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If you have sold or otherwise transferred all of your Ordinary Shares in MXC Capital Limited, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible for onward transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares you should retain these documents.

The Existing Shares are admitted to trading on AIM. Subject to the Resolutions being passed at the General Meeting, application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission of the Placing Shares will become effective and that dealings will commence on 2 June 2015.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

The Directors, whose names appear on page 5 of this document, and the Company, accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

MXC CAPITAL LIMITED

(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended with registered number 58895)

**Proposed Placing of 480,000,000 new Ordinary Shares at a price of
2.5 pence per share**

**Proposed acquisition of the entire issued share capital of
MXC Holdings Limited**

and

Notice of General Meeting

Nominated Adviser and Broker

Zeus Capital Limited

You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 10 to 16 (inclusive) of this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to in this document. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

This document should be read in conjunction with the Notice of General Meeting and Form of Proxy. Notice of a General Meeting of the Company, to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 10.00 a.m. on 1 June 2015, is set out at the

end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the resolutions to be proposed at the General Meeting. To be valid the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received as soon as possible but in any event no later than 10.00 a.m. on 28 May 2015. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

Zeus Capital is the trading name of Zeus Capital Limited, which is a private company authorised and regulated by the Financial Conduct Authority. Zeus Capital is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Zeus Capital will not be responsible to anyone other than the Company for providing the protections afforded to customers of Zeus Capital or for advising any other person on the arrangements described in this document. Zeus Capital has not authorised the contents of, or any part of this document and no liability whatsoever is accepted by Zeus Capital for the accuracy of any information or opinions contained in this document or for the omission of any information. No representation or warranty, express or implied, is made by Zeus Capital as to, and no liability whatsoever is accepted by Zeus Capital in respect of any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

The new Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States of America, any province or territory of Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland nor will the new Ordinary Shares qualify for distribution under any of the relevant securities laws of the United States of America, Canada Australia, Japan, the Republic of South Africa and the Republic of Ireland. Accordingly, subject to certain exceptions, the new Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States of America, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland. Overseas Shareholders and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Any failure to comply with these restrictions may constitute a violation of relevant securities laws or regulations of the jurisdictions concerned.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom, to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send this document into any jurisdiction when to do so would, or might contravene local securities laws or regulations.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

CONTENTS

	<i>Page</i>
Directors, Secretary and Advisers	5
Placing Statistics	6
Expected Timetable of Principal Events	7
Definitions	8
Letter from the Chairman of MXC Capital Limited	10
Notice of General Meeting	17

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance, achievements of or dividends paid by, the Group to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Peter Martin Rigg (<i>Non-Executive Chairman</i>) Marc Young (<i>Chief Executive Officer</i>) Paul Graham Guilbert (<i>Non-Executive Director</i>)
Company Secretary	C.L. Secretaries Limited
Company website	www.mxccapital.com
Registered Office	1st & 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW
Nominated Adviser and Broker	Zeus Capital Limited 23 Berkeley Square London W1J 6HE And 82 King Street Manchester M2 4WQ
Legal advisers as to UK law	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Legal advisers as to Guernsey law	Carey Olsen PO BOX 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Solicitors to the Nominated Adviser and Broker	K&L Gates LLP One New Change London EC4M 9AF
Registrars	Computershare Investor Services (Guernsey) Limited 1st Floor, Tudor House Le Bordage St Peter Port Guernsey GY1 1DB

PLACING STATISTICS

Placing Price	2.5 pence
Number of Placing Shares to be issued pursuant to the Placing	480,000,000
Gross proceeds of the Placing	£12.0 million
Proceeds receivable by the Company, net of expenses	£11.7 million
Number of Ordinary Shares in issue as at the date of this document	1,965,350,992
Number of Ordinary Shares to be issued pursuant to the Broker Option*	40,000,000
Number of Ordinary Shares to be issued on the exercise of the existing Options	66,660,842
Enlarged Issued Share Capital (assuming no existing Options are exercised and the Broker Option is not exercised)	2,445,350,992
Enlarged Issued Share Capital (assuming all existing Options are exercised and the Broker Option is exercised in full)	2,552,011,834
Number of Placing Shares as a percentage of the Enlarged Issued Share Capital (assuming no existing Options are exercised and the Broker Option is not exercised)	19.63%

**Assuming full exercise of the Broker Option*

EXPECTED TIMETABLE FOR PRINCIPAL EVENTS

Date of this document	8 May 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 28 May 2015
General Meeting	10.00 a.m. on 1 June 2015
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 2 June 2015
Expected date for CREST stock accounts to be credited for Placing Shares in uncertificated form	2 June 2015
Expected date for delivery of definitive share certificates for Placing Shares to be held in certificated form	By 16 June 2015

- (1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in consultation with Zeus Capital, in which event details of the new times and dates will be notified to the London Stock Exchange and, where appropriate, Shareholders.
- (2) All references in this document to times are to London time unless otherwise stated.

