

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are in the United Kingdom, should be authorised under the Financial Services and Markets Act 2000 (as amended), or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your Old MXC Shares, please forward this document together with the accompanying documents (but excluding any personalised Forms of Proxy) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Old MXC Shares, please retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and the accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and the accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

No New MXC Shares have been marketed to, nor are any New MXC Shares available for purchase by, the public in the United Kingdom or elsewhere in connection with the introduction of the New MXC Shares to AIM. This document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of New MXC. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of any applicable law.

MXC CAPITAL PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05010663)

Notice of General Meeting

and

Recommended proposals for the introduction of a new parent company by means of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006

Nominated Adviser, Broker and Financial Adviser

Zeus Capital

Shareholders should carefully read the whole of this document. In addition this document should be read in conjunction with the accompanying BLUE and WHITE Forms of Proxy. **Your attention is drawn to the letter from the Chairman of Old MXC set out in Part 1 of this document, which contains the unanimous recommendation of the Directors of Old MXC that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting. A letter from Zeus Capital explaining the Scheme Proposal appears in Part 2 of this document and constitutes an explanatory statement in accordance with section 897 of the Companies Act.**

Notices of the Court Meeting and the General Meeting, both of which will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN on 17 December 2014, are set out in Parts 9 and 10 of this document. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

Whether or not you intend to attend the Meetings in person, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received as soon as possible and, in any event, by no later than 48 hours before the Court Meeting and General Meeting, as the case may be (or, in the case of an adjournment, 48 hours before the time fixed for the holding of the adjourned meeting). A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. Forms of Proxy returned by fax or email will not be accepted.

Notwithstanding the above, if the BLUE Form of Proxy for the Court Meeting is not returned by the required time, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by 11.30 a.m. on 15 December 2014, it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either of the Meetings if you so wish and are so entitled. Further details are set out in paragraph 16 of Part 1 of this document.

Application will be made by New MXC to the London Stock Exchange for the New MXC Shares to be admitted to trading on AIM. It is expected that dealings in Old MXC Shares will continue until close of business on 5 February 2015 and that Admission of the New MXC Shares will become effective and that dealings in the New MXC Shares will commence at 8.00 a.m. on 6 February 2015.

You should read this document in its entirety and, if you are in any doubt as to the action you should take, consult an independent financial adviser. In making any investment decision, Shareholders must rely on their own examination of the terms of the Scheme Proposal, including the merits and risks involved. If you have any questions relating to this document, any of the Shareholder Meetings or the completion and return of any of the Forms of Proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

Capitalised words and phrases used in this document have the meanings given to them in Part 8 of this document.

TABLE OF CONTENTS

	<i>Page</i>
IMPORTANT NOTICE	3
ACTION TO BE TAKEN	6
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	8
PART 1 LETTER FROM THE CHAIRMAN OF MXC CAPITAL PLC	10
PART 2 EXPLANATORY STATEMENT	20
PART 3 CONDITIONS AND FURTHER TERMS OF THE SCHEME PROPOSAL	31
PART 4 THE SCHEME OF ARRANGEMENT	33
PART 5 UK TAXATION	39
PART 6 INFORMATION RELATING TO MXC CAPITAL LIMITED	42
PART 7 ADDITIONAL INFORMATION	53
PART 8 DEFINITIONS	57
PART 9 NOTICE OF COURT MEETING	62
PART 10 NOTICE OF GENERAL MEETING	65

IMPORTANT NOTICE

The distribution of this document and/or the accompanying documents in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and the accompanying documents come should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this document nor the accompanying documents constitute an offer or an invitation to purchase any securities or a solicitation of an offer to sell any securities pursuant to these documents or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documents have been prepared in connection with a proposal in relation to a scheme of arrangement pursuant to and for the purpose of complying with the laws of England and Wales and information disclosed in this document and the accompanying documents may not be the same as that which would have been prepared in accordance with laws of jurisdictions outside England and Wales. Nothing in this document or the accompanying documents should be relied on for any other purpose.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document will not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained herein will be deemed to be a forecast, projection or estimate of the future financial performance of the Company, the Group or New MXC.

No person has been authorised to make representations on behalf of the Company or New MXC concerning the Scheme Proposal which are inconsistent with the statements contained herein and any such representations, if made, may not be relied upon as having been so authorised. The summaries of the principal provisions of the Scheme contained in this document are qualified in their entirety by reference to the Scheme itself, the full text of which is set out in Part 4 of this document. Each Shareholder is advised to read and consider carefully the text of the Scheme itself.

No person should construe the contents of this document as legal, financial or tax advice but should consult their own advisers in connection with the matters contained herein.

Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively for Old MXC and, following completion of the Scheme Proposal, New MXC, and no one else in connection with the Scheme Proposal. Zeus Capital will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Zeus Capital nor for providing advice in relation to the transactions or arrangements detailed in this document. The responsibilities of Zeus Capital as the nominated adviser and broker to Old MXC or New MXC, as appropriate, for the purposes of the AIM Rules are owed solely to the London Stock Exchange and are not owed to Old MXC, New MXC, any Director of Old MXC or New MXC or to any other person. Zeus Capital is not making any representation or warranty, express or implied, as to the contents of this document or for the omission of any material from this document, for which it is not responsible.

This document does not constitute a prospectus or prospectus equivalent document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Directors. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board’s expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of Old MXC’s financial performance. Although the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old MXC or New MXC or industry results to differ materially from those expressed or implied in forward-looking statements.

These factors include, but are not limited to, those described in the “Risk Factors” section of the Appendix to the Schedule 1 Announcement and which can be accessed at www.mxccapital.com

Save as required by the AIM Rules, the London Stock Exchange or applicable law, Old MXC undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board’s expectations or to reflect events or circumstances after the date of this document.

NOTICE TO OVERSEAS SHAREHOLDERS

The implications of the Scheme Proposal for Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Unless otherwise determined by New MXC, and permitted by applicable laws and regulations, the Scheme Proposal will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme Proposal by any means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all other documents relating to the Scheme Proposal are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all other documents relating to the Scheme Proposal (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

This document has been prepared for the purposes of complying with the laws of England and Wales and the information disclosed may be different from that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales. Overseas Shareholders should consult their own legal and tax advisers with regard to the potential of any legal and/or tax consequences of the Scheme Proposal on their particular circumstances.

If, in respect of any Overseas Shareholders, New MXC is advised that the issue of New MXC Shares would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New MXC to obtain any governmental or other consent or effect any registration, filing or other formality, the Scheme provides that New MXC may determine that no New MXC Shares shall be issued to such holder but may instead be issued to a nominee appointed by New MXC as trustee for such holder, on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New MXC Shares so issued at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after deduction of all related expenses and commissions) to the holder of such Scheme Shares. Any remittance of the net proceeds of the sale referred to in this paragraph shall be at the risk of the relevant holder. Alternatively, New MXC may determine that the New MXC Shares shall be issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder’s risk.

The availability of the Scheme Proposal to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Information for US Shareholders

The financial information included or referred to in this document has been prepared in accordance with either (as indicated) the accounting standards applicable in the United Kingdom or the International Financial Reporting Standards, neither of which may be comparable to the financial statements of US

companies. US generally accepted accounting principles differ in certain respects from the accounting standards applicable in the United Kingdom and from International Financial Reporting Standards. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Accounting Oversight Board (United States).

The Scheme Proposal relates to the shares in an English company and is proposed to be made by means of a scheme of arrangement provided for under the company law of the United Kingdom. The scheme of arrangement will relate to the shares of a UK company that is a ‘foreign private issuer’ as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy and tender offer rules under the US Exchange Act. Accordingly, the Scheme Proposal is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the financial statements of US companies.

PUBLICATION ON WEBSITE

A copy of this document will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the Company’s website at www.mxccapital.com during the course of the Scheme Proposal but should not be forwarded or transmitted in or into or from any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Proposal is sent or made available to Shareholders in that jurisdiction.

For the avoidance of doubt, neither the content of the website referred to above nor the content of any website accessible from hyperlinks on the website (or any other website) is incorporated into, or forms part of, this document.

ACTION TO BE TAKEN

VOTING AT THE COURT MEETING AND THE GENERAL MEETING

There will be two separate meetings of Shareholders: the Court Meeting and the General Meeting. Scheme Shareholders will be entitled to vote at the Court Meeting and all Shareholders will be entitled to vote at the General Meeting. The Court Meeting and the General Meeting will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN on 17 December 2014 at 11.00 a.m. and 11.30 a.m. respectively (or, in the case of the General Meeting, if later, as soon as the Court Meeting has been concluded or adjourned). The Scheme requires approval of the Scheme Resolutions to be tabled at both of these Meetings.

Please check that you have received the following with this document:

- a BLUE Form of Proxy for use in respect of the Court Meeting;
- a WHITE Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in the UK for the return of the Forms of Proxy.

If you have not received all of these documents, please contact the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

To vote on the Scheme:

The action to be taken by holders of Old MXC Shares in respect of the Meetings is set out in paragraph 16 of Part 1 and paragraph 19 of Part 2 of this document. Whether or not you plan to attend the Meetings, each eligible Shareholder is requested to complete and sign both the BLUE and WHITE Forms of Proxy and return them, in accordance with the instructions printed thereon, by post or, during normal business hours only, by hand to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event so as to be received by no later than:

- in respect of the BLUE Form of Proxy for the Court Meeting: 11.00 a.m. on
15 December 2014
- in respect of the WHITE Form of Proxy for the General Meeting: 11.30 a.m. on
15 December 2014

(or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting). A reply-paid envelope is provided for use in the UK only. Forms of Proxy returned by fax or email will not be accepted. The Scheme requires approval at both the Court Meeting and the General Meeting.

If you would like to vote online, please go to www.investorcentre.co.uk/eproxy. Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the Court Meeting and to the WHITE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the General Meeting.

Returning the Forms of Proxy will enable your votes to be counted at the Meetings in the event of your absence. If the BLUE Form of Proxy for use at the Court Meeting is not returned by 11.00 a.m. on 15 December 2014, it may be handed to the Chairman of the Court Meeting at the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by 11.30 a.m. on 15 December 2014, it will be invalid.

The completion and return of a Form of Proxy will not prevent you from attending and voting at the relevant Meeting, or any adjournment thereof, in person should you wish to do so and are so entitled.

Shareholders are encouraged to return their Forms of Proxy as soon as possible, to ensure they arrive before the relevant deadline.

To vote at the Meetings using a proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so using the procedures described in the CREST Manual. CREST personal members or other

CREST sponsored members, and those CREST members who have appointed a 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 Voting Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). 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, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID 3RA50 by 11.00 a.m. on 15 December 2014 in the case of the Court Meeting and by 11.30 a.m. on 15 December 2014 in the case of the General Meeting (or, in the case of any adjournment, no later than 11.00 a.m. on the day two days before the day of the adjourned Meeting (excluding any day which is not a working day) in respect of the Court Meeting or by no later than 11.30 a.m. on the days two days before the adjourned Meeting (excluding any day which is not a working day) in respect of the General Meeting)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Voting Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

Old MXC may treat as invalid a CREST Proxy Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations.

Appointment of multiple proxies

Shareholders are entitled to appoint a proxy in respect of some or all of their Old MXC Shares. Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow you to specify the number of Old MXC Shares in respect of which that proxy is appointed. If you return a Form of Proxy duly executed but leave this space blank, you will be deemed to have appointed the proxy in respect of all of your Old MXC Shares. If you wish to appoint more than one proxy in respect of your shareholding you should contact the Company’s Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY for further Forms of Proxy or photocopy the Form of Proxy as required. You should also read the section included in the Forms of Proxy headed “Notes” and note the principles that will be applied in relation to the appointment of multiple proxies.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDER OPINION. SCHEME SHAREHOLDERS ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN THEIR FORMS OF PROXY AS SOON AS POSSIBLE.

Shareholders are recommended to seek financial advice from their independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

Date

This document is dated 24 November 2014.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Proposal.

<i>Event</i>	<i>Time and/or date</i>
Date of circulation of this document	24 November 2014
Latest time for lodging BLUE Forms of Proxy for the Court Meeting	11.00 a.m. on 15 December 2014 ⁽¹⁾
Latest time for lodging WHITE Forms of Proxy for the General Meeting	11.30 a.m. on 15 December 2014 ⁽¹⁾
Voting Record Time for Court Meeting and General Meeting	6.00 p.m. on 15 December 2014 ⁽²⁾
Court Meeting	11.00 a.m. on 17 December 2014
General Meeting	11.30 a.m. on 17 December 2014 ⁽³⁾

The following dates are subject to change (please see note (4) below):

Scheme Court Hearing	3 February 2015
Last day of dealings in, and for registration of transfers of, Old MXC Shares	4 February 2015
Trading in Old MXC Shares on AIM suspended	7.30 a.m. on 4 February 2015
Disablement in CREST of Old MXC Shares	5.00 p.m. on 4 February 2015
Scheme Record Time	6.00 p.m. on 4 February 2015
Reduction Court Hearing	5 February 2015
Effective Date	5 February 2015
Cancellation of admission of Old MXC Shares to trading on AIM	7.00 a.m. on 6 February 2015
Commencement of dealings in New MXC Shares on AIM	8.00 a.m. on 6 February 2015
Expected date for crediting of New MXC Shares to CREST accounts	6 February 2015
Expected date for despatch of New MXC Share certificates	20 February 2015
Long Stop Date	31 March 2015 ⁽⁵⁾

The Court Meeting and the General Meeting will each be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN.

Notes:

- (1) It is requested that the BLUE Form of Proxy for the Court Meeting be lodged before 11.00 a.m. on 15 December 2014 (or in the case of any adjournment, 48 hours before the time fixed for the holding of the adjourned Meeting). BLUE Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. The WHITE Form of Proxy for the General Meeting must be lodged before 11.30 a.m. on 15 December 2014 in order for it to be valid, or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned Meeting. The WHITE Form of Proxy cannot be handed to the Chairman of the General Meeting at that meeting.
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned Meeting will be 6.00 p.m. on the date two working days before the date set for the adjourned Meeting.
- (3) To commence at 11.30 a.m. or, if later, immediately after the conclusion of the Court Meeting or any adjournment thereof.
- (4) These times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and confirms the associated Reduction of Capital. It will also depend on when the Court Orders sanctioning the Scheme and confirming the Reduction of Capital and, in relation to the Reduction of Capital, the statement of capital are delivered to the

Registrar of Companies. Old MXC will give notice of any change(s) by issuing an announcement through a Regulatory Information Service in the UK.

- (5) This is the latest date by which the Scheme may become effective unless Old MXC and New MXC agree a later date and (if required) the Court so allows.

Unless otherwise stated, all references in this document to times are to times in London, England.

PART 1

LETTER FROM THE CHAIRMAN OF MXC CAPITAL PLC

MXC CAPITAL PLC

*(Incorporated in England and Wales under the Companies Act 1985
with registered number 05010663)*

Directors:

Peter Martin Rigg (*Non-Executive Chairman*)
Paul Graham Guilbert (*Non-Executive Director*)
Marc Young (*Chief Executive Officer*)

Registered Office:

100 Fetter Lane
London
EC4A 1BN

24 November 2014

To: To all holders of Old MXC Shares and, for information only, to participants in the MXC Capital Share Option Schemes

Dear Shareholder,

**Recommended proposals for the introduction of a new parent company by
means of a scheme of arrangement under
sections 895 to 899 of the Companies Act 2006**

1. Introduction

On 17 November 2014, the Company announced its proposal to change the Group's corporate structure by putting in place a new Guernsey incorporated company, tax resident in Guernsey, as the parent company of the Group.

In anticipation of the proposal mentioned above, a new company, MXC Capital Limited was incorporated as a non-cellular company with limited liability in Guernsey on 19 August 2014.

In order to effect the change in parent company, New MXC will acquire the entire issued share capital of Old MXC, such acquisition to be implemented by means of a scheme of arrangement.

If the Scheme becomes effective, New MXC will become the new parent company of the Group and the existing parent company, MXC Capital plc, will be re-registered as a private limited company as part of the Scheme and renamed MXC Capital Limited.

I am writing to you on behalf of the Directors to explain:

- the reasons for, and terms of, the Scheme Proposal;
- why the Directors, who have been advised by Zeus Capital, unanimously consider the Scheme Proposal to be fair and reasonable to Shareholders; and
- why the Directors are unanimously recommending that Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting as the Directors intend to do so (or will procure to be done) in respect of the Old MXC Shares held beneficially by any of them.

2. Summary of the terms of the Scheme Proposal

The introduction of a new parent company to the Group is to be implemented by means of a scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the Companies Act and involves a reduction of capital under section 641 of the Companies Act. The full details of the Scheme Proposal are set out in Parts 2 to 4 of this document. The Scheme requires the requisite approval of the Scheme Shareholders at a meeting convened by the Court and the subsequent sanction of the Court. The Reduction of Capital requires the approval of Shareholders at the General Meeting and the subsequent

confirmation of the Court. Once the Scheme becomes Effective, the terms will be binding on all Scheme Shareholders whether or not they voted in favour of the Scheme.

As a result of the Scheme New MXC will own the entire issued ordinary share capital of the Company. Under the terms of the Scheme, which is subject to the satisfaction or waiver (if capable of waiver) of the Conditions and further terms set out in Part 3 of this document, the Scheme Shares will be cancelled and, upon the Scheme becoming Effective, Scheme Shareholders at the Scheme Record Time will receive:

for each Scheme Share one New MXC Share

being in effect a straight share for share exchange of Scheme Shares (i.e. Old MXC Shares) for New MXC Shares.

You will not have to pay anything for your New MXC Shares.

