Meeting ID: **149 360 3445**

Resolutions 1 to 6 below will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as a special resolution.

ORDINARY RESOLUTIONS

- 1 **To** receive and approve the annual report and financial statements of the Company for the financial year ended 31 December 2016.
- 2 **That** Barney Quinn continues as a director of the Company.
- 3 **That** Robert Vale continues as a director of the Company.
- 4 **That** Kenneth Dawson continues as a director of the Company.
- 5 **That** David Pattillo continues as a director of the Company.
- 6 **That** André Schnabl continues as a director of the Company.

SPECIAL RESOLUTIONS

Authority to allot

- 7 **That**, for the purpose of article 3.4 of the Company's articles of association, the directors are generally and unconditionally authorised to exercise all the powers of the Company to allot Relevant Securities (as defined in the Company's articles of association) for cash but so that:
 - (a) the maximum amount of Relevant Securities that may be allotted under this authority are 9,075,725 ordinary shares of US\$0.0001 par value each (having an aggregate nominal value of US\$907.572);
 - (b) this authority shall expire at the close of business (US eastern time) on 31 December 2018 or, if earlier, on the conclusion of the Company's next annual general meeting;
 - (c) the Company may make any offer or agreement before such expiry which would or might require Relevant Securities to be allotted after such expiry; and
 - (d) all authorities vested in the directors on the date of the notice of this meeting to allot Relevant Securities that remain unexercised at the commencement of this meeting are revoked.

Authority to purchase own shares on market

- 8 **That**, the Company be generally and unconditionally authorised to make market purchases of ordinary shares of US\$0.0001 par value each in its capital provided that:
 - (a) the maximum aggregate number of such shares that may be acquired under this authority is 3,630,290 (having an aggregate nominal value of US\$360.029);
 - (b) the minimum price that may be paid for such a share shall be the nominal value of that share (exclusive of expenses payable by the Company in connection with the purchase);
 - (c) the maximum price (exclusive of expenses) which may be paid for such a share shall be not more than 5 per cent. above the average of the market values for an ordinary share as derived from the AIM Appendix of the Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased;

- (d) this authority shall expire at the close of business (US eastern time) on 31 December 2018 or, if earlier, on the conclusion of the Company's next annual general meeting; and
- (e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry.

By order of the Board

Barney Quinn
Non-Executive Chairman

Dated: 21 April 2017

Registered office:

c/o Maples Corporate Services Limited PO Box 309,
Ugland House, Grand Cayman, KY1-1104,
Cayman Islands

NOTES

- 1 **A shareholder who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.**
- 2 A form of proxy for use at the AGM is enclosed. To be valid, a proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Capita Registrars (Guernsey) Limited at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH so as to be received by 11 am US eastern time (4 pm BST) on 19 May 2017. Returning the completed form of proxy will not preclude you from attending the AGM and voting in person if you so wish. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- 3 If two or more persons are jointly regarded as holders of a share, the vote of the senior person who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose seniority shall be determined by the order in which the names stand on the Company's register of shareholders in respect of the relevant shares.
- 4 Only those shareholders registered in the register of members of the Company at 1 pm US eastern time (6 pm BST) on 19 May 2017 shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time.
- 5 If your shareholding in the Company is by way of a Depositary Interest, and you wish to instruct Capita to vote in respect of your interest, you should use the enclosed Form of Direction. The completed Form of Direction must be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by 11 am US eastern time (4 pm BST) on 18 May 2017.
- 6 The quorum for the AGM is a shareholder or shareholders being individuals present in person or by proxy or if a corporation or non-natural person by its duly authorised representative or proxy entitled to attend and vote and representing not less than 25 per cent. in par value of all the shares in issue and carrying the right to vote at the meeting.
- 7 CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, 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 a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (**CREST proxy appointment instruction**) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (**Euroclear**), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Capita Asset Services (ID RA10), as the Company's "issuer's agent", by 11 am US eastern time (4 pm BST) on 18 May 2017. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

ClearStar, Inc.

(The "Company")

FORM OF DIRECTION

Form of Direction for completion by holders of Depository Interests representing shares on a one for one basis in the Company in respect of the annual general meeting of the Company to be held at the law office of Eversheds Sutherland LLP located at 999 Peachtree St NE #2300, Atlanta, GA 30309 on 23 May 2017 at 11 am US eastern time (4 pm BST) or at any adjournment.

Before completing this form, please read the notice of the meeting and the explanatory notes below.

I/We

of

(Please insert full name(s) and address(es) in BLOCK CAPITALS)

being a holder of Depository Interests representing shares in the Company hereby instruct Capita IRG Trustees Ltd (the "Depository") to vote for me/us and on my/our behalf in person or by proxy at the AGM of the Company to be held at the above date (and at any adjournment thereof) as directed by an "X" in the spaces below.