DEFINITIONS

The following definitions apply in this document unless the context otherwise requires:

“ Acquisition ”	the proposed acquisition by MXC Guernsey, a wholly owned subsidiary of the Company of the entire issued share capital of MXC Holdings;
“ Admission ”	the admission of the Placing Shares and the Broker Option Shares (assuming the Broker Option is exercised) to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“ Advisory Board ”	the advisory board of MXC Capital Advisory;
“ 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 from time to time which set out the rules and responsibilities in relation to companies whose shares are admitted to trading on AIM;
“ Articles ”	the articles of incorporation of the Company as adopted from time to time;
“ Broker Option ”	the option granted to Zeus Capital by the Company in the Placing Agreement to require the Company to issue new Ordinary Shares (in addition to the Placing Shares) details of which are set out in this document;
“ Broker Option Shares ”	up to 40,000,000 new Ordinary Shares resulting from the exercise of the Broker Option;
“ certificated form ” or “ in certificated form ”	an Ordinary Share recorded on a company’s share register as being held in certificated form (namely, not in CREST);
“ Company ” or “ MXC ”	MXC Capital Limited;
“ Consideration Shares ”	Ordinary Shares to be issued to Shareholders of MXC Holdings pursuant to the terms of the proposed Acquisition;
“ CREST ”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator;
“ Dealing Day ”	a day on which the London Stock Exchange is open for business in London;
“ Directors ” or “ Board ”	the directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof, and “ Director ” means any one of them;
“ Enlarged Issued Share Capital ”	the issued share capital of the Company following the issue of the Placing Shares and assuming full exercise of the Broker Option;
“ Existing Share Capital ”	the 1,965,350,992 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM;
“ FCA ”	the United Kingdom Financial Conduct Authority;
“ Form of Proxy ”	the form of proxy accompanying this document for use in connection with the General Meeting;
“ General Meeting ”	the general meeting (or any adjournment thereof) of the Shareholders to be convened pursuant to the Notice of General Meeting set out at the end of this document;

“Group”	the Company and its subsidiaries as at the date of this document;
“Law”	The Companies (Guernsey) Law, 2008, as amended;
“London Stock Exchange”	London Stock Exchange plc;
“MXC Capital Advisory”	MXC Capital Advisory LLP, a limited liability partnership registered in England and Wales with number OC381555;
“MXC Guernsey”	MXC Guernsey Limited, a company registered in Guernsey with registered number 59361;
“MXC Holdings”	MXC Holdings Limited, a company registered in England and Wales with registered number 07039551;
“Notice of General Meeting”	the notice convening the General Meeting as set out at the end of this document;
“Options”	the existing options over 66,660,842 Ordinary Shares granted to an existing employee and various ex-employees of the Group;
“Ordinary Shares”	ordinary shares (without par value);
“Placees”	persons who agree conditionally to subscribe for Placing Shares under the Placing;
“Placing”	the conditional placing of the Placing Shares by Zeus Capital, as agent on behalf of the Company, pursuant to the terms of the Placing Agreement, further details of which are set out in this document;
“Placing Agreement”	the conditional agreement dated 7 May 2015 and made between Zeus Capital, the Company and the Directors in relation to the Placing, further details of which are set out in this document;
“Placing Price”	2.5 pence;
“Placing Proceeds”	the gross aggregate value at the Placing Price of the Placing Shares;
“Placing Shares”	the 480,000,000 new Ordinary Shares to be issued pursuant to the Placing;
“Proposals”	the Broker Option and the proposed acquisition of MXC Holdings;
“Regulations”	The Uncertificated Securities (Guernsey) Regulations 2009, as amended;
“Resolutions”	the resolutions set out in the Notice of General Meeting;
“Shareholders”	holders of Existing Ordinary Shares and “Shareholder” shall be construed accordingly;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction;
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
“Zeus Capital”	Zeus Capital Limited, a company registered in England and Wales with registered number 04417845.