The expected transaction timetable is set out on page 8 of this document. It is expected that the Scheme Proposal and the resolutions required to implement the Scheme will be put to Shareholders at the Court Meeting and at the General Meeting which are expected to be held on 17 December 2014. It is expected that, subject to satisfaction or waiver (if capable of waiver) of the Conditions, the Effective Date will be 5 February 2015. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting. Further details of the Scheme, including the arrangements for settlement of the consideration payable to Scheme Shareholders, are set out in the Explanatory Statement in Part 2 of this document.

The last day of dealings in, and for registration of transfers of, Old MXC Shares is presently expected to be 4 February 2015. No transfers of Old MXC Shares will be registered after that date.

Subject to the satisfaction or waiver (if capable of waiver) of all relevant Conditions, application will be made to the London Stock Exchange for the admission of Old MXC Shares to trading on AIM to be cancelled and for its shares to cease trading on AIM as of 7.00 a.m. on the Business Day after the Effective Date.

3. New MXC Shares

The New MXC Shares to be issued as consideration for the Scheme Proposal will be ordinary shares (with no par value) in the capital of New MXC.

The New MXC Shares will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever and New MXC will apply for the New MXC Shares to be admitted to trading on AIM. As part of such application, New MXC is required to publish certain documentation including the Appendix to the Schedule 1 Announcement. It is expected that, in respect of the New MXC Shares to be issued, Admission will become effective and that dealings for normal settlement in the New MXC Shares will commence on 6 February 2015.

The New MXC Shares will be issued in registered form, will be capable of being held in both certificated and uncertificated form, will be issued credited as fully paid and will rank *pari passu* in all respects with the existing MXC Shares, including as to voting rights and the right to receive and retain all dividends and other distributions declared, paid or made after the Effective Date.

The New MXC Shares will be issued following implementation of the Scheme to Shareholders on the register immediately following the Scheme Record Time. Details of the rights attaching to the New MXC Shares are set out in paragraph 3 of Part 6 of this document.

4. Conditions to the Scheme Proposal

The implementation of the Scheme Proposal is subject to satisfaction or waiver (if capable of waiver) of the Conditions set out in section A of Part 3 of this document. To become Effective, the Scheme Proposal requires:

- the approval of the Scheme at the Court Meeting by the necessary majority of the Scheme Shareholders present and voting, either in person or by proxy;
- the passing of the Special Resolution at the General Meeting;
- the Court sanctioning the Scheme at the Scheme Court Hearing and confirming the Reduction of Capital at the Reduction Court Hearing;
- the delivery of copies of the Court Orders and statement of capital as approved by the Court to the Registrar of Companies and, if the Court so orders, the registration of the Reduction Court Order and such statement of capital by the Registrars of Companies;
- approval from the FCA of New MXC becoming a controller of MXC Capital Advisory; and
- the London Stock Exchange agreeing to admit (subject to the satisfaction of the five conditions set out above) the New MXC Shares to trading on AIM and its agreement not having been withdrawn prior to the Effective Date.

Further details of all of the Conditions to which the Scheme Proposal is subject are set out in Part 3 of this document.

5. Reasons for the Scheme Proposal

In the context of the Company's strategy and commercial objectives, the Directors consider that there are significant commercial and financial benefits from conducting business as a Guernsey protected cell-company rather than a traditional English company and have therefore chosen to re-domicile the Group in Guernsey.

A protected cell company is a particular corporate entity that allows for the creation of cells from time to time, each of which can have a separate portfolio of assets. A protected cell company may, in respect of any of its cells, create and issue shares representing economic and voting rights in relation to such cells. Persons investing in cell shares shall only have recourse to, and except in very limited circumstances their interests shall be limited to, the assets of that cell and they shall have no recourse to assets attributed to any other cell (as may be created from time to time) or to the core assets of the company.

In the first instance however, New MXC a company with limited liability, has been incorporated in Guernsey as a non-cellular company and will be used to effect the proposed Scheme Proposal. The process for converting New MXC to a protected cell company under Guernsey law is relatively straightforward and the directors of New MXC will therefore have the flexibility to undertake such process at any time in the future, as and when they consider that the circumstances warrant it and it is in shareholders' best interests to do so.

In the opinion of the Directors the three key reasons for using a protected cell company are as follows:

- **Flexible structure:** Should an investment opportunity arise which is unappealing to some or all of the existing shareholder base, a new cell can be created for investors for whom it would appeal. In addition there would be no challenge for New MXC in raising further capital in the event that its shares trade at a discount to net asset value, a significant challenge for many closed-ended funds and investment companies. In such circumstances, a new cell can be created, with the dual benefit of making the investment appealing to new investors and commercially viable to existing investors in New MXC.
- **Cost and other efficiencies:** There will not be the requirement to have a separate board of directors, auditors or other professional advisers (together with the associated fees) for each cell, which would be required for the English alternative, being a series of separate subsidiary companies. This therefore represents significant annual cost savings as and when second and subsequent cells are created.
- **Protection of the cell structure:** The liability advantage of using protected cell companies is that any risk is ring-fenced within each cell such that should one cell go into liquidation its creditors cannot look to the assets owned by the other cells or their shareholders for recovery of outstanding debts or other liabilities.

6. Information on the Group

On 16 April 2014, the Company disposed of its final operating business and became an Investing Company under Rule 15 of the AIM Rules, focused on making acquisitions and/or investments within the technology, media and telecommunications (TMT) sector.

On 17 July 2014, the Company announced a placing of 850,000,000 Old MXC Shares at a price of 1 penny per share to raise gross proceeds of £8.5 million and further announced the proposed acquisition of MXC Capital Advisory, a specialist TMT focused corporate finance advisory business; the placing completed on 13 August 2014 and the acquisition of MXC Capital Advisory on 29 October 2014.

As a result, the Company has become a specialist merchant bank whose employees and consultants bring together a deep knowledge of technology as well as first-hand experience of managing companies in the sector. The financial resources at its disposal allow the Company to make meaningful investments which, together with a highly experienced corporate advisory team, combine to grow shareholder value. Further information on the Company's strategy is set out in paragraph 10 of this Part 1.

7. Old MXC current trading and prospects

Results for the year ending 31 August 2013

For the financial year ended 31 August 2013, the Company reported revenue of £3.52 million, gross profit of £1.19 million and an operating loss of £5.07 million.

Operational Update

On 21 March 2014, Old MXC announced that it had conditionally agreed to sell 2ergo Limited, its mobile coupon and loyalty business for a total consideration of £4.5 million to Eagle Eye Solutions Group plc. The consideration was settled by the payment of £2.5 million in cash and the issuance of £2 million of shares in Eagle Eye Solutions Group plc at 164 pence per share. The disposal was completed in April 2014 following which the Company became an Investing Company under the AIM Rules.

In the half yearly results for the six months ended 28 February 2014, the Company announced an operating loss from continuing operations of £0.3 million, cash resources immediately post disposal of 2ergo Limited of £3.1 million and an investment in Eagle Eye Solutions Group plc worth £2.13 million.

As previously stated, on 17 July 2014, the Company announced a placing of 850,000,000 Old MXC Shares at a price of 1 penny per share to raise gross proceeds of £8.5 million and announced the proposed acquisition of MXC Capital Advisory, a specialist TMT focused corporate finance advisory business; the placing completed on 13 August 2014 and the acquisition of MXC Capital Advisory on 29 October 2014.

The Company has recently announced the following investments:

- On 30 October 2014, the Company announced that it had made a commitment to the placing being undertaken by Castleton Technology plc ("**Castleton**") in connection with that company's acquisition of Documotive Limited. The Company committed £1.2 million of the £5.5 million being placed by Castleton and also received warrants over 5 per cent. of the enlarged issued share capital of Castleton following the placing and completion of the acquisition. The placing completed on 18 November and the investment was made immediately subsequent to that.
- On 30 October 2014, the Company announced that it had also made a further investment, committing to provide up to £1 million of capital to 365 Agile Limited ("**Agile**") a software enabled mobile working solutions business. The investment is structured as a blend of equity and debt and will result in the Company owning 25 per cent. of the issued share capital of Agile. The investment completed on 18 November 2014.

In addition, on 30 October 2014 the Company announced that it had entered into an agreement to acquire all of the shares in Castleton currently owned by MXC Holdings. The consideration for the acquisition was satisfied by an issuance of 104,089,816 new ordinary shares of 1 penny each in the Company at a price of 1.7 pence per share.

Outlook

Following completion of the aforementioned recent fundraising and the acquisition of MXC Capital Advisory the Company's strategy is two-fold: (i) to target significant capital gains by increasing the value of the Group's current and future investments; and (ii) to generate income and profits from the advisory business. The Company continues to explore numerous opportunities for both investments as well as advisory mandates.

8. Information on New MXC

New MXC is a company with limited liability incorporated in Guernsey and established for the sole purpose of acquiring the entire issued share capital of Old MXC.

Implementation of the Scheme requires that up to 1,954,636,991 New MXC Shares be issued to the holders of Scheme Shares (assuming that the MXC Capital Options are not exercised and no new Old MXC Shares are allotted and issued by the Company after the date of this document). New MXC will, at the relevant time, have sufficient authorities to allow it to effect the issue of such number of New MXC Shares.

9. Shareholder safeguards

Similar shareholder safeguards will apply to the New MXC Shares as currently apply to the Old MXC Shares. For example, New MXC will comply with the AIM Rules and will comply with the relevant institutional shareholder guidelines to the same extent that Old MXC currently complies with them. In addition, the provisions of the Takeover Code will still apply to acquisitions of shares in, or offers for shares of, New MXC. However, as New MXC is a Guernsey incorporated company, it will be subject to the laws of Guernsey. Further information on the differences between English and Guernsey company law is set out in Part 6 of this document.

10. New MXC's strategic plans for Old MXC and its intentions regarding Old MXC's directors, management and employees

New MXC is a new company incorporated for the sole purpose of acquiring the entire issued share capital of Old MXC in order to effect the re-domicile of the Group in Guernsey. As a result, the strategy and objectives of Old MXC following the proposed Scheme Proposal will be identical to the current plans as set out in this document, save that the Enlarged Group will be able to take advantage of being domiciled in Guernsey with the potential to adopt a protected cell company structure.

The Company seeks to leverage the network, expertise and experience of MXC Holdings, and Ian Smith and Tony Weaver specifically, through a consultancy, referral and licence agreement, under which MXC Holdings will introduce all future TMT investment opportunities it generates to the Company on a first refusal basis.

The Company looks at a wide variety of investment opportunities within the TMT sector but expects to focus on special situations, particularly:

- Corporate turnarounds, delivering strategic enhancements and/or operational improvements; and
- buy-and-build strategies, – creating value through consolidating fragmented markets and the effective integration of acquired companies or businesses acquisitions.

The Company looks to take significant ownership positions, typically between 10 and 29.9 per cent. and hold these long term. It will also take an active approach towards managing its portfolio investments:

- its employees or representatives will have board representation or oversight on investee companies; and
- MXC Capital Advisory will provide corporate finance, equity and debt capital markets advice.

The Enlarged Group's head office will move to St Peter Port, Guernsey following implementation of the Scheme. Two of New MXC's directors are already based offshore.

The board of Old MXC has received assurance from New MXC that the existing employment rights, including pension rights, of the directors, management and employees of the Group will be fully safeguarded following the Scheme becoming unconditional.

As described in paragraph 13 of Part 1 of this document, the Company is proposing to create distributable reserves by the cancellation of the sum standing to the credit of the Company's share premium account and the cancellation of the Scheme Shares. Following the Effective Date, the Directors will give consideration as to what to do with the Company going forward and one option may be to wind up the Company and transfer its assets to New MXC or transfer its assets to another entity in the Enlarged Group. The Company does not currently have sufficient distributable reserves to effect any such transfer of assets by way of a dividend in specie, so the Directors are proposing to take this opportunity to create distributable reserves for the Company and give them as much flexibility as possible to move assets around the Enlarged Group.

11. MXC Capital Share Option Schemes

As at the date of this document, four employees or former employees of the Group ("**Option Holder**") hold options over an aggregate of 66,660,842 Old MXC Shares ("**Share Options**") pursuant to the MXC Capital Share Option Schemes.

The terms of the Scheme, if approved by the Scheme Shareholders and the Court, will bind all Scheme Shareholders, including holders of any Old MXC Shares which are acquired before the Scheme Record Time upon the exercise of options granted under the MXC Capital Share Option Schemes.

The Scheme will not extend to Old MXC Shares issued, including on the exercise of MXC Capital Options, on or after the Scheme Record Time. However, an amendment to the Old MXC Articles is to be proposed at the General Meeting to the effect that Old MXC Shares issued on or after the Scheme Record Time will be automatically transferred to New MXC in consideration for such number of MXC Shares as would have been issued under the Scheme had they been Scheme Shares.

Following the Scheme becoming effective, no further grants of options or awards over Old MXC Shares will be made under the MXC Capital Share Option Schemes.

Participants in the MXC Capital Share Option Schemes will be sent further details of the action to be taken (if any) in respect of their options as soon as practicable after the issue of this document.

It is proposed that if an Option Holder has not exercised their Share Options before the Scheme Record Time then, all of the terms and conditions of the MXC Capital Share Option Schemes will continue to apply in respect of the Share Options save that on exercise of the Share Options, the Option Holders will be issued with MXC Shares rather than Old MXC Shares.

12. Long Term Incentive Plan

As soon as reasonably practicable after completion of the Scheme, New MXC intends to implement a long term incentive plan for the benefit of both the management team (from time to time) and MXC Holdings, to incentivise them as well as align their interests with those of the shareholders of New MXC.

These arrangements will only reward the participants if shareholder value is created; for the purposes of the plan, "shareholder value" shall broadly mean the difference between the market capitalisation of New MXC at the point in time that any assessment is made and the sum of: (i) the market capitalisation of Old MXC (at 1 penny per share) following the admission of the placing shares in August 2014 and the admission of the consideration shares allotted and issued to MXC Holdings in connection with the acquisition of MXC Capital Advisory in October 2014; and (ii) the aggregate value (at the subscription price) of all shares issued by either Old MXC or New MXC thereafter and up to the point in time that any assessment is made, in each case adjusted for dividends and capital returns to the either Old MXC or New MXC shareholders.

Whilst the precise structure of the plan remains to be determined, the beneficiaries of the plan will be entitled to an amount of up to 12.5 per cent. of shareholder value (as defined above) created, subject to certain share price performance criteria set out below.

In the event that the Company achieves a mid-market closing share price of 1.5 pence at any point in the future, the beneficiaries shall be entitled to a quarter of this 12.5 per cent., being 3.125 per cent. of shareholder value created; the remaining quarters shall vest at 2 pence, 2.5 pence with the full amount vesting at 3 pence.

It is anticipated that: (i) the plan shall have a term of 5 years from its date of implementation (but it is possible that the vesting and/or performance criteria may well be satisfied in full ahead of that expiration date) and; (ii) the management team and MXC Holdings shall participate in the plan on the same terms and conditions, save that the management will be entitled to 36 per cent. of all amounts awarded pursuant to it and MXC Holdings to the balance, being 64 per cent.

Whilst it is the intention of New MXC to implement a long term incentive plan along the lines mentioned above, New MXC may, after further advice and consideration, decide to implement a more traditional option scheme of similar effect.

13. Cancellation of the Company's share premium account and the creation of distributable reserves

The Share Premium Account Reduction of Capital will involve the cancellation of the Company's share premium account, which is expected to amount to approximately £13.3 million.

The Share Premium Account Reduction of Capital will require approval by Shareholders by way of a special resolution to be proposed at the General Meeting and will also require the confirmation of the Court. The Share Premium Account Reduction of Capital will not become effective until registration by the Registrar of Companies of a copy of the Reduction Court Order and statement of capital confirming the Share Premium Account Reduction of Capital.

The Reduction Court Hearing to confirm the Share Premium Account Reduction of Capital is expected to be held on 5 February 2015, and the Share Premium Account Reduction of Capital is expected to become effective on the same day.

In order to create additional distributable reserves, Old MXC does not intend to apply the reserve arising from the cancellation of the Scheme Shares held by the Scheme Shareholders in paying up in full new ordinary shares which have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled and issuing the same to New MXC.

The Directors will, following completion of the Scheme, consider what to do with the distributable reserves created following the Court's approval of the Reduction of Capital and the Share Premium Account Reduction of Capital and it is possible that such distributable reserves will: (a) in the first instance be offset against the existing distributable reserves deficit in Old MXC; and (b) then be utilised to effect a dividend of the assets of Old MXC to New MXC or to another entity in the Enlarged Group. Any balance remaining after (a) and (b) should they take place will comprise distributable reserves of Old MXC going forward.

In circumstances where a cancellation of a company's ordinary shares and share premium account creates distributable reserves which are used to pay a dividend to shareholders, the Court may require protection of those creditors of the company whose debts remain outstanding as at the date on which the cancellation of the company's ordinary shares and share premium account becomes effective, unless such creditors agree otherwise. Old MXC is seeking the consent of certain of its creditors. If so required by the Court, appropriate arrangements will be made for the protection of any other creditors of Old MXC whose debts will remain outstanding as at the date on which the Reduction of Capital and the Share Premium Account Reduction of Capital become effective.

14. United Kingdom Taxation

Your attention is drawn to Part 5 of this document relating to United Kingdom taxation. Scheme Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, are strongly advised to contact an appropriate independent professional tax adviser immediately.