Resolutions	For	Against	Withheld (see note 5)
Ordinary Resolutions			
1	To receive the annual reports and accounts		
2	That Barney Quinn continues as a director		
3	That Robert Vale continues as a director		
4	That Ken Dawson continues as a director		
5	That David Pattillo continues as a director		
6	That André Schnabl continues as a director		
Special Resolutions			
7	To authorise the directors to allot Relevant Securities		
8	To authorise the Company to make market purchases of its own shares		

Signature

Date

Notes:

- To be effective, this Form of Direction and the power of attorney or any other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power of attorney, must be deposited at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 11 am (US eastern time) (4 pm BST) on Thursday 18 May 2017. Any alterations made to this form should be initialled.
- In the case of a corporation the Form of Direction should be given under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- Please indicate how you wish your votes to be cast by placing "X" in the box provided. On receipt of this Form of Direction duly signed, you will be deemed to have authorised the Depository to vote, or to withhold from voting, as per your instructions. If no voting instruction is indicated, you will be deemed to have instructed the Depository to withhold from voting on the specified resolution.
- The Depository will appoint the Chairman of the meeting as its proxy to cast your votes. The Chairman may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to the resolutions) which may properly come before the meeting.
- The vote "Withheld" option enables you to instruct the Depository not to vote on a particular resolution. However, it should be noted that a vote "Withheld" is not a "vote" in law and will not be counted in the votes "For" and "Against" a resolution.
- Depository Interests may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.
- Depository Interest holders wishing to attend the meeting should request a Letter of Representation by contacting the Depository at Capita IRG Trustees Ltd, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by email: custodymgt@capita.co.uk by no later than 11 am (US eastern time) (4 pm BST) on Thursday 18 May 2017.

ClearStar, Inc.

(The "Company")

FORM OF PROXY

Form of proxy for use at the annual general meeting of the Company to be held at the law office of Eversheds Sutherland LLP located at 999 Peachtree St NE #2300, Atlanta, GA 30309 on 23 May 2017 at 11 am US eastern time (4 pm BST) or at any adjournment.

[Name and address of shareholder]

Before completing this form, please read the notice of meeting and the explanatory notes below.

I/We, being (a) holder(s) of ordinary shares of US\$0.0001 each in the Company hereby appoint the chairman of the meeting or (see note 2) the following person:

Name of proxy

Number of shares (see note 2)

as my/our proxy to exercise all or any of my/our rights to attend, to speak and to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on 23 May 2017 at 11 am US eastern time and at any adjournment of such meeting.

Please mark this box if this proxy appointment is one of multiple appointments being made by the same shareholder (see note 3).

I/We have indicated with a "X" how I/we wish my/our proxy to vote on the resolutions to be proposed at the meeting. I/we further direct my/our proxy to vote (or refrain from voting) as he/she thinks fit for me/us and on my/our behalf on any other matter which may properly come before the meeting or any adjournment meeting. If no indication is given, the proxy may vote or refrain from voting at his/her discretion.

Please indicate how you wish your proxy to vote or abstain by inserting "X" in the appropriate box.

Resolutions	For	Against	Vote Withheld (see note 4)
Ordinary Resolutions			
1	To receive the annual reports and accounts		
2	That Barney Quinn continues as a director		
3	That Robert Vale continues as a director		
4	That Ken Dawson continues as a director		
5	That David Pattillo continues as a director		
6	That André Schnabl continues as a director		
Special Resolutions			
7	To authorise the directors to allot Relevant Securities		
8	To authorise the Company to make market purchases of its own shares		

Signature

Date

Name of Shareholders (please print)

Please mark this box if signing on behalf of a member under a power of attorney or other authority.

Notes:

- 1 A proxy need not be a member of the Company. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.
- 2 The appointment of the chairman of the meeting as proxy has been included for convenience. To appoint any other person as proxy delete the words "the chairman of the meeting or" and insert the name of the person appointed proxy in the space provided. If the proxy is being appointed in relation to part of your holding only, please enter in the box next to the proxy's name the number of shares in relation to which they are authorised to act as your proxy. If this box is left blank they will be authorised in respect of your entire shareholding.
- 3 To appoint more than one proxy, (an) additional proxy form(s) can be obtained from the Company's Registrar, Capita Registrars (Guernsey) Limited at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH on 0871 664 0300 if dialling from the United Kingdom (calls cost 10p per minute plus network extras) or if dialling from overseas call 0044 208 639 3399 (lines are open 9 am until 5.30 pm BST). Alternatively, you can email your enquiry to shareholderenquiries@capita.co.uk. Please enter in the box next to the proxy's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the relevant box if the proxy appointment is one of multiple appointments being made. All forms must be signed and should be returned together in the same envelope.
- 4 Unless otherwise instructed, a proxy may vote or refrain from voting on the resolutions, and in respect of any other business which may properly come before the meeting, at his discretion. The "Vote Withheld" option enables members to instruct their proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the votes "For" and "Against" a resolution.
- 5 This form must be signed and dated by the member or his/her attorney duly authorised in writing. If the member is a company it must be executed under its common seal or signed on its behalf by an officer or attorney or other person authorised to sign.
- 6 In the case of joint holders, the signature of any one will be sufficient, but the names of all the joint holders should be stated. The vote of the senior joint holder (according to the order in which the names stand in the register in respect of the holding) who tenders a vote in person or by proxy shall be accepted to the exclusion of the vote of the other joint holder(s).
- 7 To be valid, the form of proxy, together with any power of attorney or other written authority under which it is signed, or a notorially certified copy or a copy certified of such power or written authority, must be completed, signed and returned so as to reach Capita Registrars (Guernsey) Limited at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH so as to be received by 11 am US eastern time (4 pm BST) on 19 May 2017.
- 8 Appointment of a proxy will not prevent a member from attending the meeting and voting in person.