All quoted share prices contained in this document have been rounded to two decimal places.

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

LETTER FROM THE CHAIRMAN

MXC CAPITAL LIMITED

(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended with registered number 58895)

Directors:

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

Registered Office:

1st & 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey
GY1 1EW

To Shareholders and, for information only, the holders of options to subscribe for Ordinary Shares

8 May 2015

Dear Shareholder,

Placing of 480,000,000 Ordinary Shares at a price of 2.5 pence per share
Proposed acquisition of MXC Holdings Limited
and
Notice of General Meeting

1. Introduction and summary

The Company today announced that it has raised £12 million (before expenses) by way of a conditional share placing arranged by Zeus Capital of 480,000,000 Placing Shares, at a price of 2.5 pence per Placing Share. The Company has also granted to Zeus Capital the Broker Option in order to facilitate non-institutional shareholders to acquire up to a further 40,000,000 new Ordinary Shares at the Placing Price.

The Company has also announced that, subject to securing related regulatory clearances and the completion of certain reorganisation steps, it is proposed that MXC Guernsey, a wholly owned subsidiary of the Company, acquires the Company's parent company MXC Holdings. The commercial terms have yet to be finally agreed but MXC will enter into a call option with a three month term with the shareholders of MXC Holdings which will allow the Company's wholly owned subsidiary, MXC Guernsey, to acquire MXC Holdings at a price which values the assets of MXC Holdings (other than shares held by MXC Holdings in the Company) at a maximum price of £15 million (the "Call Option").

The Consideration Shares which will be issued to shareholders of MXC Holdings in connection with the Acquisition will reflect (i) the value of the assets of MXC Holdings which are subject to the Call Option; and (ii) the value of the shares held by MXC Holdings in the Company which for these purposes will be valued at a price per share equal to the Placing Price.

The Placing is conditional on, *inter alia*, the Company obtaining approval from its Shareholders to grant the Board authority to issue new Ordinary Shares and to dis-apply pre-emption rights set out in the Articles which would otherwise apply to the issue of the Placing Shares. At the same time, the Board is also seeking the Shareholder authorities to cover the potential share issuances relating to the Broker Option and the proposed acquisition of MXC Holdings – together the Proposals. Accordingly, the General Meeting is being convened for the purpose of considering the Resolutions which will give the Directors the necessary authorities to issue, *inter alia*, the Placing Shares and, in due course if appropriate, the new Ordinary Shares relating to the Proposals.

The Acquisition, when formally announced and in order to be effected, will require the further approval of Shareholders of various related matters at a second general meeting to be convened by a separate Shareholder circular in due course.

The purpose of this document is therefore to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they, the other Directors and their immediate families and connected persons (within the meaning of section 252 of the Companies Act 2006) intend to do in respect of their aggregate holdings of 6,000,000 Ordinary Shares representing approximately 0.31 per cent. of the Existing Share Capital of the Company, notice of which is set out at the end of this document.

2. Background to and reasons for the Placing

MXC is an AIM quoted merchant bank specialising in investing in technology companies. MXC is a Guernsey based and incorporated permanent capital vehicle the board of which (comprising Peter Rigg, Paul Guilbert and Marc Young) is responsible for MXC's investment strategy, capital raising and supervision of the Company's London based advisory business and its Advisory Board. The Advisory Board (which comprises a number of the group's key operational and advisory professionals) is responsible for identifying investment opportunities and providing day-to-day management of those investments.

The Company has now raised, conditional on Shareholder approval, approximately £12 million (before expenses) to augment existing investment funds of approximately £15 million. The proceeds of the Placing will be used to:

- pursue a number of near-term, identified opportunities;
- further develop a growing pipeline of future opportunities; and
- continue to execute opportunistic transactions such as the recent purchase, restructure and serial disposals of Calyx Managed Services.