15. Suspension and cancellation of admission of Old MXC Shares to trading on AIM and re-registration

The last day of dealings in Old MXC Shares on AIM is expected to be 5 February 2015. No transfers of Old MXC Shares will be registered after 6.00 p.m. on 5 February 2015. Prior to the Scheme becoming effective, an application will be made to the London Stock Exchange to cancel the admission to trading of the Old MXC Shares on AIM. It is expected that such cancellation will take effect at 7.00 a.m. on the Business Day after the Effective Date.

It is proposed, as part of the application to Court in connection with the Scheme, to seek an order of the Court pursuant to section 651 of the Companies Act to re-register MXC Capital plc as a private limited company. That order would also specify the changes to the Old MXC Articles to be made in connection with that re-registration.

Further details on the suspension and cancellation of the Old MXC Shares on AIM and the re-registration of MXC Capital plc as a private limited company are set out in paragraph 13 of Part 2 (Explanatory Statement) of this document.

16. Action to be taken

The Scheme Proposal is subject to the satisfaction or waiver (if capable of waiver) of the Conditions set out in section A of Part 3 of this document. In order to become Effective, the Scheme must be approved by a majority in number of those Scheme Shareholders who are present and vote either in person or by proxy at the Court Meeting and who represent 75 per cent. or more in value of all Scheme Shares held by such Shareholders. In addition, the Special Resolution to give effect to the Scheme must be passed at the General Meeting and the London Stock Exchange must have agreed to admit the New MXC Shares to trading on AIM. Under the Companies Act, the Scheme is also subject to the approval of the Court. **If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who did not vote to approve the Scheme.**

You will find enclosed with this document:

- a BLUE Form of Proxy for use at the Court Meeting;
- a WHITE Form of Proxy for use at the General Meeting; and
- a reply-paid envelope for use in the UK for the return of the Forms of Proxy.

To vote at the Meetings

Whether or not you intend to attend the Court Meeting and/or the General Meeting, you are requested to complete and sign the enclosed BLUE and WHITE Forms of Proxy and return them in accordance with the instructions printed on them. Completed Forms of Proxy should be returned, in accordance with the instructions printed thereon, by post or, during normal business hours only, by hand to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to be received by the times set out below:

- BLUE Forms of Proxy for the Court Meeting 11.00 a.m. on 15 December 2014
- WHITE Forms of Proxy for the General Meeting 11.30 a.m. on 15 December 2014

(or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting).

If you would like to vote online, please go to www.investorcentre.co.uk/eproxy. Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the Court Meeting and to the WHITE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the General Meeting.

If you wish to appoint more than one proxy you should request additional proxy forms from Computershare Investor Services PLC and submit them in accordance with the instructions set out in this document.

If you hold your Old MXC Shares in uncertificated form, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the notes to the notices of the Court Meeting and the General Meeting set out in Parts 9 and 10 respectively of this document).

If the BLUE Form of Proxy for use at the Court Meeting is not lodged by the time specified above, it may be handed to the chairman of the Court Meeting at the start of the Court Meeting and will still be valid. However, in the case of the WHITE Form of Proxy for the General Meeting, it will be invalid unless it is lodged by the time specified above with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The completion and return of the relevant Form of Proxy will not prevent you from attending and voting in person at the relevant Meeting, or at any adjournment thereof, if you so wish and are so entitled.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of the opinions of the Scheme Shareholders. Therefore, whether or not you intend to attend the Meetings, you are strongly urged to sign and return your Forms of Proxy for both the Court Meeting and the General Meeting as soon as possible.

Notices convening the Court Meeting and the General Meeting are set out in Parts 9 and 10 of this document respectively.

If you are in any doubt as to the action you should take, you should contact an independent financial adviser authorised under FSMA if you are in the UK or, if you are outside of the UK, an appropriately authorised independent financial adviser and/or legal adviser without delay.

If you have any questions relating to the Meetings, this document or the completion and return of the Forms of Proxy, please address your questions in writing to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

17. Overseas shareholders

Overseas Shareholders should refer to paragraph 16 of Part 2 (Explanatory Statement) of this document.

18. Further information

The terms of the Scheme are set out in full in Part 4 of this document. Please read carefully the remainder of this document, including the letter from Zeus Capital, financial advisers to the Company, set out in Part 2 of this document. Please note that the information contained in this letter is not a substitute for reading the remainder of this document.

Your attention is also drawn to the further information contained in this document and, in particular, to the Conditions and Further Terms of the Scheme Proposal in Part 3 of this document, taxation issues described in Part 5 and the additional information set out in Part 7 of this document. You should read the whole of this document.

19. Recommendation

The Directors of Old MXC, who have been so advised by Zeus Capital, consider the terms of the Scheme Proposal to be fair and reasonable. In providing its advice, Zeus Capital has taken into account the commercial assessments of the Directors. In addition, the Directors consider the terms of the Scheme Proposal to be in the best interests of the Shareholders as a whole.

Accordingly, the Directors of Old MXC unanimously recommend that Shareholders vote in favour of the Scheme Proposal and the Scheme Resolutions to be proposed at the Court Meeting and the General Meeting, as the Directors (and their connection persons) intend to do in respect of their own beneficial holdings of Old

MXC Shares, being in aggregate 6,000,000 Old MXC Shares, which represent approximately 0.31 of the issued Old MXC Shares as at the date of this document.

In addition, the largest shareholder of Old MXC, MXC Holdings, has also confirmed to the Company that it intends to vote in favour of the Scheme Proposal and the Scheme Resolutions to be proposed at the Court Meeting and the General Meeting. MXC Holdings holds 1,049,089,816 Old MXC Shares representing approximately 53.67 of the issued Old MXC Shares as at the date of this document.

Yours faithfully

Peter Rigg

Non-Executive Chairman

PART 2

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

Zeus Capital Limited
23 Berkeley Square
London
W13 6HE

24 November 2014

To: To all holders of Old MXC Shares and, for information only, to participants in the MXC Capital Share Option Schemes

Dear Shareholder,

**Recommended proposals for the introduction of a new parent company by
means of a scheme of arrangement under
sections 895 to 899 of the Companies Act 2006**

1. Introduction

On 17 November 2014, the Company announced its intention to change its corporate structure by putting in place a new parent company, MXC Capital Limited. New MXC is a company with limited liability incorporated in Guernsey which will be tax resident in Guernsey. The introduction of New MXC to the Group is to be effected by way of a scheme of arrangement under sections 895 to 899 of the Companies Act.

The Scheme is subject to the Conditions. If the Conditions are satisfied or waived (if capable of waiver) and the Scheme is approved and implemented in full, New MXC will own the entire issued share capital of Old MXC.

Zeus Capital has been authorised by the Directors to write to you to set out the terms of the Scheme Proposal and to provide you with other relevant information.

In giving its advice, Zeus Capital is advising the Directors in relation to the Scheme Proposal and is not acting for any Director in his personal capacity or for any Shareholder in relation to the Scheme Proposal. Zeus Capital will not be responsible to any such person for providing the protections afforded to its clients or for advising any such person in relation to the Scheme Proposal. In particular, Zeus Capital will not owe any duties or responsibilities to any particular Shareholder concerning the Scheme Proposal.

The introduction of a new parent company to the Group is to be implemented by means of a scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the Companies Act and involves a reduction of capital under section 641 of the Companies Act. The Scheme requires the approval of the Scheme Shareholders at a meeting convened by the Court and the subsequent sanction of the Court. The Reduction of Capital requires the approval of Shareholders at a General Meeting and the subsequent confirmation of the Court. Once the Scheme becomes Effective, the terms will be binding on all Scheme Shareholders whether or not they voted in favour of the Scheme.

The Scheme Proposal is conditional on the conditions set out in Part 3 of this document being satisfied or waived (if capable of waiver). A summary of these conditions is set out in paragraph 4 of Part 1 of this document.

Your attention is also drawn to the information in the other parts of this document, which form part of the Explanatory Statement pursuant to section 897 of the Companies Act.

2. Recommendation of the Directors

Your attention is drawn to the letter from the Chairman of Old MXC set out in Part 1 of this document which forms part of this explanatory statement. That letter contains, among other things, the unanimous recommendation by the Directors that Scheme Shareholders vote in favour of the Scheme Resolutions to give effect to the Scheme and the reasons for the recommendation. The letter also states that the Directors, who have been so advised by Zeus Capital, consider the terms of the Scheme Proposal to be fair and reasonable. In providing its advice to the Directors, Zeus Capital has taken into account the Directors' commercial assessments.

The reasons for the recommendation are set out in paragraph 5 of the Chairman's letter in Part 1 of this document and details of the effect of the Scheme on the interests of the Directors are set out in paragraph 11 below.

Scheme Shareholders should read the whole of this document before deciding whether or not to vote in favour of the Scheme and the Scheme Resolutions.

3. Summary of the terms of the Scheme Proposal

Under the terms of the Scheme, the Scheme Shares will be cancelled and in consideration, upon the Scheme becoming Effective, Scheme Shareholders on the Company's register of members at the Scheme Record Time will receive:

for each Scheme Share one New MXC Share

being in effect a straight share for share exchange of Scheme Shares (i.e. Old MXC Shares) for New MXC Shares.

4. Structure of the Scheme Proposal

4.1 Introduction

The introduction of a new parent company to the Group will be effected by means of a scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the Companies Act involving a reduction of capital under section 641 of the Companies Act. The terms of the Scheme are set out in full in Part 4 of this document. The purpose of the Scheme is to enable New MXC to become the owner of the entire issued ordinary share capital of the Company. This is to be achieved by the cancellation of the Scheme Shares held by Scheme Shareholders. 1 penny of the reserve arising from such cancellation will be used for paying up in full one new ordinary share in Old MXC. The balance of the reserve arising from such cancellation will be used to create distributable reserves which will be used by the Company for the reasons described in paragraph 13 of the Chairman's letter set out in Part 1 of this document. Scheme Shareholders will then receive one New MXC Share for each Scheme Share held by them on the basis of the Scheme Proposal (as is more fully described in paragraph 3 above).

The Scheme Shares amount to all Old MXC Shares and, upon the Scheme becoming Effective, New MXC will own the entire issued ordinary share capital of the Company.

The implementation of the Scheme Proposal and the Scheme is subject to the Conditions, which are set out in Part 3 of this document, and which include the approval of the Scheme Proposal by Scheme Shareholders and the sanction of the Scheme and the Reduction of Capital by the Court.

For the Scheme (including the Reduction of Capital) to become Effective, the Scheme Resolutions implementing the Scheme must be passed by Shareholders at the Meetings.

The Scheme must be approved by a majority in number of those Scheme Shareholders present and voting either in person or by proxy at the Court Meeting representing 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders. Scheme Shareholders are entitled to attend the Scheme Court Hearing in person or to be represented by counsel.

The Reduction of Capital involved in the Scheme requires the approval of the Special Resolution at the General Meeting and the subsequent confirmation of the Court at the Reduction Court Hearing. The Special Resolution must be approved by Shareholders present and voting either in person or by proxy at the General Meeting representing 75 per cent. or more in value of the Old MXC Shares held by such Shareholders.

In accordance with the expected timetable set out on page 8 of this document, it is expected that Old MXC will close its register of members to transfers after close of business on the Business Day before the Scheme Court Hearing. Accordingly, the last day of dealings in, and for registration of transfers of Old MXC Shares is expected to be 4 February 2015 and cancellation of admission of the Old MXC Shares to trading on AIM is expected to take place at 7.00 a.m. on the Business Day after the Effective Date.

On the Effective Date, share certificates in respect of all Scheme Shares will cease to be valid and should be destroyed.

If for any reason the Scheme does not become Effective, the transactions described above will not take effect and Scheme Shareholders will retain their existing holdings of Scheme Shares.

4.2 *The Meetings*

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require approval by the holders of Scheme Shares at the Court Meeting and the passing of the Special Resolution by Shareholders at the General Meeting to approve the Reduction of Capital and other related issues. The Meetings will be held at the offices of DAC Beachcroft LLP at 100 Fetter Lane, London EC4A 1BN.

Notices of the Court Meeting and the General Meeting are set out in Parts 9 and 10 of this document respectively.

All holders of Scheme Shares whose names appear on the register of members of the Company at the Voting Record Time will be entitled to attend and vote at the relevant Meeting in respect of the number of Scheme Shares respectively registered in their names at the relevant time, as further described below.

Whether or not you vote in favour of the Scheme Resolutions to be tabled at the Meetings, if the Scheme becomes effective, all Scheme Shares will be cancelled and their holders will receive the New MXC Shares due under the terms of the Scheme Proposal.

As soon as practicable and, in any event, by no later than 8.00 a.m. on the Business Day following the Meetings, Old MXC will make an announcement through a Regulatory Information Service in the UK stating whether or not the Scheme Resolutions were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the Meetings.

The Court Meeting

The Court Meeting, which has been convened for 11.00 a.m. on 17 December 2014, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme (with or without modification).

At the Court Meeting, voting will be by way of a poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders.

For the Court Meeting it is important that as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. Therefore, whether or not you intend to attend the Meetings, you are strongly urged to sign and return your Forms of Proxy for both the Court Meeting and General Meeting as soon as possible.

The General Meeting

The General Meeting has been convened for 11.30 a.m. on 17 December 2014 (or as soon thereafter as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, pass the Special Resolution to:

- authorise the Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- approve the cancellation of the share capital of the Company in accordance with the Scheme;
- approve certain amendments to the Old MXC Articles (including as referred to below);
- approve, conditional upon the Scheme becoming effective, the re-registration of the Company as a private limited company;
- approve, conditional upon the Scheme becoming effective, the cancellation of the admission of the Old MXC Shares to trading on AIM; and
- subject to the confirmation of the High Court of Justice of England and Wales, approve the cancellation of the Company's share premium account.

The Special Resolution will require votes in favour of not less than 75 per cent. of the votes cast by Shareholders voting in person or by proxy at the General Meeting in order to be passed.

Amendments to the Old MXC Articles

It is proposed that the Old Articles MXC be amended so as to ensure that any Old MXC Shares which are issued after the General Meeting but prior to the Scheme Record Time will be subject to and bound by the Scheme. Accordingly, it is also proposed that the Old Articles MXC be amended so that any Old MXC Shares issued to any person other than New MXC on or after the Scheme Record Time will automatically be acquired by New MXC in consideration for the issue by New MXC to such person of such number of New MXC Shares which would have been issued had such Old MXC Shares been Scheme Shares.

The proposed amendments to the Old Articles MXC are set out in full in the notice of the General Meeting in Part 10 of this document.

Registered Shareholders

Each holder of Scheme Shares who is entered in the Company's register of members at 6.00 p.m. on the Voting Record Time will be entitled to attend and vote at the Court Meeting. Each holder of Old MXC Shares entered in the Company's register of members at 6.00 p.m. on the Voting Record Time will be entitled to attend and vote at the General Meeting.

If either Meeting is adjourned, only those relevant Shareholders on the register of members at 6.00 p.m. on the date which is two days before the date of the adjourned meeting will be entitled to attend and vote. Such a Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Shareholder. A BLUE Form of Proxy for the Court Meeting and a WHITE Form of Proxy for the General Meeting are enclosed. To be valid, the BLUE Form of Proxy (in respect of the Court Meeting) must reach the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11.00 a.m. on 15 December 2014, or it may be handed to the Chairman of the Court Meeting before the start of the Meeting. To be valid, the WHITE Form of Proxy (in respect of the General Meeting) must reach Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11.30 a.m. on 15 December 2014.

If you would like to vote online, please go to www.investorcentre.co.uk/eproxy. Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN to vote online in

respect of the Court Meeting and to the WHITE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the General Meeting.

Whether or not you intend to attend the Court Meeting and/or the General Meeting, you are requested to complete and sign the enclosed BLUE and WHITE Forms of Proxy and return them in accordance with the instructions printed on them.

If you hold your Old MXC Shares in uncertificated form, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the notes to the notices of the Court Meeting and the General Meeting set out in Parts 9 and 10 of this document respectively). Proxies submitted through CREST (under CREST Participant ID 3RA50) must be received by Computershare Investor Services PLC by no later than 11.00 a.m. on 15 December 2014 in the case of the Court Meeting and by 11.30 a.m. on 15 December 2014 in the case of the General Meeting (or, in the case of an adjourned meeting, no later than 11.00 a.m. on the day two days before the date of the adjourned meeting (excluding any day which is not a working day) in respect of the Court Meeting or by no later than 11.30 a.m. on the day two days before the adjourned meeting (excluding any day which is not a working day) in respect of the General Meeting).

Shareholders who return completed Forms of Proxy may still attend the Meetings instead of their proxies and vote in person if they wish and are entitled to do so. In the event of a poll on which a Shareholder votes in person, his/her proxy votes lodged with the Company will be excluded.

Shareholders are entitled to appoint a proxy in respect of some or all of their Old MXC Shares and are also entitled to appoint more than one proxy. A space has been included on the Forms of Proxy to allow Shareholders to specify the number of Old MXC Shares in respect of which that proxy is appointed. Shareholders who return a WHITE Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their Old MXC Shares.

Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Such Shareholders should also read the notes on the Forms of Proxy and note the principles that will be applied in relation to multiple proxies. Shareholders should note that if they wish to appoint more than one proxy they should request additional proxy forms from Computershare Investor Services PLC and submit them in accordance with the instructions set out above.

4.3 *Conditions to the Scheme Proposal*

In addition to the Shareholder approvals, the Scheme will also require the sanction of the Court and the satisfaction of the conditions set out in Part 3 of this document.