On 17 July 2014, MXC Capital plc (formerly known as Broca plc) announced a placing of 850,000,000 ordinary shares at a price of 1 penny per share to raise gross proceeds of £8.5 million and further announced a proposed reverse takeover of MXC Capital Advisory, a specialist telecommunications, media and technology ("TMT") focused corporate finance advisory business. The placing completed on 13 August 2014 and the reverse takeover of MXC Capital Advisory on 29 October 2014, as a result of which MXC Capital plc became a specialist merchant bank focused on investing in and advising companies in the TMT sector. On 17 November 2014, MXC Capital plc announced its intention to re-domicile from the UK to Guernsey. In order to effect the re-domicile, all existing shares in MXC Capital plc were exchanged for shares in the Company, a company which had been incorporated in Guernsey to become the new holding company for the MXC group of companies. The re-domicile was completed successfully and the Company's shares were admitted to trading on AIM on 6 February 2015.

3. The Placing

The Company has conditionally raised £12 million (before expenses) through the proposed issue of the Placing Shares at the Placing Price, which represents a discount of approximately 34.2 per cent. to the closing middle market price of 3.8 pence per Ordinary Share on 6 May 2015, being the last practicable date prior to the publication of this document. The Placing Shares will represent 19.63 per cent. of the Company's Enlarged Issued Share Capital immediately following completion of the Placing. The net proceeds of the Placing are expected to be approximately £11.7 million.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, the Company has appointed Zeus Capital as its agent to procure subscribers for the Placing Shares at the Placing Price and Zeus Capital has agreed to use its reasonable endeavours to procure such subscribers. The obligations of Zeus Capital are conditional, *inter alia*, on the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 2 June 2015 (or such later time and/or date as the Company and Zeus Capital may agree, but in any event by no later than 8.00 a.m. on 30 June 2015). The Placing is not being underwritten.

Subject to Admission of the Placing Shares, the Company has agreed to pay to Zeus Capital a commission. The Placing Agreement contains warranties from the Company in favour of Zeus Capital in relation to, *inter alia*, the accuracy of the information contained in this document and matters relating to the Group and its business. In addition, the Company has agreed to indemnify Zeus Capital in relation to certain liabilities it may incur in respect of the Placing. The liability of the Company and the Directors is limited. Zeus Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties.

4. Broker Option to provide Ordinary Shares to retail shareholders

The Company has granted the Broker Option to Zeus Capital in order to facilitate non-institutional shareholders to acquire further Ordinary Shares in the Company. The Broker Option is exercisable on more than one occasion at any time prior to 6 p.m. on 15 June 2015. Any Broker Option Shares issued pursuant to the exercise of the Broker Option will be issued at the Placing Price on the same terms and conditions as the other new Ordinary Shares issued pursuant to the Placing. The Broker Option may be exercised by Zeus Capital with the agreement of the Company and there is no obligation on Zeus Capital to exercise the Option or to seek to procure subscribers for the Broker Option Shares. The maximum number of new Ordinary Shares that may be issued pursuant to the exercise of the Broker Option is 40,000,000 new Ordinary Shares. The maximum number of new Ordinary Shares that may be issued pursuant to the Placing and the Broker Option is 520,000,000 new Ordinary Shares. The Company has granted the Broker Option to Zeus Capital in order to give Zeus Capital, with the agreement of the Company (and subject to applicable laws and regulations), the flexibility to meet any additional demand for the Company's shares in the period from 1 June 2015 to 15 June 2015. The Company has also agreed to pay Zeus Capital a commission in respect of any Broker Option Shares subscribed for at the Placing Price.

5. Current trading and prospects

On 7 May 2015 the Company announced its Interim results for the six months ended 28 February 2015.

The Directors consider that this was an important period for MXC with the completion of the Group's restructuring during the period and subsequent investment in the people and systems which form the infrastructure to deliver on the Group's strategy. The Directors are of the view that the results for the six months ended 28 February are not representative of the Company going forward since they include the cost of establishing the business and a period of restricted trading during which the Company was unable to carry on meaningful business due to the process of acquiring MXC Capital Advisory, the associated FCA change of control and the re-domicile to Guernsey.

However, since the period end, the Company has enjoyed a very productive few months to date with a number of completed investments, disposals and advisory transactions which the Directors consider demonstrate the broader potential of MXC. With the £12 million gross proceeds of the Placing, the Company will have, combined with its existing cash resources, in excess of £27 million to invest in a significant pipeline of identified opportunities which the Board therefore believes positions the Group strongly for the future. The Board looks forward to the future with confidence.