In summary, the implementation of the Scheme Proposal is conditional upon:

- approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) who are on the register of members of the Company at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and any separate class meeting which may be required by the Court or any adjournment thereof;
- the Special Resolution being duly passed at the General Meeting (or at any adjournment thereof);
- the sanction of the Scheme and the confirmation of the Reduction of Capital (in either case with or without modification or with modification (but subject to such modification being acceptable to New MXC and the Company)) and a copy of the Court Orders and of a statement of capital being delivered to the Registrar of Companies;
- approval from the FCA of New MXC becoming a controller of MXC Capital Advisory; and

- the London Stock Exchange agreeing to admit (subject to the satisfaction of the five conditions set out above) the New MXC Shares to trading on AIM and its agreement not having been withdrawn prior to the Effective Date.

The Directors will not take the necessary steps to implement the Scheme unless the Conditions have been satisfied or waived (if capable of waiver) and, at the relevant time, they consider that it continues to be in Old MXC's and the Shareholders' best interests that the Scheme should be implemented.

4.4 *Sanction of the Scheme and confirmation of the Reduction of Capital by the Court*

Under the Companies Act, the Scheme requires the sanction of the Court and the Reduction of Capital requires the confirmation of the Court. The Scheme Court Hearing is expected to be held on 3 February 2015. New MXC has confirmed that it has consented to being represented by Old MXC's counsel at the Scheme Court Hearing so as to consent to the Scheme and to undertake to the Court to be bound thereby. The Reduction Court Hearing is expected to be held on 5 February 2015.

The Scheme (and associated Reduction of Capital) will become Effective in accordance with its terms on delivery of a copy of the Court Orders and of a statement of capital to the Registrar of Companies.

If the Scheme becomes Effective, it will be binding on all Shareholders irrespective of whether or not, being entitled to do so, they attended or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the General Meeting.

If the Scheme does not become Effective on or before 31 March 2015 (or such later date and time (if any) as the Company and New MXC may agree and, if appropriate, the Court may approve) the Scheme will not become Effective and the Scheme will not proceed.

4.5 *Effective Date*

The Scheme will become effective upon: (i) the delivery of copies of the Court Orders and a statement of capital as approved by the Court to the Registrar of Companies; and (ii) if the Court so orders, the registration of the Reduction Court Order and such statement of capital by the Registrar of Companies.

4.6 *Modification of the Scheme*

The Scheme contains a provision for the Company and New MXC jointly to consent, on behalf of all persons affected, to any modification of, or addition to, this Scheme, as approved by the Court, or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or to impose a condition to, the Scheme which might be material to the interests of the Scheme Shareholders unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Directors, is of such a nature or importance that it requires the consent of Scheme Shareholders, the Directors will not take the necessary steps to enable the Scheme to become Effective unless and until such consent is obtained.

5. **Reasons for the Scheme Proposal**

The reasons for the Scheme Proposal are described in paragraph 5 of the Chairman's letter in Part 1 of this document.

6. **New MXC Shares**

The New MXC Shares which Shareholders are entitled to receive under the terms of the Scheme are MXC Shares, being ordinary shares in the capital of New MXC. A description of the rights attaching to MXC Shares is set out in paragraph 3 of Part 6 (Information Relating to MXC Capital Limited) of this

document. The New MXC Shares to be issued pursuant to the Scheme Proposal are expected to represent approximately 100 per cent. of the issued MXC Shares as enlarged by the acquisition of Old MXC.

New MXC will apply for the New MXC Shares (and any existing MXC Shares) to be admitted to trading on AIM. It is currently anticipated that Admission will become effective and that dealings for normal settlement in the New MXC Shares will commence on 6 February 2015.

A copy of the Appendix to the Schedule 1 Announcement relating to New MXC, which is required to be published in accordance with the AIM Rules to effect the introduction of the New MXC Shares to AIM, is obtainable free of charge up until Admission: (i) on Old MXC's website at www.mxccapital.com; or (ii) on request, at any time during normal business hours on any business day from the registered office of 100 Fetter Lane, London EC4A 1BN and the registered office of New MXC at 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW. A copy of the Appendix to the Schedule 1 Announcement may also be inspected as described in paragraph 11 of Part 7 of this document.

The one issued ordinary share in New MXC is currently held by Peter Rigg. To facilitate implementation of the Scheme Proposal, Peter has agreed with Old MXC and New MXC that, so as to take into account the one MXC Share already held by him, he will gift one Old MXC Share to New MXC so that, on completion of the Scheme the New MXC Shares to which he will be entitled, when aggregated with the one MXC Share already held by him, will equal the number of Old MXC Shares held by him in advance of the implementation of these steps. In the event that the Scheme has not become effective by 31 March 2015 (or such later date as Peter Rigg, Old MXC and New MXC may agree), New MXC has agreed, subject to compliance with Guernsey law, to gift this one Old MXC Share back to Peter Rigg.

7. Effects of the Scheme Proposal

The effect of full implementation of the Scheme Proposal will be as follows:

- instead of Old MXC having its ordinary share capital owned by the Shareholders, New MXC will own all of Old MXC's ordinary share capital then in issue;
- instead of owning (immediately upon the Effective Date) Old MXC Shares, each Shareholder will own the same number of New MXC Shares as the number of Old MXC Shares held by them immediately prior to the Effective Date;
- through its controlling interest in Old MXC, New MXC will own all of the business of Old MXC.

8. Information on the Group

Information on Old MXC and its current trading and prospects is set out in paragraphs 6 and 7 of the Chairman's letter in Part 1 of this document.

9. Information on New MXC

Information on New MXC is set out in paragraph 8 of the Chairman's letter in Part 1 of this document.

10. Directors, management and employees

Information regarding the intentions of New MXC for the management and employees of Old MXC and the views of the Directors on these are set out in paragraph 10 of the Chairman's letter in Part 1 of this document.

11. The effect of the Scheme on the Directors and their interests

All directors of Old MXC (i.e. Peter Rigg, Paul Guilbert and Marc Young) have been appointed as directors of New MXC.

The effect of the Scheme on the interests of the Old MXC Directors (details of which are set out below) does not differ from its effect on the like interests of other persons. Shareholders are, however, referred to the matters described in paragraphs 3 and 4 of Part 6 of this document in relation to the effect on Old MXC

Directors (in their capacity as directors) arising from the differences between the Old MXC Articles and the New MXC Articles and the fact that New MXC is incorporated in Guernsey.

Details of the Directors' interests in the Old MXC Shares and the MXC Shares are set out in paragraph 5 of Part 7 of this document.

The effect of the Scheme on the interests of the Directors in their capacity as holders of Old MXC Shares will not differ from the effect of the Scheme on the interests of other holders of Old MXC Shares.

12. The effect of the Scheme on the MXC Capital Share Option Schemes

Information on the effect of the Scheme on the MXC Capital Option Schemes is set out in paragraph 11 of the Chairman's letter in Part 1 of this document.

13. Suspension and cancellation of admission of Old MXC Shares to trading on AIM and re-registration

It is expected that the last day of trading in and registration of transfers of Old MXC Shares will be 4 February 2015 being the Business Day before the Scheme Court Hearing, with trading in Old MXC Shares on AIM being suspended from 7.30 a.m. on 4 February 2015.

Prior to the Scheme becoming Effective, application will be made to the London Stock Exchange for the admission to trading of the Old MXC Shares on AIM to be cancelled with effect from 7.00 a.m. on 6 February 2015.

Upon the Scheme becoming Effective, Old MXC will become a wholly owned subsidiary of New MXC and each existing certificate representing a holding of Old MXC Shares shall cease to be valid for any purpose and each holder of certificates representing Old MXC Shares shall be bound at the request of the Company to deliver up the same to the Company or to any person nominated by the Company for cancellation. In addition, on the Effective Date, entitlements to Old MXC Shares held within the CREST System will be cancelled.

It is proposed, as part of the application to the Court in connection with the Scheme, to seek an order of the Court pursuant to section 651 of the Companies Act to re-register Old MXC as a private limited company. That order would also specify the changes to the articles of association of Old MXC to be made in connection with that re-registration.

14. Settlement

Subject to the Scheme becoming Effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full, in accordance with the terms set out below, free of any liens, rights of set-off, counterclaims or other analogous rights to which New MXC may otherwise be, or claim to be, entitled against such Scheme Shareholder.

It should be noted that all documents sent through the post will be sent at the risk of the person(s) entitled thereto.

14.1 *Scheme Shares held in certificated form*

Any New MXC Shares to which Shareholders are entitled pursuant to the Scheme will be issued on the Business Day after the Effective Date. Certificates for the New MXC Shares will be despatched by first class post at the shareholders own risk no later than 14 days after the Effective Date in prepaid envelopes addressed to the persons entitled at their respective addresses, as appearing in the register of members of Old MXC at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding).

Pending the despatch of certificates for New MXC Shares, temporary documents of title will not be issued and transfers of New MXC Shares in certificated form will be certified against the register of

New MXC. Every holder of Old MXC Shares will be bound at the request of Old MXC to deliver up to Old MXC the existing certificate(s) for cancellation or to destroy the certificate(s).

14.2 *Scheme Shares held in uncertificated form*

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, he or she will be issued with any New MXC Shares to which he or she is entitled through CREST. New MXC will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant holder with such holder's entitlement to such New MXC Shares on the Business Day after the Effective Date.

As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course thereafter.

New MXC reserves the right to settle all or any part of the consideration referred to above to all or any Scheme Shareholder(s) who hold(s) Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in sub-paragraph 14.1 above for any reason.

15. Taxation

Your attention is drawn to Part 5 of this document which provides information in respect of UK taxation.

Shareholders who are in any doubt about their tax position, or who are subject to taxation in a jurisdiction outside the UK are strongly advised to contact an appropriate professional independent tax adviser immediately.

16. Overseas shareholders

The availability of the Scheme Proposal or the release, publication or distribution of this document to persons not resident in the United Kingdom may be prohibited or affected by the laws of the relevant jurisdictions. Such persons should inform themselves about, and observe any applicable requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this document nor the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. Nothing in this document or the accompanying documents should be relied upon for any other purpose.

The implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

If, in respect of any Overseas Shareholders, New MXC is advised that the issue of New MXC Shares would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New MXC to obtain any governmental or other consent or effect any registration, filing or other formality, the Scheme provides that New MXC may determine that no New MXC Shares shall be issued to such holder but may instead be issued to a nominee appointed by New MXC as trustee for such holder, on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New MXC Shares so issued at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after deduction of all related expenses and commissions) to the holder of such Scheme Shares. Any remittance of the net proceeds of the sale referred to in this paragraph shall be at the risk of the relevant holder. Alternatively, New MXC may determine that the New MXC Shares shall be allotted and issued to that

Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

This document has been prepared for the purpose of complying with the laws of England and Wales and the information disclosed may be different from that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

All Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to, forward this document and its accompanying documents to any jurisdiction outside the United Kingdom should seek appropriate independent professional advice before taking any action.

17. CREST

It is proposed that the New MXC Shares be made eligible for settlement in CREST, the paperless system for settlement of securities which are, *inter alia*, admitted to trading on AIM. Further information on the CREST settlement system is set out in paragraph 9 of Part I of the accompanying Appendix to the Schedule 1 Announcement, a copy of which is available on Old MXC's website at www.mxccapital.com. Information on listing, dealings, share certificates and settlement is set out in paragraphs 13 and 14 of this Part 2.

18. Appendix to the Schedule 1 Announcement

The accompanying Appendix to the Schedule 1 Announcement relating to New MXC which is required to be published to effect the introduction of the New MXC Shares to AIM, is available in electronic form on Old MXC's website at www.mxccapital.com and shall remain available for at least one month after Admission on New MXC's website.

The London Stock Exchange has agreed that, because the Old MXC Shares are already admitted to trading on AIM and because, following the Scheme becoming effective, the Shareholders will each hold exactly the same percentage interest in New MXC Shares as they previously held in Old MXC Shares, the Appendix to the Schedule 1 Announcement need not contain all the information that an admission document would normally be required to contain pursuant to the AIM Rules. Instead, the London Stock Exchange has agreed that New MXC may be treated as a quoted applicant and may use the "fast track" procedure. The Appendix to the Schedule 1 Announcement therefore contains information including a description of the significant changes in the financial and trading position of Old MXC since 31 August 2013 (being the date to which the last audited statements of Old MXC have been published) but no other financial information, and a section of additional information, including details of the remuneration and interests of the Directors, material contracts and details of litigation concerning the Enlarged Group, all of which will be relevant to New MXC as the new holding company of the Group.

The Appendix to the Schedule 1 Announcement contains forward-looking statements which involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old MXC or New MXC or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the "Risk Factors" section of the Appendix to the Schedule 1 Announcement and which can be accessed at www.mxccapital.com.

19. Action to be taken

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Shareholder opinion. Your attention is drawn to pages 6 to 7 of this document and to paragraph 16 of the letter from the Chairman of Old MXC set out in Part 1 of this document, which explains the action you should take in relation to the Scheme Proposal.

20. Further information

The terms of the Scheme are set out in full in Part 4 of this document. Your attention is also drawn to the further information contained in this document which forms part of the explanatory statement pursuant to section 897 of the Companies Act. In particular, your attention is drawn to the Conditions and Further Terms of the Scheme Proposal in Part 3 and the Additional Information set out in Part 7 of this document.

Yours faithfully

Tim Metcalfe

Joint Chief Executive Officer

For and on behalf of Zeus Capital Limited

PART 3

CONDITIONS AND FURTHER TERMS OF THE SCHEME PROPOSAL

Section A: Conditions to the Scheme

1. The implementation of the Scheme is conditional upon the following having occurred:
 - 1.1 approval of the Scheme by a majority in number, representing 75 per cent. or more in value of the holders of Scheme Shares (or the relevant class or classes thereof) who are on the register of members of Old MXC at the Voting Record Time, present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting) and such meeting being held on or before 17 December 2014 (or such later date as may be agreed by New MXC and Old MXC, with the consent of the Court, if required);
 - 1.2 all resolutions required to implement the Scheme and set out in the notice of the General Meeting being duly passed by the requisite majority at the General Meeting (or at any adjournment of such meeting) and such meeting being held on or before 17 December 2014 (or such later date as may be agreed by New MXC and Old MXC, with the consent of the Court, if required); and
 - 1.3
 - 1.3.1 the sanction of the Scheme and confirmation of the Reduction of Capital by the Court (with or without modification but subject to any modification being on terms acceptable to New MXC and Old MXC), and delivery for registration of copies of the Court Orders and the requisite statement of capital attached thereto to the Registrar of Companies for registration and (if so ordered in order to take effect) the registration of the Reduction Court Order and statement of capital by the Registrar of Companies;
 - 1.3.2 the Scheme Court Hearing being held on or before 3 February 2015 (or such later date as may be agreed by New MXC and Old MXC);
 - 1.4 New MXC:
 - 1.4.1 having received notice of unconditional approval by the FCA, or having received notice of conditional approval by the FCA in terms satisfactory to New MXC in accordance with section 189 of FSMA, in respect of New MXC acquiring, pursuant to the terms of the Scheme, control of MXC Capital Advisory; or
 - 1.4.2 being deemed to have been approved as a controller of MXC Capital Advisory by virtue of the FCA being treated as having approved the acquisition of control on the part of New MXC pursuant to section 189(6) of FSMA,

(the “**Consent**”) and the Consent not having been revoked and being in full force and effect at the Effective Date;
 - 1.5 the London Stock Exchange has agreed to admit (subject to the satisfaction of conditions 1.1 to 1.4 above) the New MXC Shares to trading on AIM and its agreement has not been withdrawn prior to the Effective Date.
2. The Scheme shall lapse unless the Scheme and the Reduction of Capital have both become effective on or before 6.00 p.m. on the Long Stop Date or such later date (if any) as New MXC and Old MXC may agree and (if required) the Court may approve.

Section B: Further Terms of the Proposal

1. The Proposal will be on the terms and will be subject, amongst other things, to the Conditions which are set out in this document and accompanying Forms of Proxy. In addition, the Proposal will be subject to the applicable requirements of the AIM Rules, the London Stock Exchange, the Financial Conduct Authority and the Companies Act. The Scheme and any dispute or claim arising out of or in connection with the Scheme, whether of a contractual or non-contractual matter, shall be governed by and construed in accordance with the laws of England and Wales and subject to the jurisdiction of the courts of England and Wales.
2. The Directors will not take the necessary steps to implement the Scheme unless the Conditions have been satisfied or waived (if capable of waiver) and, at the relevant time, they consider that it continues to be in Old MXC's and the Shareholders' best interests that the Scheme should be implemented.
3. The availability of the Proposal to persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about and observe any applicable requirements.