6. Strategy of the Company

MXC is a technology focused merchant bank that invests in opportunities through London's capital markets. MXC is differentiated by the combination of a successful investment track record, operational experience and an FCA regulated financial advisory business. The model was established to retain and grow value for

the Company's shareholders. The Company is seeking to capitalise on the considerable momentum it has built since joining AIM, having made 3 investments and delivered an IRR of 358% since August 2014. MXC has successfully concluded 13 transactions in the past six months including 5 acquisitions for buy-and-build strategies at Castleton Technology, 365 Agile and Redcentric.

The Company's strategy is to take meaningful stakes (typically between 10 and 29.9 per cent.) in UK focused technology businesses, principally quoted but also private, which are, or have the near term potential to be, profitable and cash generative. It will generally focus on business to business opportunities and intends to build a number of principal investments in quoted companies. The Company will also evaluate and consider opportunistic investments in undercapitalised or distressed businesses.

The Company will seek to focus on sourcing and selecting investment opportunities in IT Services, particularly Managed Services, IT Security, IoT (the 'Internet of Things'), Robotic Process Automation, Financial Technology and ISPs ('Internet Service Providers').

The Company seeks to add value to its investments by:

- being actively involved in the day-to-day management of the businesses which it invests in, leveraging MXC's operational experience;
- assisting the boards of investee companies to define the strategy and the structure of their businesses;
- helping investee companies to source both equity and debt financing; and
- utilising MXC Capital Advisory's expertise in identifying and executing transactions.

7. Proposed acquisition of MXC Holdings

MXC Holdings is the original investment vehicle established by Ian Smith and Tony Weaver in 2009 that led investments including Redstone plc, Maxima Group Holdings plc and Accumuli plc and in which Ian Smith and Tony Weaver remain the significant shareholders. It now holds a significant stake in Redcentric plc and certain other quoted investments (which have an aggregate market valuation as at the date of this document of £15.6 million), as well as holdings in certain private companies and a profitable consultancy services division which generates revenue from board fees and consultancy services (including all the income in relation to Ian Smith and Tony Weaver's board positions).

Subject to securing related regulatory clearances and the completion of certain re-organisation steps, it is the Company's intention, acting through its wholly owned subsidiary MXC Guernsey, to acquire MXC Holdings in a share-for-share transaction and to unify the MXC group organisation, management and investment interests into a single AIM quoted company, thereby aligning the interests of all its shareholders. Following the Acquisition, the shareholders of MXC Holdings will be issued with Consideration Shares in satisfaction of the consideration payable in exchange for the entire issued share capital of MXC Holdings. The Consideration Shares which will be issued to shareholders of MXC Holdings in connection with the Acquisition will reflect (i) the value of the assets of MXC Holdings which are subject to the Call Option; and (ii) the value of the shares held by MXC Holdings in the Company which for these purposes will be valued at a price per share equal to the Placing Price.

In consideration of this, and to give certainty over the maximum valuation of MXC Holdings which the Company would, based on the current valuation of its investments, be prepared to pay, the Company will enter into a call option with a three month term with the shareholders of MXC Holdings which will allow the Company's wholly owned subsidiary, MXC Guernsey, to acquire MXC Holdings at a price which values the assets of MXC Holdings (other than shares held by MXC Holdings in the Company) at a maximum price of £15 million. The Company would propose to acquire MXC Holdings subject to certain conditions, including the grant of certain regulatory consents, the completion of an independent valuation report and the approval of shareholders of certain matters in connection with the Acquisition at a subsequent general meeting.

Whilst there can be no guarantees that the Acquisition will complete, the Directors can confirm that they intend to pursue this proposal as soon as practicable following the conclusion of the General Meeting.

If the Acquisition completes, certain related matters will constitute related party transactions under the AIM Rules. The Board and Zeus Capital, the Company's nominated adviser, will consider the terms of the transaction at the relevant time with a view to providing the necessary confirmations to Shareholders on the terms agreed.

8. Related party transaction

The participation of Nigel Wray in the amount of 116,000,000 new Ordinary Shares in the Placing constitutes a related party transaction under the AIM Rules by virtue of Nigel Wray being a substantial shareholder in the Company. The Directors consider, having consulted with Zeus Capital, its nominated adviser, that the terms of the transaction are fair and reasonable in so far as Shareholders are concerned.

9. Long Term Incentive Plan ("LTIP")

As disclosed at the time of the Company's admission to trading on AIM, and restated at the time of the Company's re-domicile, the Board intends to put in place 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 Shareholders.

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 the Company at the point in time that any assessment is made and the sum of: (i) the market capitalisation of MXC Capital plc (at 1 penny per ordinary share) following the admission of certain placing shares on 13 August 2014; (ii) the aggregate value (at the subscription price) of any Ordinary Shares issued subsequently and up to the date of this document; and (iii) the aggregate value (at the subscription price) of all Ordinary Shares issued hereafter and up to the point in time that any assessment is made, in each case adjusted for dividends and capital returns to Shareholders.

The beneficiaries of the plan will be entitled to a maximum share of 12.5 per cent. of shareholder value (as defined above) created, subject to certain share price performance criteria set out below.

As originally disclosed, in the event that the Company achieved a ten day average mid-market closing share price of 1.5 pence at any point during the term of the LTIP, the beneficiaries would become entitled to a quarter of this 12.5 per cent., being 3.125 per cent. of shareholder value created; the remaining quarters would vest at the point the Company achieved a ten day average mid-market closing share price of 2 pence, 2.5 pence with the full amount vesting at 3 pence. These share price targets are therefore already partially achieved and determine management's share of any shareholder value created with the LTIP capable of being vested from August 2017. Management's share of shareholder value created shall not be diluted by subsequent share issuances although any subsequent share issuances are factored into calculations of value creation.

It is proposed that: (i) the plan shall have a term of 5 years from the originally intended date of implementation being August 2014; 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. If the Acquisition should complete in the expected timeframe, the LTIP awards allocated to MXC Holdings will not be made and there will therefore be substantial headroom within the LTIP to incentivise current and future employees of MXC.

The Board proposes to implement the scheme as originally set out as soon as reasonably practicable.

10. Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will occur at 8.00 a.m. on 2 June 2015.

The Placing Shares will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares on or after

Admission. Following the issue of the Placing Shares, the total number of issued Ordinary Shares in the Company will be 2,445,350,992 (assuming no Broker Option Shares are issued).

11. General Meeting

The Directors do not currently have sufficient authority to issue all of the new Ordinary Shares in connection with the Placing, the Broker Option and the Acquisition (should the Acquisition complete). Accordingly, the Directors are seeking the approval of Shareholders at the General Meeting to issue such number of new Ordinary Shares as would be required to effect these issuances. You will find set out at the end of this document a Notice of General Meeting of the Company to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW on 1 June 2015 at 10.00 a.m. at which the Resolutions will be proposed.

The Resolutions to be passed at the General Meeting are as follows:

(1) To issue Ordinary Shares

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to issue the new Ordinary Shares in connection with the Placing, the Broker Option, the Acquisition (should the Acquisition complete) and otherwise up to such number of Ordinary Shares as is equal to one-third of the Company's issued share capital immediately following the issue of the Placing Shares provided that such authority shall expire on the date being fifteen months from the date of the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of the Company.

(2) Dis-application of pre-emption rights

Resolution 2, which will be proposed as an extraordinary resolution and which is conditional upon the passing of Resolution 1, dis-applies Shareholders' pre-emption rights as set out in the Articles (which require a company to offer new shares for cash (or rights to subscribe for, or convert securities into, shares) first to existing shareholders in proportion to their holdings) in relation to the issue of the new Ordinary Shares in connection with the Placing and the Broker Option and grants further authority to issue Ordinary Shares (or grant such rights in respect of Ordinary Shares) for cash on a non-pre-emptive basis over up to 489,070,198 Ordinary Shares (or grant such rights in respect of Ordinary Shares) (representing approximately 20 per cent. of the Enlarged Issued Share Capital) provided that such authority shall expire on the date being fifteen months from the date of the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of the Company.

The majority required to pass resolution 2 above is not less than 75 per cent. of the votes cast. Resolution 1 above requires a simple majority.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

The attention of Shareholders is also drawn to the voting intentions of the Directors and connected parties as set out in the paragraph entitled "Recommendation" below.

12. Action to be taken

Set out at the end of this document you will find a notice convening a General Meeting to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 10.00 a.m. on 1 June 2015 to consider and, if thought fit, approve the Resolutions.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by the Company's registrars, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 10.00 a.m. on 28 May 2015. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

13. Recommendation

The Directors consider that the Placing and the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial shareholdings amounting, in aggregate, to 6,000,000 Ordinary Shares, representing approximately 0.31 per cent. of the Company's existing issued ordinary share capital.