PART 4

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES HOUSE

No 8282 of 2014

IN THE MATTER OF MXC CAPITAL PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006) between

MXC CAPITAL PLC

and

THE HOLDERS OF SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

1. In this Scheme, the following expressions have the meanings stated, unless they are inconsistent with the subject or context:

“business day”	a day on which London Stock Exchange plc is open for the transaction of business;
“certificated” or “in certificated form”	a share which is not in uncertificated form (that is, not held in CREST);
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Company” or “Old MXC”	MXC Capital plc, incorporated in England and Wales with company registration number 05010663;
“Court”	the High Court of Justice, Chancery Division (Companies Court), in England and Wales;
“Court Meeting”	the meeting of the Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court under Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving this Scheme;
“Court Orders”	the Scheme Court Order and the Reduction Court Order or, where the context requires, either of them;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations) of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations);
“Effective Date”	the date on which this Scheme becomes effective in accordance with clause 1 of this Scheme;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;

“General Meeting”	the general meeting of the Shareholders convened to be held at 11.30 a.m. on 17 December 2014 (or as soon thereafter as the Court Meeting shall have been concluded), notice of which is set out in Part 10 of this document (including any adjournment thereof);
“Holder”	a registered holder of Old MXC Shares including a person entitled by transmission;
“MXC Shares”	ordinary shares (with no par value) in the capital of New MXC;
“New MXC”	MXC Capital Limited, a non-cellular company, incorporated in Guernsey with registered number 58895 and having its registered office at 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW;
“New MXC Shares”	the MXC Shares proposed to be issued and credited as fully paid pursuant to the Scheme;
“New Share”	the new ordinary share of 1 penny in the capital of the Company to be issued in accordance with clause 1.3 of this Scheme;
“Old MXC Shares”	ordinary shares of 1 penny each in the capital of the Company;
“Reduction of Capital”	the reduction of the share capital of the Company by the cancellation and extinguishing of the Scheme Shares, provided for in clause 1.1 of this Scheme;
“Reduction Court Hearing”	the hearing at which the Reduction Court Order is made;
“Reduction Court Order”	the order of the Court granted at the Reduction Court Hearing to confirm the Reduction of Capital provide for by the Scheme;
“Scheme”	this scheme of arrangement under Part 26 of the Companies Act between the Company and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition which the Company and New MXC may agree and, if required, the Court may approved or imposed;
“Scheme Court Hearing”	the hearing at which the Scheme Court Order is made;
“Scheme Court Order”	the order of the Court granted at the Scheme Court Hearing to sanction the Scheme under Part 26 of the Companies Act;
“Scheme Record Time”	6.00 p.m. on the business day immediately prior to the Reduction Court Hearing;
“Scheme Shareholders”	holders of Scheme Shares;
“Scheme Shares”	the aggregate of: <ul style="list-style-type: none"> (i) the Old MXC Shares in issue at the date of this document; (ii) the Old MXC Shares (if any) issued after the date of this document and prior to the Voting Record Time; and

- (iii) the Old MXC Shares (if any) issued on or after the Voting Record Time and prior to the Scheme Record Time either on terms that the original Holder or any subsequent Holder thereof shall be bound by this Scheme or in respect of which the Holder thereof shall have agreed in writing to be bound by this Scheme,

in each case other than any Old MXC Shares which are registered in the name of or beneficially owned by New MXC;

“Statement of Capital”

the statement of capital (approved by the Court) showing, as altered by the Court Order in so far as it confirms the Reduction of Capital, the information required by the Section 649 of the Companies Act with respect to Old MXC’s share capital;

“subsidiary”

has the meaning ascribed to it in the Companies Act;

“Takeover Code”

the City Code on Takeovers and Mergers;

“uncertificated” or “in uncertificated form”

a share or security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST;

“Uncertificated Securities Regulations”

the Uncertificated Securities Regulations 2001 (SI 2001 No.3755) (as amended from time to time); and

“Voting Record Time”

6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting.

2. References to “clauses” are to clauses of this Scheme and references to time are to London time. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.
3. New MXC has agreed to be represented by Old MXC’s counsel at the Scheme Court Hearing, to consent to the Scheme and to undertake to the Court to be bound thereby and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.
4. The provisions of this Scheme are subject to the Court confirming the Reduction of Capital and, accordingly, they may not be implemented until a certified copy of the Court Orders (together with a statement of capital) has been delivered to, and registered by, the Registrar of Companies.
5. The issued share capital of Old MXC at the date of this document is £19,546,369.92 divided into 1,954,636,992 ordinary shares of 1 penny each.
6. Old MXC was incorporated in England and Wales under the Companies Act 1985 on 9 January 2004.
7. The issued share capital of New MXC as at the date of this document is one ordinary share (with no par value).
8. New MXC was incorporated in Guernsey under The Companies (Guernsey) Law 2008 on 19 August 2014.

THE SCHEME

1. Cancellation of the Scheme Shares

- 1.1 The share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 1.2 The Company shall be re-registered as a private limited company pursuant to section 651 of the Companies Act.
- 1.3 Subject to and forthwith upon the Reduction of Capital referred to in clause 1.1 and to the re-registration referred to in clause 1.2 taking effect, and notwithstanding anything to the contrary in the Company's articles of association, the reserve arising in the books of account of the Company as a result of the Reduction of Capital shall be used to create distributable reserves save that 1 penny of the reserve will be capitalised and applied in paying up in full at par one New Share, such New Share shall be allotted and issued credited as fully paid (free from all liens, charges, equitable interests and encumbrances) to New MXC or its nominee.

2. Consideration for cancellation of the Scheme Shares

- 2.1 In consideration of the cancellation of the Scheme Shares pursuant to clause 1.1 of this Scheme New MXC shall, contingently upon the Reduction of Capital provided for in clause 1.1 of this Scheme taking effect (and subject as provided below) in accordance with clause 5 of this Scheme, issue to each holder of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time):

for each Scheme Share one New MXC Share

- 2.2 The New MXC Shares shall rank *pari passu* with all other MXC Shares in issue on the date on which the New MXC Shares are issued and shall have the right to receive all dividends, distributions and other entitlements made or paid on the MXC Shares for which the record date occurs after the date of issue.
- 2.3 The provisions of this clause 2 of the Scheme shall be subject to any prohibition or condition imposed by law.

3. Certificates and cancellation

- 3.1 With effect from and including the Effective Date:
 - 3.1.1 all certificates representing Scheme Shares shall cease to have effect as documents of title or to be valid for any purpose and each holder of Scheme Shares shall be bound at the request of the Company to deliver up the same to the Company or to any person nominated by the Company for cancellation or to destroy the same; and
 - 3.1.2 in respect of those Scheme Shareholders holding Scheme Shares in uncertificated form, Euroclear shall be instructed to cancel such holders' entitlements to such Scheme Shares.
- 3.2 As regards the Scheme Shares, appropriate entries will be made in Old MXC's register of members with effect from the Effective Date to reflect their cancellation.

4. Settlement

- 4.1 In the case of Scheme Shares which at the Scheme Record Time are held in certificated form, any New MXC Share to which Shareholders are entitled pursuant to the Scheme will be issued on the Business Day after the Effective Date. Certificates for the New MXC Shares will be despatched by first class post no later than 14 days after the Effective Date in prepaid envelopes addressed to the persons thereto entitled at their respective addresses, as appearing in the register of members of Old MXC at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose

name stands first in the register in respect of such joint holding). The issue of any such share certificate referred to in this clause shall be a complete discharge for the value represented thereby.

Pending the despatch of certificates for New MXC Shares, temporary documents of title will not be issued and transfers of New MXC Shares in certificated form will be certified against the register of New MXC. Every holder of Scheme Shares in certificated form will be bound at the request of Old MXC to deliver up to Old MXC the existing certificate(s) for cancellation or to destroy the certificate(s).

- 4.2 In the case of Scheme Shares which at the Scheme Record Time are held in uncertificated form, New MXC will procure that Scheme Shareholders will be issued with any New MXC Shares to which he or she is entitled through CREST. New MXC will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant holder with such holder's entitlement to such New MXC Shares on the Business Day after the Effective Date. The crediting of such account shall be a complete discharge of New MXC's obligations under this Scheme with reference to payments through CREST. New MXC reserves the right to issue any New MXC Shares referred to in this clause 4.2 to all or any relevant CREST shareholders at the Scheme Record Time in the manner referred to in clause 4.1 if, for any reason, it wishes to do so. Euroclear will also be instructed to cancel the entitlements to Scheme Shares held in uncertificated form and which are cancelled as part of the Scheme.
- 4.3 None of Old MXC, New MXC, nor their nominees shall be responsible for any loss or delay in the transmission of certificates sent in accordance with this Scheme which shall be sent at the risk of the addressee.
- 4.4 The provisions of this clause 4 of this Scheme shall take effect subject to any prohibition or condition imposed by law.

5. The Effective Date

- 5.1 This Scheme and the Reduction of Capital, which it includes, shall become effective in accordance with its terms as soon as the following shall have occurred, in the following order, that:
 - 5.1.1 an office copy of the Scheme Court Order sanctioning this Scheme shall have been delivered to the Registrar of Companies; and
 - 5.1.2 an office copy of the Reduction Court Order (insofar as it relates to the Capital Reduction) and the Statement of Capital shall have been delivered to the Registrar of Companies for registration.
- 5.2 Unless this Scheme shall become effective on or before 31 March 2015 (or such later date, if any as New MXC and the Company may agree and the Court may allow), this Scheme shall never become effective.

6. Overseas shareholders

The provisions of clause 2.1 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholders, New MXC is advised that the allotment and issue of New MXC Shares pursuant to clause 2.1 would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require New MXC to obtain any governmental or other consent or effect any registration, filing or other formality, then New MXC may in its sole discretion determine that:

- 6.1 New MXC Shares shall not be allotted and issued to such Overseas Shareholder under clause 2.1 but may instead be allotted and issued to a nominee appointed by New MXC, as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Effective Date, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions) be paid

to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of clause 4. None of Old MXC, New MXC, any nominee referred to in this clause 6.1 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale; or

- 6.2 such New MXC Shares shall be sold, in which event the New MXC Shares shall be allotted and issued to such holder and New MXC shall appoint a person to act pursuant to this clause 6.2 and such person shall be authorised on behalf of such holder to procure that any shares in respect of which New MXC has made such determination shall, as soon as practicable following the Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable comprised therein) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of clause 4. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give instructions and do all such things which he may consider necessary or expedient in connection with such sale. None of Old MXC, New MXC, any appointee referred to in this clause 6.2 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale.

7. Modification

New MXC and the Company may jointly consent, on behalf of all persons affected, to any modification of, or addition to, this Scheme or to any condition approved or imposed by the Court.

8. Governing law

This Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of the English Courts.

Dated: 24 November 2014

PART 5

UK TAXATION

The following information is intended only as a general guide to current UK tax legislation and published HM Revenue & Customs practice as it applies to Shareholders disposing of Old MXC Shares. It is intended only for Shareholders who are resident and, in the case of individuals, ordinarily resident in the UK for tax purposes and who hold Old MXC Shares beneficially as investments. The comments do not address the position of certain classes of shareholder such as dealers in securities. These comments only apply to shareholders who hold less than 10 per cent. of the shares in Old MXC or New MXC.

This section is not intended, and shall not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom, should consult their professional adviser.

1. UK taxation of chargeable gains

Liability to UK taxation of chargeable gains will depend on the individual circumstances of Scheme Shareholders.

Acquisition of New MXC Shares

A Scheme Shareholder who, together with persons connected with him, does not hold more than five per cent. of, or of any class of, shares in or debentures of, the Company should not be treated as having made a disposal of his Scheme Shares for the purposes of UK taxation of chargeable gains to the extent that he receives New MXC Shares in exchange for his Scheme Shares under the Scheme. Instead the New MXC Shares will be treated as the same asset as his Scheme Shares, acquired at the same time as his Scheme Shares.

Any Scheme Shareholder who, either alone or together with persons connected with him, holds more than five per cent. of, or of any class of, shares in or debentures of the Company, is advised that clearance has been received from HM Revenue & Customs under section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Scheme. Any shareholder will be treated in the manner described in the preceding paragraph.

Transactions in Securities

Shareholders should note that Old MXC has been advised that the Shareholders should not be served with a counteraction notice under the transactions in securities rules in sections 682 *et seq.* of the Income Tax Act 2007, nor Part 15 of the Corporation Tax Act 2010, by reference to the Scheme. Clearance has been granted by HMRC under section 701 of the Income Tax Act 2007 in relation to the Scheme.

Disposal of New MXC Shares

A subsequent disposal of the New MXC Shares by an individual who is resident in the UK may, depending on individual circumstances, give rise to a liability to United Kingdom taxation of chargeable gains and, accordingly, any gain deferred on approval of the Scheme may, on such disposal, become chargeable to taxation. Any gain accruing to a corporate New MXC shareholder from a disposal of New MXC Shares (other than corporates exempt from UK taxation on chargeable gains) will be included in such shareholder's profits chargeable to corporation tax and taxed at the appropriate rate.

Any gain accruing to an individual will be taxed at the appropriate rate of capital gains tax. The principal factors which will determine the amount of capital gains tax payable by an individual are the level of the annual allowance of tax-free capital gains in the tax year in which the disposal takes place, the extent to which the New MXC shareholder realises any other capital gains in the tax year and the extent to which the New MXC shareholder has incurred any capital losses in that or any earlier tax year.

A subsequent disposal of New MXC Shares by a New MXC Shareholder who is an individual not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New MXC Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains. An individual New MXC Shareholder who ceases to be resident (for tax purposes) in the UK, or falls to be regarded as resident in a territory outside the UK for the purposes of double taxation relief arrangements for a temporary period and who disposes of the shares during that period may be liable on that shareholder's return to the UK to tax on any chargeable gains realised on the disposal (subject to any available exemption or relief).

On the basis that any MXC New Shareholder was able to "roll over" any chargeable gains or allowable loss which would otherwise have arisen on the disposal of such holder's Old MXC Shares on implementation of the Scheme (as set out above), any chargeable gains or allowable loss on the disposal of New MXC Shares should be calculated taking into account the original date of the acquisition and allowable original cost to the Old MXC Shareholder of acquiring the Old MXC Shares from which the New MXC Shares are derived.

In general, any chargeable gain or allowable loss on a disposal of New MXC Shares will be calculated by reference to the consideration received for the disposal of the New MXC Shares less the allowable cost to the shareholder of acquiring such New MXC Shares (which will be equal to the allowable cost of acquiring the Old MXC Shares). It should be noted that the amount of any capital gain will be calculated using the pound sterling value of acquisition cost and disposal proceeds, such that foreign currency movements could affect the amount of any gain.

Indexation allowance may be available to reduce any chargeable gain arising (but not to create or increase any allowable loss) to Scheme Shareholders within the charge to corporation tax.

2. Tax on dividends on New MXC Shares

New MXC will not be required to withhold tax at source when paying a dividend to UK Scheme Shareholders.

A UK resident individual shareholder who receives a dividend from New MXC Shares will be entitled to a tax credit, currently at the rate of 1/9th of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and tax credit). The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income.

An individual who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.) will have no income tax to pay in respect of the dividend.

Individuals paying income tax in the 40 per cent. bracket will have further income tax to pay at a rate of 25 per cent of the net dividend. Individuals in the 45 per cent. tax bracket will have further income tax to pay at a rate of approximately 30.6 per cent. of the net dividend.

UK resident shareholders who do not pay income tax or whose tax liability on the dividends is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HMRC.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from New MXC. Any distribution treated as a capital receipt by a shareholder who is subject to corporation tax would be subject to corporation tax on chargeable gains at their marginal rate.

Persons who are not resident in the UK should consult their own tax advisors on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

3. Inheritance tax

If any Shareholder is regarded as domiciled in the UK for inheritance tax purposes, UK inheritance tax may be payable in respect of the Old MXC Shares or New MXC Shares on the death of the Shareholder or on any gift of the shares, subject to available exemptions and reliefs. Shares traded on AIM are treated as unquoted for Business Property Relief (“BPR”) purposes and consequently the Old MXC Shares and New MXC Shares may qualify for 100 per cent. relief. This relief is available if the shares were held for two years or more before the inheritance tax event, provided other criteria for qualification are also satisfied.

The UK inheritance tax position of a Shareholder receiving New MXC Shares under the Scheme should not be affected by the Scheme. The availability of BPR for New MXC shareholders should follow the Shareholder’s current position for Old MXC Shares.

4. Stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or stamp duty reserve tax will generally be payable by the Shareholders as a result of accepting the Scheme Proposal.

Part 5 of this document is not intended to be, and should not be construed to be, legal or taxation advice to any particular Scheme Shareholder. Any Scheme Shareholder who has any doubt about his own taxation position, or who is subject to taxation in any jurisdiction other than the UK should consult his professional taxation advisor immediately.

PART 6

INFORMATION RELATING TO MXC CAPITAL LIMITED

1. Articles of Incorporation of New MXC

There are a number of differences between the Old MXC Articles and the New MXC Articles. These arise by reason of New MXC being a company incorporated in Guernsey and not in England and Wales (which means that the Guernsey Companies Law will apply to New MXC).

Where appropriate and subject to the Guernsey Companies Law, provisions have been incorporated into the New MXC Articles to enshrine certain rights that are not conferred by the Guernsey Companies Law but which shareholders in a company listed in London would normally expect.

A summary of the principal differences between the New MXC Articles and the Old MXC Articles and the differences between English and Guernsey law and the implications of New MXC being a company incorporated in Guernsey are set out in paragraphs 2 and 4 respectively below. A further description of certain provisions of the New MXC Articles is set out in paragraph 3 below.

2. Summary of the principal differences between the Old MXC Articles and the New MXC Articles

As a company incorporated, existing and registered in Guernsey with its registered office in Guernsey, New MXC will be required to comply with Guernsey law.

Under the Guernsey Companies Law, the corporate objects of a Guernsey company are deemed to be unlimited unless they are restricted.

Some of the principal differences between the Old MXC Articles and the New MXC Articles are explained in paragraph 4 below. The memorandum of incorporation of New MXC does not restrict the activities of New MXC and therefore New MXC, like Old MXC, has unrestricted objects. These differences arise by reason of New MXC being a company incorporated, existing and registered in Guernsey instead of in England.

There are also a number of differences between the Guernsey Companies Law and the Companies Act which may impact on the rights of holders of Old MXC Shares when they become holders of New MXC Shares. These are further described in paragraph 4 of Part 6. As such, where appropriate and subject to the Guernsey Companies Law, provisions have been incorporated into the New MXC Articles to enshrine certain rights which shareholders in a company whose shares are admitted to trading on AIM would normally expect to have.

Notwithstanding the differences between the New MXC Articles and the Old MXC Articles outlined in paragraph 4 below, with effect from the Effective Date, the voting rights relating to New MXC Shares will be substantially the same as the Old MXC Shares and the New MXC Shares will rank *pari passu* for dividends and in all respects with other fully paid New MXC Shares in issue on the Effective Date.

The provisions of the New MXC Articles are further described in paragraph 3 of this Part 6. Copies of the Old MXC Articles and the New MXC Articles are also available for inspection as described in paragraph 11 of Part 7.

3. Summary of the New MXC Articles

The New MXC Articles contain, amongst other things, provisions to the following effect:

- 3.1 **Shares Generally:** The share capital of New MXC is represented by an unlimited number of shares having the rights hereinafter described. The holders of MXC Shares shall have the following rights:

- 3.1.1 *Dividends*: Holders of MXC Shares are entitled to receive, and participate in, any dividends or other distributions resolved to be distributed in respect of any accounting period or other period, provided that no calls or other sums due by them to New MXC are outstanding.
- 3.1.2 *Winding Up*: On a winding up, the holders of MXC Shares shall be entitled to the surplus assets remaining after payment of all the creditors of New MXC.
- 3.1.3 *Voting*: Subject to any rights or restrictions attached to any MXC Shares, at a general meeting of New MXC, on a show of hands, every holder of voting MXC Shares present in person or by proxy and entitled to vote shall have one vote, and on a poll every holder of voting MXC Shares present in person or by proxy shall have one vote for each MXC Share held by him, but this entitlement shall be subject to the conditions with respect to any special voting powers or restrictions for the time being attached to any MXC Shares which may be subject to special conditions. Where there are joint registered holders of any MXC Share, any one of such persons may vote at any meeting whether in person or by proxy in respect of such MXC Share as if it were solely entitled thereto if more than one of such joint shareholders are present at any meeting personally or by proxy, the person whose name stands first on the register of members of New MXC shall alone be entitled to vote.

Subject to the Guernsey Companies Law, a written resolution to which the requisite majority of New MXC shareholders entitled to vote on the circulation date of such written resolution have, within twenty eight days of the date of circulation of such written resolution, signified their agreement shall be as effective as if the same had been duly passed at a general meeting.

Any corporation which is a New MXC shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of New MXC or of any class of New MXC shareholders, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual New MXC shareholder.

- 3.2 *Variation of Rights*: All or any of the rights at the relevant time attached to any class or group of shares may only be varied with the consent in writing of the holders of not less than seventy-five per cent. in value of the issued shares of the class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the relevant class. The quorum at any such meeting (other than an adjourned meeting at which those of the relevant New MXC shareholders who are present shall be a quorum) shall be New MXC shareholders of the class or group affected holding or representing by proxy at least one third in number of the capital paid on the issued shares of the class in question. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.
- 3.3 *Issue of Shares*: Subject to the provisions of the Guernsey Companies Law and the New MXC Articles, the Directors may exercise the power of New MXC to issue shares of New MXC as they see fit, to grant rights to subscribe for or convert any security into shares of New MXC, to issue shares of different types or classes, to convert all or any of New MXC's shares into redeemable shares, to issue shares with or without par value and to determine the consideration payable on the issue of such shares, in each case in respect of an unlimited number of shares. The New MXC Articles state that the Directors may only issue shares, or grant rights to subscribe for or convert into shares, to the extent that they are authorised to do so by an ordinary resolution of New MXC from time to time. The Directors may pay any commission of such amount as may from time to time be determined by the Directors. Subject to the provisions of the Guernsey Companies Law, the New MXC Articles and other members' rights, shares may be issued with or have attached to them such rights and restrictions as the Directors may from time to time decide. No person shall be recognised by New MXC as holding any share upon any trust and New MXC shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fractioned

part thereto (except as provided by the New MXC Articles or the Guernsey Companies Law), any other right in respect of any share, except an absolute right thereto in the registered holder.

- 3.4 **Compulsory Acquisition of Shares:** The New MXC Articles do not contain any rights to compulsorily acquire shares.
- 3.5 **Buyback:** New MXC may acquire its own shares (including any redeemable shares). Any shares so acquired by New MXC may be cancelled or held as treasury shares provided that the number of shares of any class held as treasury shares must not at any time exceed ten per cent. (or such other percentage as may be prescribed from time to time by the States of Guernsey Commerce and Employment Department) of the total number of issued shares of that class. Any shares acquired in excess of this limit shall be treated as cancelled.
- 3.6 **Duration:** New MXC has been incorporated with an unlimited life.
- 3.7 **Winding Up:** New MXC may be wound up voluntarily at any time by special resolution in accordance with the New MXC Articles. Upon the passing of such special resolution, the process of voluntary winding up shall commence and New MXC shall cease to carry on business except in so far as it may be expedient for the beneficial winding up of New MXC. If New MXC shall be wound up, the surplus assets remaining after payment of all creditors will be divided *pari passu* among New MXC shareholders pro rata to their shareholdings but subject to the rights of any shares which may be issued with special rights or privileges. If New MXC shall be wound up the liquidator of New MXC may with the authority of a special resolution of New MXC divide among shareholders *in specie* the whole or any part of the assets of New MXC and may for such purposes set such value as he deems fair upon any one or more class or classes or property and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator with the like authority shall think fit but so that no shareholder shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 3.8 **Notice requiring disclosure of interest in Shares:** The Directors shall have power by notice in writing to require any New MXC shareholder to disclose to New MXC the identity of any person (other than the member) who has any interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given in writing within 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more of the issued shares of New MXC.

New MXC may maintain a register of interested parties and whenever in pursuance of a requirement imposed on a member or other person as aforesaid New MXC is informed of an interested party the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request. New MXC shall not permit such register to be kept or maintained in the United Kingdom or to be inspected by anyone other than a Director.

If any member is in default in supplying to New MXC the information required by New MXC within the prescribed period, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**Default Shares**”) and any other shares held by the member, (i) the member shall not be entitled to vote in general meetings or meeting of the holders of any class of shares; (ii) where the Default Shares represent at least 0.25 per cent. of the number of shares in issue of the class of shares concerned, the direction notice may additionally direct that any dividend or distribution or the proceeds of any repurchase, redemption or repayment on the Default Shares will be retained by New MXC (without interest); and (iii) that no transfer of the Default Shares (other than a transfer to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued share capital of New MXC not already owned by the offeror or persons connected with it; or the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to the Directors to be interested in such shares; or the transfer results from a sale made through a recognised investment

exchange (as defined in FSMA) or any stock exchange outside the United Kingdom on which the shares are listed or normally traded (“**Permitted Transfers**”)) shall be registered unless the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying the information is interested in any of the Shares the subject of the transfer.

If shares are issued to a member as a result of that member holding other shares in New MXC and if the shares in respect of which the new Shares are issued are Default Shares in respect of which the member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that member as such Default Shares.

Any direction notice shall have effect in accordance with its terms for as long as the default in respect of which the direction notice was issued continues, but shall cease to have effect in relation to any shares which are transferred by such member by means of a Permitted Transfer. As soon as practicable after the direction notice has ceased to have effect (and in any event within five business days thereafter) the Directors shall procure that the restrictions shall be removed and that dividends and other moneys withheld are paid to the member.

Any member who has given notice to New MXC of an interested party and who subsequently ceases to have any party interested in his shares or has any other party interested in his shares shall, where such a register is maintained, after becoming aware of that, notify New MXC in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.

Forced Transfers:

There are circumstances where the Directors may declare a New MXC shareholder to be a “Non-Qualified Holder” and that the Directors may require that any shares held by such a shareholder (the “**Prohibited Shares**”) shall be transferred to another person who is not a “Non-Qualified Holder”, failing which New MXC itself may dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

A “Non-Qualified Holder” is a person, as determined by the Directors, to whom a sale or transfer of shares, or in relation to whom the holding of shares:

- (i) would cause the assets of New MXC to be treated as “plan assets” of any benefit plan investor under section 3(42) of ERISA;
- (ii) might result in New MXC and/or its shares or the Investment Adviser being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act and/or the Securities Act and/or the US Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities;
- (iii) might cause New MXC to not be considered a “Foreign Private Issuer” under the US Exchange Act;
- (iv) may cause New MXC to be a “controlled foreign corporation” for the purposes of the US Code;
or
- (v) may cause New MXC to be subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the New MXC shareholder concerned to provide promptly to New MXC such information or documentation as New MXC may have requested to enable it to avoid or minimise such withholding tax or to comply with such reporting obligation.

No ERISA Plan Investor or “Controlling Person” (being a person, other than an ERISA Plan Investor, that has discretionary authority or control with respect to the assets of New MXC or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person) may acquire shares without New MXC’s prior written consent (which consent may be withheld New MXC’s sole and absolute discretion).

Prior to the shares qualifying as a class of “publicly-offered securities” under or in relation to the Plan Assets Regulation (or the shares qualifying for another exception to the “look through” rule thereunder), transfers of shares to ERISA Plan Investors that would increase aggregate ERISA Plan Investor ownership of any class of Shares to a level that would meet or exceed 25 per cent. or more of the value of any class of capital or other equity interest in the Company will be void *ab initio*. In such event, (i) shares of the affected class held by ERISA Plan Investors shall be deemed to be “Shares-in-Trust”, pro rata, to the extent necessary to reduce aggregate ERISA Plan Investor ownership of shares of such class below the 25 per cent. threshold and such number of shares (rounded up, in the case of each holder, to the nearest whole share) shall be transferred into a trust for charitable purposes, to be sold to a person whose ownership of those shares will not violate the ownership limitations set forth in the New MXC Articles.

In the event that any shares are deemed “Shares-in-Trust”, the relevant shareholder shall not benefit economically from ownership of any Shares-in-Trust, shall have no rights to dividends or other distributions, shall not possess any rights to vote or other rights attributable to the Shares-in-Trust, shall cease to own any right or interest with respect to such shares and New MXC will have the right to repurchase such Shares-in-Trust for an amount equal to their fair market value, which proceeds shall be payable to the purported owner. All Shares-in-Trust shall cease to be designated as Shares-in-Trust and shall be returned, automatically and by operation of law, to their purported owners, at such time as those shares qualify as a class of “publicly-offered securities” or if another exception to the “look-through” rule under the Plan Assets Regulation applies.

- 3.9 **Dividends:** The Directors may from time to time authorise dividends and distributions to be paid to New MXC shareholders in accordance with the procedure set out in the Guernsey Companies Law and subject to any New MXC shareholder’s rights attaching to such shares. The Directors may resolve that any such dividends or distributions will be satisfied wholly or partly by the distribution of assets (including, but not limited to, paid up shares or other securities of any other company), and may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for dividend and distribution purposes of any assets or any part thereof. No dividend or distribution or other monies payable on or in respect of a share shall bear interest against New MXC. All dividends or distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of New MXC until claimed. All dividends or distributions unclaimed six years after the date of declaration shall, if the directors resolve, be forfeited and shall revert to New MXC.
- 3.10 **Transfer of Shares:** The New MXC Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of an uncertificated system. If the Directors implement any such arrangements no provision of the New MXC Articles shall apply or have effect to the extent that it is in any respect inconsistent with: (a) the holding of shares of that class in uncertificated form; (b) the transfer of title to shares of that class by means of the CREST system; or (c) the relevant Guernsey regulations and rules of the operator of the relevant system. Where any class of shares is for the time being admitted to settlement by means of a relevant system such securities may be issued in uncertificated form in accordance with and subject as provided in the relevant Guernsey regulations and rules of the operator of the relevant system. Unless the Directors otherwise determine, such securities held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the relevant regulations and rules. Title to such shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the relevant system.

The Directors may, in their absolute discretion and without giving a reason, decline to transfer, convert or register any transfer of any share in certificated form or (to the extent permitted by the relevant regulations and rules) uncertificated form which is not fully paid or on which New MXC has a lien, provided in the case of a listed or quoted share that this would not prevent dealings in the share from taking place on an open and proper basis on the London Stock Exchange. In addition, the Directors may refuse to register a transfer of shares if it is in respect of more than one class of shares; it is in favour of more than four joint transferees; in relation to a share in certificated form, it is not accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and the transfer is in favour of any Non-Qualified Holder.

To the extent permitted by the Guernsey Companies Law the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in the aggregate in any calendar year) as the Directors may decide on giving notice in La Gazette Officielle and either generally or in respect of a particular class of share except that, in respect of any shares which are held in an uncertificated system, the register of members shall not be closed without the consent of the operator of the relevant system.

- 3.11 **Alteration of Capital:** New MXC at any time may, by ordinary resolution, consolidate and divide all or any of its shares into shares of larger amounts than its existing shares; sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the New MXC Articles or ordinary resolution; cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its shares by the amount of the shares so cancelled; redesignate the whole, or any particular class, of its shares into shares of another class; convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency; or where its shares are expressed in a particular currency or former currency, denominate or redenominate it, whether expressing the amount in units or subdivisions of that currency or former currency, or otherwise.
- 3.12 **Notices:** A notice may be given by New MXC to any New MXC shareholder either personally or by sending it by prepaid post addressed to such shareholder at his registered address or by electronic means in accordance with the New MXC Articles. A notice may be given by New MXC to the joint holders of a share by giving the notice to the joint holder first named in the register of members of New MXC in respect of the share.

Unless the Guernsey Companies Law specifies otherwise a notice shall, unless the contrary is shown, be deemed to have been received:

3.12.1 in the case of a notice sent by post to an address in the United Kingdom, Channel Islands or the Isle of Man, on the third day after the day of posting;

3.12.2 in the case of a notice sent by post elsewhere by airmail, on the seventh day after posting;

3.12.3 in the case of a notice sent by electronic means, at the expiration of twenty four hours after the time it was sent,

excluding, in the first two cases, any day which is a Saturday, Sunday, Good Friday, Christmas Day, a bank holiday in Guernsey or a day appointed as a day of public thanksgiving or public mourning in Guernsey.

All New MXC shareholders shall be deemed to have agreed to accept communication from New MXC by electronic means (including, for the avoidance of doubt, by means of a website) unless a shareholder notifies New MXC otherwise by notice in writing and signed by the shareholder and delivered to New MXC's registered office or such other place as the Directors direct. In the absence of any such notice from a New MXC shareholder, New MXC may satisfy its obligation to send him any notice or other document by publishing such notice or document on a website and notifying him personally or by post that such notice or document has been so published.

- 3.13 **General Meetings:** Subject to the Guernsey Companies Law and the New MXC Articles, the first general meeting of New MXC shall be held within a period of not more than eighteen months from the day on which New MXC was incorporated. Subject to the Guernsey Companies Law, an annual general meeting shall be held once in every calendar year (provided that no more than fifteen months may elapse between one annual general meeting and the next) at such time and place as the Directors shall appoint.

The Directors are required to call a general meeting in accordance with the Guernsey Companies Law once New MXC has received requisition requests to do so from New MXC shareholders who hold more than ten per cent. of such of the capital of New MXC that carries the right of voting at general meetings of New MXC (excluding any capital held as treasury shares).

Any general meeting may be held in Guernsey, or elsewhere, as the Directors may from time to time determine.

Unless special notice is required in accordance with the Guernsey Companies Law, all general meetings shall be called by not less than ten clear days' notice in writing. The notice shall specify the place, the date and the time of the meeting, and in the case of any proposed special resolution, waiver resolution or unanimous resolution, the text of such proposed resolution and notice of the fact that the resolution proposed is proposed as such a resolution and the general nature of the business to be dealt with at the meeting and shall be given to such persons as are entitled to receive such notices from New MXC, provided that a meeting of New MXC shall, notwithstanding that it is called by shorter notice than that specified be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

No business shall be transacted at any general meeting unless a quorum is present. Two New MXC shareholders present in person or by proxy and entitled to vote shall be a quorum. Where New MXC has only one shareholder the quorum shall be one New MXC shareholder present at the meeting in person or by proxy.

At any adjourned meeting, those New MXC shareholders who are present in person or by proxy shall be a quorum. If no New MXC shareholders are present at the adjourned meeting, the meeting shall be dissolved.

- 3.14 **Proceedings of the Directors:** The Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings as they think fit. All meetings of Directors shall take place outside of the United Kingdom and any decision reached or resolution passed by the Directors at any meeting held within the United Kingdom or at which half or more of the Directors present are resident in the United Kingdom for tax purposes shall be invalid and of no effect. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two except where the number of Directors has been fixed at one, a Sole Director shall be deemed to form a quorum. The Directors may delegate any of their powers to committees consisting of one or more Directors, as they think fit. The proceedings of any such committee shall be governed by any regulations imposed on it by the Directors.
- 3.15 **Interests of Directors:** A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with New MXC, disclose to the Directors (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest, in each case unless the transaction or proposed transaction is between the Director and New MXC, and is to be entered into in the ordinary course of New MXC's business and on usual terms and conditions. A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon. A general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction

of the nature and extent so specified. An interest of which a Director is unaware shall not be treated as an interest of his.

Subject to the provisions of the Guernsey Companies Law, and provided that he has disclosed to the other Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

3.15.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which New MXC is otherwise interested;

3.15.2 may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

3.15.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or a member of or otherwise, directly or indirectly, interested in, anybody corporate promoted by New MXC, or with which New MXC has entered into any transaction, arrangement or agreement or in which New MXC is otherwise interested; and

3.15.4 shall not by reason of his office be accountable to New MXC for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

A Director may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by New MXC or in which New MXC may be interested or with which New MXC has entered into any transaction, arrangement or agreement, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by New MXC or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

3.16 **Remuneration of Directors:** The Directors (other than alternate Directors) are entitled to be paid such remuneration (by way of fee) for their services as may be determined by the Board or any committee of the Board formed for the purpose of determining Directors' fees and remuneration. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company.