Yours faithfully

Peter Rigg

Non-Executive Chairman

MXC Capital Limited

(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended with registered number 58895)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a general meeting of MXC Capital Limited (the “**Company**”) will be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 10.00 a.m. on 1 June 2015 to consider and, if thought fit, to pass the following resolutions which in the case of Resolution 1 will be proposed as an ordinary resolution and in the case of Resolution 2 will be proposed as an extraordinary resolution:

ORDINARY RESOLUTION

1. THAT, for the purposes of article 4.2 of the articles of incorporation of the Company, the directors of the Company be and are hereby authorised:
 - 1.1 to issue up to 480,000,000 ordinary shares of no par value in the capital of the Company in connection with the placing of ordinary shares in the Company as described in the circular dated 8 May 2015 (the “**Placing**”) but for no other purpose;
 - 1.2 to issue up to 40,000,000 ordinary shares of no par value in the capital of the Company in connection with the exercise of the Broker Option as described in the circular dated 8 May 2015 but for no other purpose;
 - 1.3 to issue up to 1,649,089,816 ordinary shares of no par value in the capital of the Company in consideration for the proposed acquisition of MXC Holdings Limited but for no other purpose; and
 - 1.4 to issue, or grant rights to subscribe for or to convert any security into, up to such number of ordinary shares of no par value as is equal to one-third of the Company’s issued share capital immediately following the issue of the shares referred to in sub-paragraph 1.1 above,

provided that this authority shall, unless duly renewed, varied or revoked by the Company, expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution.

EXTRAORDINARY RESOLUTION

2. THAT, subject to the passing of Resolution 1 above, the Company hereby determines pursuant to article 5.7 of the articles of incorporation of the Company that the provisions of article 5.2 and any pre-emption rights included therein shall not apply in respect of:
 - 2.1 the issue of ordinary shares in connection with an offer by way of a rights issue:
 - 2.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings); and
 - 2.1.2 to holder of other securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or exchange;
 - 2.2 the issue for cash of up to 480,000,000 ordinary shares of no par value in the capital of the Company in connection with the Placing but for no other purpose;

- 2.3 the issue for cash of up to 40,000,000 ordinary shares of no par value in the capital of the Company in connection the exercise of the Broker Option but for no other purpose;
- 2.4 the issue of up to such number of ordinary shares of no par value as is equal to 20 per cent. of the Company's issued share capital immediately following the issue of the shares referred to in sub-paragraph 1.1 above,

and that the directors be and are hereby empowered to issue any ordinary shares pursuant to sub-paragraphs 2.1, 2.2, 2.3 and 2.4 above as if article 5.2 and any pre-emption rights included therein did not apply to any such issue, provided that this authority shall, unless duly renewed, varied or revoked by the Company, expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution.

Registered Office:
1st & 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey
GY1 1EW

By order of the Board:
C.L. Secretaries Limited
Company Secretary

8 May 2015

Explanatory Notes:

Entitlement to attend and vote

1. The Company specifies that only those members registered on the Company's register of members at:
 - 6.00 p.m. on 28 May 2015; or
 - if this Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the Proxy Form.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to the Company's registrar, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
 - received by the Company's registrar, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.00 a.m. on 28 May 2015.
6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. Please note that communications regarding the matters set out in this Notice of General Meeting will not be accepted in electronic form, other than as specified in the enclosed proxy form.

Appointment of proxy by joint members

9. 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

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above.
11. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's registrar, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
12. 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

13. 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 the Company's registrar, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
14. 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.
15. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

16. The revocation notice must be received by the Company's registrar, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.00 a.m. on 28 May 2015 or by the Company (at its Registered Office) no later than the commencement of the meeting or adjourned meeting.
17. 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.
18. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person and tender a vote, your proxy appointment will automatically be terminated.

Appointment of a proxy through CREST

19. 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.
20. 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 10.00 a.m. on 28 May 2015. 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.
21. 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.
22. 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 10.00 a.m. on 28 May 2015.

Online voting

23. To cast your vote online please go to www.investorcentre.co.uk/eproxy. Please refer to the proxy form received by you for your Control Number and personal PIN.