3.17 **Alternate Directors:** Any Director may by notice in writing under his hand appoint any person (including another Director) to be his alternate Director to attend and vote as a Director at all such meetings at which his appointor is not personally present and generally at such meetings to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meetings the provisions of the Articles shall apply as if he (instead of his appointor) were a Director. If he is himself a Director, or attends any such meeting as an alternate for more than one Director, his voting rights shall be cumulative.

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be *indemnified* to the same extent *mutatis mutandis* as if he were a Director.

3.18 **Appointment of Directors:** The Directors have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting and

shall then be eligible for re-election. Unless otherwise determined by the members by ordinary resolution, the number of Directors shall not be subject to any maximum and the *minimum* number shall be one. At no time shall half or more of the Directors, including alternates, be resident in the United Kingdom, and a person shall not be appointed as a Director if as a result of such appointment the Board would cease to consist of a majority of Directors resident outside the United Kingdom.

No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by New MXC to the office of Director unless not less than three and not more than twenty one days before the date appointed for the meeting there shall have been left at New MXC's registered office notice in writing signed by a New MXC shareholder who is duly qualified *to* attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

3.19 ***Retirement and Removal of Directors:*** The office of a Director shall, *ipso facto*, be vacated:

3.19.1 if he resigns his office by writing;

3.19.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors on the affairs of the Company) from meetings of the Directors for six months in succession and the other Directors shall have resolved that his office shall be vacated;

3.19.3 if he becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or has his affairs declared *en désastre* or has a preliminary vesting order made against his Guernsey realty;

3.19.4 if he dies;

3.19.5 if he becomes ineligible to be a Director;

3.19.6 if he is removed by resolution of the Directors in writing signed by all his co-Directors (being not less than two in number) provided that, until the date of such written resolution, his acts as a Director shall be as effectual as if his office were not vacated; or

3.19.7 if New MXC by ordinary resolution declares that he shall cease to be a Director.

3.20 ***Borrowing Powers:*** The Directors may exercise all the powers of New MXC to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue securities whether outright or as security for any debt, liability or obligation of New MXC or of any third party.

3.21 ***Indemnity and Insurance:*** The Directors (including any alternate Director) and other officer or employee for the time being of New MXC shall be indemnified out of the assets of New MXC to the fullest extent permitted by the Guernsey Companies Law from and against all actions, costs, charges, losses, damages and expenses in respect of which they may lawfully be indemnified which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted, in or about the execution of their duty or supposed duty or in relation thereto.

3.22 ***Register of Members and Other Statutory Records:*** New MXC shall keep a register in accordance with the Guernsey Companies Law and outside the United Kingdom. The registration of transfers of shares may be suspended at such times and for such a period (not exceeding in aggregate thirty days in any calendar year) as the Directors may determine.

4. Difference between English and Guernsey company law and implications of New MXC being a Guernsey incorporated company

There are a number of differences between the Companies Act and the Guernsey Companies Law which may impact upon the rights of Shareholders when they become shareholders of New MXC. However, where it was thought appropriate to confer similar rights on and protections to holders of New MXC Shares, and

where permitted under the Guernsey Companies Law, appropriate provisions have been incorporated into the New MXC Articles, as described in the summary setting out the principal differences between Old MXC Articles and New MXC Articles at paragraph 2 of this Part. A fuller description of certain provisions of the New MXC Articles is set out in paragraph 3 of this Part.

The principal differences between the Companies Act and the Guernsey Companies Law include (without limitation) the following:

- 4.1 the Guernsey Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues; however, pre-emption rights broadly based on the provisions of the Companies Act have been enshrined in the New MXC Articles;
- 4.2 under the Guernsey Companies Law, the directors of a company have an unlimited authority to issue shares if the company has only one class of shares in issue, unless that they are prohibited from doing so by the company's memorandum or articles of incorporation or by a resolution of the company. As the Guernsey Companies Law does not contain an equivalent to section 551 of the Companies Act, provision is made in the New MXC Articles to replicate the position under the Companies Act whereby directors must not exercise any power to issue shares unless they are authorised to do so by ordinary resolution in a general meeting. In addition, the New MXC Articles set a requirement that the maximum number of shares which can be issued by the Board is to be approved by the New MXC Shareholders passing an ordinary resolution in general meeting with a requirement that the authority so granted may not be for a period exceeding five years. The Guernsey Companies Law states that, on any issue of shares, the Directors must be satisfied that the terms of issue, and the consideration payable for, the shares are fair and reasonable to the company and its existing shareholders;
- 4.3 Guernsey companies are permitted to make distributions to shareholders without reference to distributable reserves. Instead, distributions may be made out of a company's assets, provided the directors approving the distribution are satisfied on reasonable grounds that the company satisfies the solvency test laid down in the Guernsey Companies Law. An unregulated company (such as New MXC) satisfies the solvency test if the value of its assets exceeds its liabilities and if it is able to pay its debts as they fall due;
- 4.4 a Guernsey company is permitted to provide financial assistance in connection with the acquisition of its own shares, but before doing so the directors approving the financial assistance must be satisfied on reasonable grounds that the company satisfies the solvency test laid down in the Guernsey Companies Law (as described above);
- 4.5 the circumstances in which the Guernsey Companies Law permits a Guernsey company to indemnify its directors in respect of liabilities incurred by its directors in carrying out their duties are limited, and differ slightly to the analogous rules under English law. There is, however, no general prohibition on the granting of loans by a company to its directors (but directors remain subject to fiduciary duties when considering the grant of any such loans) and any costs incurred in defending any proceedings which relate to anything done or omitted to be done by that director in carrying out his duties may be funded by way of loans;
- 4.6 Guernsey law does not require that shareholders approve compensation payments made to directors for loss of office, whereas under English law a payment by a company for loss of office to a director of a company or its holding company must be approved by a resolution of shareholders;
- 4.7 any general meeting of a Guernsey company may be convened on 10 days' notice (rather than 21 days' notice required under English law for the calling of an annual general meeting and 14 days' notice required under English law for the calling of any other general meeting);
- 4.8 under the Guernsey Companies Law, shareholders holding not less than one-tenth of the total voting rights of the shareholders of a company may requisition a meeting of shareholders (whereas under the Companies Act, this right may be exercised by shareholders representing at least 5 per cent. of the paid up voting capital of a company);

- 4.9 the Guernsey Companies Law does not confer on members the right to an independent scrutiny of a poll taken, or to be taken, at a general meeting, nor does it confer rights on members to require a company to circulate resolutions proposed to be moved by members at the next annual general meeting, or to circulate explanatory statements relating to any matter relating to a proposed resolution at a general meeting, or rights for a nominee holder of shares to have information rights granted to the underlying beneficial owner of the share;
- 4.10 there is no restriction on donations by a company to political organisations under Guernsey law;
- 4.11 under Guernsey law, the two procedures for dissolving a Guernsey company are winding up and administration. The concepts of receivership and voluntary arrangements do not exist under Guernsey law. The concepts of a winding up and administration are broadly similar to that under English law.

This list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Shareholder wishing to obtain further information regarding his rights as a New MXC shareholder under Guernsey law should consult his Guernsey legal advisers.

Following and subject to admission, New MXC will be required to comply with the AIM Rules, (including rules relating to related party transactions) and certain parts of the Disclosure and Transparency Rules. In certain of the instances where the AIM Rules and the Disclosure and Transparency Rules apply differently to an overseas company, provision has been made in the New MXC Articles to apply the rules as if New MXC was a company incorporated in the UK. For example, the New MXC Articles provide that shareholders must comply with the rules contained in DTR 5 of the Disclosure and Transparency Rules relating to disclosure of major shareholdings and other controlling voting rights in New MXC as if it were a UK-incorporated company.

New MXC intends, upon implementation of the Scheme, to comply with the UK Corporate Governance Code to the same extent that Old MXC does.

New MXC will continue to be subject to the provisions of the Takeover Code. The insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to New MXC and dealings with New MXC Shares, alongside the parallel provisions of Guernsey law, to the extent that they are applicable.

PART 7

ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors, whose names are set out in paragraph 2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Directors

2.1 *The Directors of Old MXC, and their respective functions, are as follows:*

- Marc Young (*Chief Executive Officer*)
- Peter Rigg (*Non-Executive Chairman*)
- Paul Guilbert (*Non-Executive Director*)

Old MXC is a public limited company incorporated with registered number 05010663 and having its registered office at 100 Fetter Lane, London EC4A 1BN. The business address of each Director of Old MXC is that of the Company's registered office.

2.2 The board of New MXC will mirror the board of MXC Capital and therefore the Directors of New MXC, and their respective functions, are as follows:

- Marc Young (*Chief Executive Officer*)
- Peter Rigg (*Non-Executive Chairman*)
- Paul Guilbert (*Non-Executive Director*)

New MXC is a non-cellular company with limited liability incorporated in Guernsey with registered number 58895 and having its registered office at 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW. The business address of each Director of New MXC is that of New MXC's registered office.

3. MXC Capital Share Option Schemes and Old MXC Shares held by an Employee Benefit Trust

3.1 At the close of business on 21 November 2014 (being the last practicable date prior to the publication of this document):

3.1.1 1,954,636,992 Old MXC Shares were in issue and 66,660,842 MXC Capital Options were outstanding; and

3.1.2 712,480 Old MXC Shares are held by Lammtara Industries EBT Trustees Limited (a subsidiary of the Company).

3.2 As at 21 November 2014 (the latest practicable date prior to the date of this document), there were outstanding MXC Capital Options over a total of 66,660,842 Old MXC Shares representing approximately 3.41 per cent. of the existing issued share capital of the Company. Details of the MXC Capital Options are set out below:

<i>Option Holder</i>	<i>Date of Grant</i>	<i>Plan under which option granted</i>	<i>Exercise Period</i>	<i>Number of options granted and unexercised</i>	<i>Exercise price per share</i>
Jill Collighan	24 July 2013	2013 EMI Scheme	2013-2023	10,000,000	£0.01
Neale Graham	24 July 2013	2013 EMI Scheme	2013-2023	18,412,088	£0.01
	24 July 2013	2013 EMI Scheme	2013-2023	10,000,000	Nil
Barry Sharples	24 July 2013	2013 EMI Scheme	2013-2023	18,232,088	£0.01
	24 July 2013	2013 EMI Scheme	2013-2023	10,000,000	Nil
James Esson	7 February 2011	2011 EMI Scheme	2014-2021	16,666	£0.01

3.3 Details of the arrangements made with the holders of MXC Capital Options are set out in paragraph 11 of Part 1 of this document.

3.4 The Old MXC Shares held by Lammtara Industries EBT Trustees Limited (a subsidiary of the Company) will be treated in the same way as Old MXC Shares held by all other Scheme Shareholders.

4. MXC Holdings and Marc Young

MXC Holdings is the largest shareholder of Old MXC holding 53.67 per cent. of the issued share capital. Marc Young, a director of Old MXC and New MXC, is interested in 7.84 per cent. of, and has an option over a further 2.16 per cent. of, the issued share capital of MXC Holdings.

5. Interests in Shares

5.1 *Interests of the Directors in relevant securities of Old MXC*

As at 21 November 2014 (being the last practicable date prior to the publication of this document) the interests of the Directors (within the meaning of Part 22 of the Companies Act) and their immediate families, related trusts and connected persons, all of which are beneficial unless otherwise stated, in relevant securities of Old MXC were as follows:

<i>Name</i>	<i>Number of Old MXC Shares</i>	<i>Percentage of issued ordinary share capital of Old MXC (%)</i>
Marc Young	Nil	Nil
Peter Rigg	6,000,000*	0.31
Paul Guilbert	Nil	Nil
Total	6,000,000	0.31

* includes 1,981,720 Old MXC Shares held by Peter Rigg's ISA, 2,121,500 Old MXC Shares held by Peter Rigg's SIPP and 1,896,780 Old MXC Shares held by his wife's ISA.

5.2 *Interests of the Directors in relevant securities of New MXC*

Save as set out in paragraph 6 of Part 2 of this document, as at 21 November 2014 (being the last practicable date prior to the publication of this document) the Directors and their immediate families, related trusts and connected persons did not have any interest in the relevant securities of New MXC.

5.3 No Director holds any options granted under the MXC Capital Share Option Schemes.

6. Directors' Service Contracts

Certain details of the Directors' service agreements and letters of appointment and the terms of their appointment with New MXC are set out in paragraph 7 of Part III of the Appendix to the Schedule 1 Announcement.

7. Material Contracts

Details of the material contracts entered into by the Group and New MXC are set out in paragraph 10 of Part III of the Appendix to the Schedule 1 Announcement.

8. New MXC Shares

- 8.1 New MXC was incorporated on 19 August 2014. On incorporation, the subscriber to the New MXC memorandum of incorporation was CO 1 Limited. On 21 November 2014 the subscriber share was transferred to Peter Rigg.
- 8.2 As at the date of this document, New MXC has no subsidiaries.
- 8.3 The New MXC Shares have not been marketed, nor are they available in whole or in part to the public otherwise than pursuant to the Scheme.
- 8.4 No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of New MXC.
- 8.5 New MXC has not traded since incorporation and has undertaken no activities other than those associated with its administration, the Scheme Proposal and Admission.
- 8.6 Under the Scheme, New MXC will issue New MXC Shares, credited as fully paid, to the Scheme Shareholders on the following basis:

for each Scheme Share one New MXC Share.

9. Associated Risks

The MXC Shareholders are advised to read in full the Appendix to the Schedule 1 Announcement which highlights a number of risk factors associated with the Scheme Proposal.

10. General

- 10.1 Zeus Capital has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 10.2 All references to time in this document and the Forms of Proxy are to London time unless the context provides otherwise.
- 10.3 The International Securities Identification Number for Old MXC Shares is GB0034312214.
- 10.4 Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which New MXC may otherwise be or claim to be, entitled against any such Scheme Shareholder.

11. Documents available for inspection

- 11.1 A copy of this document and the documents listed in paragraph 11.2 below are available free of charge on Old MXC's website, www.mxccapital.com until the Effective Date.
- 11.2 Copies of the following documents are also available for inspection upon request during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of DAC Beachcroft LLP (being 100 Fetter Lane, London EC4A 1BN), at the Company's registered office (being 100 Fetter Lane, London EC4A 1BN) or at New MXC's registered office (being 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW) from the date of this document until the Effective Date:

11.2.1 the Old Articles MXC;

11.2.2 a draft of the Old Articles MXC as proposed to be amended at the General Meeting;

- 11.2.3 the New MXC Articles;
- 11.2.4 the Announcement;
- 11.2.5 this document and the Forms of Proxy; and
- 11.2.6 the Appendix to the Schedule 1 Announcement.

Dated: 24 November 2014

PART 8

DEFINITIONS

In this document (with the exception of Part 4 (The Scheme of Arrangement), Part 9 (Notice of Court Meeting) and Part 10 (Notice of General Meeting)), the following words and expressions have the following meanings unless the context requires otherwise:

“Admission”	the admission of the New MXC Shares to trading on AIM;
“AIM”	AIM, the market of that name operated by the London Stock Exchange;
“AIM Rules”	the ‘AIM Rules for Companies’ published by the London Stock Exchange, as amended from time to time;
“Appendix to the Schedule 1 Announcement”	the appendix to the AIM Rules Schedule 1 announcement dated 24 November 2014 relating to New MXC and the New MXC Shares, prepared in accordance with the AIM Rules;
“Announcement”	the announcement made by Old MXC on 17 November 2014 through a Regulatory Information Service relating to the Scheme Proposal;
“Board”	the Directors of the Company as at the date of this document;
“Business Day”	a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the City of London;
“certificated” or “in certificated form”	a share which is not in uncertificated form (that is, not held in CREST);
“Companies Act”	the Companies Act 2006 (as amended from time to time);
“Company” or “Old MXC”	MXC Capital plc, incorporated in England and Wales with company registration number 05010663;
“Conditions”	the conditions of the Scheme Proposal set out in section A of Part 3 of this document, and “condition” shall mean any of them;
“Court”	the High Court of Justice, Chancery Division (Companies Court), in England and Wales;
“Court Meeting”	the meeting of the Scheme Shareholders convened by order of the Court pursuant to Part 26 of the Companies Act to be held at 11.00 a.m. on 17 December 2014 to consider and, if thought fit, approve the Scheme, notice of which is set out in Part 10 of this document (including any adjournment thereof);
“Court Orders”	the Scheme Court Order and the Reduction Court Order or, where the context requires, either of them;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations) of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations);
“Directors”	the directors of Old MXC or the directors of New MXC, from time to time, as the context requires, whose names are set out on page 53 of this document, including a duly constituted committee thereof;

“Effective”	the Scheme having become effective pursuant to its terms;
“Effective Date”	the day on which the Scheme becomes effective in accordance with clause 5 of the Scheme;
“Enlarged Group”	following the Scheme becoming effective, New MXC and its subsidiaries and subsidiary undertakings from time to time;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Explanatory Statement”	the explanatory statement relating to the Proposal, as set out in Part 2 of this document which, together with the documents incorporated therein, constitutes the explanatory statement as required by section 897 of the Companies Act;
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority in its capacity as a regulator under FSMA;
“Form(s) of Proxy”	as the context may require, either or both of (i) the BLUE Form of Proxy for use at the Court Meeting and (ii) the WHITE Form of Proxy for use at the General Meeting, each of which accompanies this document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of the Shareholders convened to be held at 11.30 a.m. on 17 December 2014 (or as soon thereafter as the Court Meeting shall have been concluded), notice of which is set out in Part 10 of this document (including any adjournment thereof);
“Group”	Old MXC, its subsidiaries and subsidiary undertakings as at the date of this document and “member of the Group” shall be construed accordingly;
“Guernsey Companies Law”	The Companies (Guernsey) Law, 2008 (as amended) and subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force;
“London Stock Exchange”	London Stock Exchange plc;
“Long Stop Date”	31 March 2015 or such earlier or later date as New MXC and Old MXC may agree and/or the Court may allow;
“Meetings”	the Court Meeting and the General Meeting (and “ Meeting ” means either of them);
“MXC Capital Advisory”	MXC Capital Advisory LLP, a limited liability partnership registered in England and Wales with company number OC381555;
“MXC Capital Options”	the options over Old MXC Shares granted under or pursuant to the MXC Capital Share Option Schemes which have not lapsed, or been exercised, in accordance with their terms at the date of this document;
“MXC Capital Share Option Schemes”	the agreements pursuant to which Old MXC has granted rights to subscribe for Old MXC Shares from time to time;
“MXC Holdings”	MXC Holdings Limited, incorporated in England and Wales with company registration number 07039551;
“MXC Shares”	ordinary shares (with no par value) in the capital of New MXC;

“New MXC”	MXC Capital Limited, incorporated in Guernsey with company registration number 58895;
“New MXC Articles”	the articles of incorporation of New MXC at the date of this document;
“New MXC Shares”	the MXC Shares proposed to be issued and credited as fully paid pursuant to the Scheme;
“Notice of General Meeting”	the notice of General Meeting set out in Part 10 of this document;
“Old MXC Articles”	the articles of association of Old MXC at the date of this document;
“Old MXC Shares”	ordinary shares of 1 penny each in the capital of the Company and “Share” and “Old MXC Share” shall be construed accordingly;
“Overseas Shareholders”	Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK or who are nominees of, or custodians or trustees for, residents, citizens or nationals of other countries;
“Pounds” or “£” or “sterling”	UK pounds sterling, the lawful currency of the UK;
“Proposal”	the recommended acquisition by New MXC of the entire issued share capital of Old MXC to be effected by way of the Scheme and subject to the Conditions and on the terms of this document including, where the context so requires, any subsequent revision, variation, extension or renewal of such proposal;
“Reduction of Capital”	the reduction of the share capital of the Company associated with the cancellation and extinguishing of the Scheme Shares provided for in clause 1.1 of the Scheme under section 641 of the Companies Act;
“Reduction Court Hearing”	the hearing at which the Reduction Court Order is made;
“Reduction Court Order”	the order of the Court granted at the Reduction Court Hearing to confirm the Reduction of Capital provided for by the Scheme and the Share Premium Account Reduction of Capital;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulatory Information Service”	any information services authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Proposal is sent or made available to Shareholders in that jurisdiction;
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between the Company and the holders of Scheme Shares as set out in Part 4 of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and New MXC and incorporating a reduction of capital under section 641 of the Companies Act;
“Scheme Court Hearing”	the hearing at which the Scheme Court Order is made;

“Scheme Court Order”	the order of the Court granted at the Scheme Court Hearing to sanction the Scheme under Part 26 of the Companies Act;
“Scheme Proposal”	the proposed Scheme as described in this document;
“Scheme Record Time”	6.00 p.m. on the day prior to the Reduction Court Hearing;
“Scheme Resolutions”	the resolution to be proposed at the Court Meeting and the special resolution number 1 (being the Special Resolution) to be proposed at the General Meeting, in both cases to approve and give effect to the Scheme;
“Scheme Shareholders”	the holders of Scheme Shares;
“Scheme Shares”	<ul style="list-style-type: none"> (i) the Old MXC Shares in issue at the date of this document; (ii) any Old MXC Shares issued after the date of this document and before the Voting Record Time; and (iii) any Old MXC Shares issued at or after the Voting Record Time but on or before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, <p>in each case other than any Old MXC Shares which are registered in the name of or beneficially owned by New MXC;</p>
“Shareholders”	the holders of Old MXC Shares from time to time;
“Share Premium Account Reduction of Capital”	the proposed cancellation of the Company’s share premium account under Part 17, Chapter 10 of the Act;
“Special Resolution”	special resolution number 1 set out in the Notice of General Meeting to be proposed at the General Meeting to approve, amongst other things, the Scheme;
“statement of capital”	the statement of capital (approved by the Court) showing with respect to Old MXC’s share capital, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act;
“subsidiary” or “subsidiary undertaking” or “undertakings” or “associated undertakings”	have the meanings given by the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST;
“Uncertificated Securities Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended);
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;

“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and rules and regulations thereunder;
“US\$” or “\$”	United States dollars, the lawful currency of the United States;
“Voting Record Time”	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if such Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the day of such adjourned meeting; and
“Zeus Capital”	Zeus Capital Limited, 82 King Street, Manchester M2 4WQ.

In this document and the Forms of Proxy, references to the singular includes the plural and vice versa, unless the context otherwise requires.

PART 9

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 8282 of 2014

IN THE MATTER OF MXC CAPITAL PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 21 November 2014 made in the above matter, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between MXC Capital plc (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme of Arrangement) and that such meeting will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN, on 17 December 2014 at 11.00 a.m., at which place and time all holders of the Scheme Shares (as defined in the Scheme of Arrangement) are requested to attend.

At the Court Meeting, the following resolution will be proposed:

“That the scheme of arrangement dated 24 November 2014 (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof in its original form or with or subject to any modification, addition or condition approved or imposed by the Court, be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect.”

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Scheme Shareholders entitled to attend and vote at the meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A BLUE Form of Proxy for use at the Court Meeting is enclosed with this notice. Further details with respect to the BLUE Form of Proxy are set out below. Completion of the BLUE Form of Proxy will not prevent a Scheme Shareholder from attending and voting at the Court Meeting, or any adjournment thereof, in person if he wishes to do so. Holders of Scheme Shares entitled to attend and vote at the meeting who hold their shares through CREST may appoint a proxy or proxies using CREST by following the instructions in note (3) below.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to a different share or shares held by such holder. A space has been included in the BLUE Form of Proxy to allow Scheme Shareholders to specify the number of Scheme Shares in respect of which that proxy is appointed. Scheme Shareholders who return the BLUE Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrar, Computershare Investor Services PLC for further BLUE Forms of Proxy or photocopy the BLUE Form of Proxy as required. Such Scheme Shareholders should also read note (5) set out on the BLUE Form of Proxy and the principles that will be applied in relation to multiple proxies.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the Court Meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time shall be disregarded.

It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of authority) be lodged by post with the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by hand (during normal business hours) at the same address not less than 48 hours before the time appointed for the said meeting but if forms are not so lodged, they may be handed to the Chairman before the start of the meeting.

Scheme Shareholders should note that if they wish to appoint more than one proxy they should request additional BLUE Forms of Proxy from the Company's registrars, Computershare Investor Services PLC and submit them in accordance with the instructions set out in the preceding paragraphs.

By the said order, the Court has appointed Peter Rigg, or, failing him, any of Marc Young and Paul Guilbert, to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated: 24 November 2014

DAC Beachcroft LLP
100 Fetter Lane
London
EC4A 1BN

Solicitors for the Company

Notes:

- (1) A BLUE Form of Proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a BLUE Form of Proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
- (2) It is requested that a BLUE Form of Proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time of the meeting (in other words, by 11.00 a.m. on 15 December 2014) or, as the case may be, the adjourned meeting. A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. BLUE Forms of Proxy returned by fax or email will not be accepted. BLUE Form of Proxy not returned by that time may be handed to the chairman of the meeting before the poll is taken and will still be valid.
- (3) Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using 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 providers, 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 ("**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of

instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) 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 sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST. 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.

- (4) You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
- (5) If you wish to appoint multiple proxies, you may: (a) photocopy a BLUE Form of Proxy, fill in each copy in respect of different shares and send the multiple forms together to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or (b) alternatively contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY who will then issue you with multiple BLUE Forms of Proxy. In each case, please ensure that all of the multiple BLUE Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.
- (6) Subject to the following principles where more than one proxy is appointed, where a BLUE Form of Proxy does not state the number of shares to which it applies ("**blank proxy**") then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name ("**your entire holding**"). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies ("**specific proxy**"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
- (7) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (8) If two or more valid but different BLUE Forms of Proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (9) If conflicting BLUE Forms of Proxy are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
- (10) Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata (on the basis that as far as possible, conflicting BLUE Forms of Proxy should be judged to be in respect of different shares).
- (11) Where the application of note (10) above gives rise to fractions of shares, such fractions will be rounded down to the nearest whole number of shares.
- (12) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case, but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
- (13) In relation to note (12) above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (14) A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (i.e. a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
- (15) If you are in any doubt about completing the BLUE Form of Proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
- (16) Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by way of a letter addressed to the chairman of the meeting.
- (17) Voting on the resolution at the meeting will be conducted on a poll rather than a show of hands.
- (18) To cast your vote online please go to www.investorcentre.co.uk/eproxy. Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN.

PART 10

NOTICE OF GENERAL MEETING

MXC CAPITAL PLC

(the “Company”)

(Registered in England and Wales with company registration number 05010663)

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of the Company will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN at 11.30 a.m. on 17 December 2014 (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) convened for 11.00 a.m. on the same day and at the same place, by an order of the High Court of Justice in England & Wales (the “Court”), shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as special resolution:

SPECIAL RESOLUTION

1. THAT:

- 1.1 the scheme of arrangement dated 24 November 2014 (in its original form or with or subject to any modification, addition or condition approved or imposed by the Court) (the “Scheme”) proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to the meeting and for the purpose of identification signed by the Chairman of this meeting, be approved and the directors of the Company be authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- 1.2 for the purpose of giving effect to the Scheme:
 - 1.2.1 the share capital of the Company be reduced by cancelling and extinguishing all the Scheme Shares (as defined in the Scheme) held at the Scheme Record Time (the “Reduction”);
 - 1.2.2 forthwith and contingent upon the Reduction taking effect and notwithstanding anything to the contrary in the articles of association of the Company 1 penny of the reserve arising in the books of account of the Company as a result of the cancellation of the Scheme Shares be applied in paying up in full at par value one new ordinary share of 1 penny (the “New Share”), which shall be allotted and issued, credited as fully paid, to New MXC (as defined in the Scheme) or its nominee in accordance with the Scheme;
 - 1.2.3 the directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot the New Share provided that: (a) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be the nominal value of the New Share created pursuant to paragraph 1.2.2 above; (b) this authority shall expire on the fifth anniversary of the date of this resolution; and (c) this authority shall be in addition to and without prejudice to any other authority under the said section 551 of the Companies Act 2006 previously granted and in force on the date on which this resolution is passed;

- 1.3 with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 3A:

"SCHEME OF ARRANGEMENT

3A *Scheme of Arrangement*

- 3A.1 In this article, the "Scheme" means the scheme of arrangement dated 24 November 2014, between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and/or agreed by the Company and MXC Capital Limited ("**New MXC**") and (save as defined in this article) expressions defined in the Scheme shall have the same meanings in this article.
- 3A.2 Notwithstanding any other provision of these articles, if the Company issues any ordinary shares (other than to New MXC or its nominee(s)) after the adoption of this article and before the Scheme Record Time (as defined in the Scheme), such ordinary shares shall be issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the holders of such ordinary shares, and any subsequent holder of such ordinary shares (other than New MXC and/or its nominee or nominees) shall be bound by the Scheme accordingly.
- 3A.3 Subject to the Scheme becoming Effective (as defined in the Scheme), if any ordinary shares in the Company are issued to any person (a "**New Member**") (or transferred to any subsequent holder or any nominee of such New Member or any subsequent holder) (other than under the Scheme or to New MXC or its nominee(s)) after the Scheme Record Time (the "**Transfer Shares**"), they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue) be immediately transferred to New MXC (or as it may direct) in consideration of the issue by New MXC to the New Member (or to any transferee if such shares have been so transferred to any subsequent holder or any nominee of such New Member or any subsequent holder) of such number of new ordinary shares in New MXC as the New Member would have been entitled to receive in aggregate if the Transfer Shares transferred hereunder had been Scheme Shares and the New Member had been the holder thereof at the Scheme Record Time.
- 3A.4 On any reorganisation of, or material alternation to, the share capital of the Company (including, without limitation, any sub-division and/or consolidation), the value of the consideration per share to be paid under Article 3A.3 of this article shall be adjusted by the directors of the Company in such manner as the Company's auditors may determine to be appropriate to reflect such reorganisation or alteration. References in this article to shares shall, following such adjustment, be construed accordingly.
- 3A.6 To give effect to any transfer required by Article 3A.3 above, the Company may appoint any person as agent for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to transfer the Transfer Shares to New MXC and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the agent be necessary or desirable to vest the Transfer Shares in New MXC and/or its nominee(s) and pending such vesting, to exercise all such rights attaching to the Transfer Shares as New MXC may direct. If any agent is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that the agent fails to act in accordance with the directions of New MXC) be entitled to exercise any rights attaching to the Transfer Shares unless so agreed by New MXC. The agent shall be empowered to execute and deliver as transferor a form of transfer

or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of New MXC and/or its nominee(s) and the Company may give good receipt for the consideration for the Transfer Shares and may register New MXC and/or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the Transfer Shares. New MXC shall issue New Ordinary Shares in New MXC by such date as New MXC will agree with the Company and in any event within 10 business days of the issue of the Transfer Shares to the New Member.

3A.7 If the Scheme shall not have become Effective by the date referred to in clause 5 of the Scheme, this Article 3A shall not be effective.

3A.8 For the avoidance of doubt, the provisions of this Article 3A shall not apply to any other classes of shares allotted and issued by the Company such as A ordinary shares.”;

- 1.4 conditional on the Scheme becoming effective, the Company shall be re-registered as a private limited company and the name of the Company be changed to MXC Capital Limited;
- 1.5 conditional on the Scheme becoming effective, the admission of the Company’s shares to trading on AIM be cancelled; and
- 1.6 subject to the confirmation of the High Court of Justice of England and Wales, the share premium account of the Company be cancelled.

Dated: 24 November 2014

Registered Office
100 Fetter Lane
London
EC4A 1BN

BY ORDER OF THE BOARD
Jill Collighan
Company Secretary

NOTES TO NOTICE

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at:
 - 1.1 6.00 p.m. on 15 December 2014; or,
 - 1.2 if this General Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned General Meeting,shall be entitled to attend and vote at the General Meeting.

Website giving information regarding the General Meeting

2. Information regarding the General Meeting is available on the Company's website www.mxccapital.com.

Attending in person

3. If you wish to attend the General Meeting in person, you may be asked for your name and address to confirm your identity.

Appointment of proxies

4. 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 General Meeting and you should have received a WHITE Form of Proxy. You can only appoint a proxy using the procedures set out in these Notes and the notes to the WHITE Form of Proxy.
5. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the WHITE Form of Proxy are set out in the notes to the WHITE Form of Proxy. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. 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, one or more additional WHITE Forms of Proxy may be obtained by contacting the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY for one or more additional WHITE Forms of Proxy or you may photocopy your WHITE Form of Proxy. Please follow the instructions in the explanatory notes to the Form of Proxy in relation to the appointment of more than one proxy.
7. 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 General Meeting.

Appointment of proxy using hard copy WHITE Form of Proxy

8. The notes to the WHITE Form of Proxy explain how to direct your proxy to vote on the Resolution or withhold their vote.

To appoint a proxy using the WHITE Form of Proxy, the form must be:

 - completed and signed;
 - sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
 - received by Computershare Investor Services PLC no later than 11.30 a.m. on 15 December 2014 (or, if the General Meeting is adjourned, no later than 48 hours before the time of the adjourned General Meeting).
9. In the case of a member which is a company, the WHITE Form of Proxy 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 WHITE Form of Proxy is signed (or a duly certified copy of such power or authority) must accompany the WHITE Form of Proxy.

A pre-addressed envelope has been included for use in returning your proxy form. Please note that postage has not been paid for non-UK shareholders.

Appointment of a proxy through CREST

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be viewed electronically at www.euroclear.com/CREST. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
11. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message (a 'CREST Proxy Voting Instruction') must be properly authenticated with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. This 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, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST Participant ID 3RA50) by 11.30 a.m. on 15 December 2014. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.

CREST members and, where applicable, their CREST sponsor or voting service provider, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Voting Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, CREST members and, where applicable, their CREST sponsor or voting service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

12. 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. In any case a proxy form must be received by the Company's Registrars no later than 11.30 a.m. on 15 December 2014.

Joint holders

13. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

14. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy WHITE Form of Proxy and would like to change the instructions using another hard-copy WHITE Form of Proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

15. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member which is a company, the revocation notice 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 revocation notice is signed (or a duly certified copy of such power of authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services PLC no later than 11.30 a.m. on 15 December 2014 (or, if the General Meeting is adjourned, no later than 48 hours before the time of the adjourned General Meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.

Corporate Representatives

16. A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (i.e. a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.

Issued ordinary shares and total voting rights

17. As at 21 November 2014 (being the latest practicable date prior to the publication of this document), the Company's issued ordinary share capital comprised 1,954,636,992 ordinary shares of 1 penny each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 21 November 2014 is 1,954,636,992.

Help with completing the WHITE Form of Proxy

18. If you are in any doubt about completing the WHITE Form of Proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

Online voting

19. To cast your vote online please go to www.investorcentre.co.uk/eproxy. Please refer to the WHITE Form of Proxy received by you for your Control Number and personal PIN.

