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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.

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## **MXC CAPITAL LIMITED**

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

### **Proposed Cancellation of Admission of Ordinary Shares to trading on AIM and Notice of General Meeting**

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**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 7 to 11 (inclusive) of this document and which recommends you vote in favour of the Cancellation Resolution 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 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 2 p.m. on 2 March 2020, 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 resolution 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, 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 2 p.m. on 27 February 2020. 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).

## **FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company'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 Company's control that could cause the actual results, performance, achievements of or dividends paid by, the Company 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 Company's present and future business strategies and the environment in which the Company 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 for Companies.

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## EXPECTED TIMETABLE OF EVENTS

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	12 February 2020
Publication and posting of this Document and Form of Proxy to Shareholders	14 February 2020
Latest time and date for receipt of completed Forms of Proxy in respect of the General Meeting	2 p.m. on 27 February 2020
Time and date of the General Meeting	2 p.m. on 2 March 2020
Expected last day of dealings in Ordinary Shares on AIM	13 March 2020
Expected time and date of Cancellation	7.00 a.m. on 16 March 2020

If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through the Regulatory Information Service of the London Stock Exchange. All references in this document are to London time unless otherwise stated.

## DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires:

<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the rules and guidance for companies whose shares are admitted to trading on AIM, entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time;
<b>“Articles”</b>	the Articles of Incorporation of the Company, adopted on 17 October 2019;
<b>“Board” or “Directors”</b>	the directors of the Company whose names are set out on page 7 of this document;
<b>“Business Day”</b>	means a day (other than a Saturday or Sunday) in which clearing banks in the City of London and in Guernsey are generally open for business;
<b>“Cancellation”</b>	the proposed cancellation of admission to trading on AIM of the Ordinary Shares as described in this document;
<b>“Cancellation Resolution”</b>	Resolution 1 to be proposed at the General Meeting;
<b>“Circular”</b>	this document;
<b>“certificated” or “in certificated form”</b>	in certificated form (that is, not in CREST);
<b>“Company” or “MXC Capital”</b>	MXC Capital Limited, a non-cellular company limited by shares incorporated in Guernsey with registration number 58895;
<b>“Computershare”</b>	a trading name of Computershare Investor Services PLC;
<b>“CREST”</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI2001/3755), as amended;
<b>“DTR”</b>	the Disclosure Rules and Transparency Rules published by the FCA;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited (previously CRESTCo Limited);
<b>“FCA”</b>	the UK Financial Conduct Authority;
<b>“Form of Proxy” or “Proxy Form”</b>	The individual form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting or any adjournment thereof;
<b>“FSMA”</b>	Financial Services and Markets Act 2000, as amended;
<b>“General Meeting”</b>	the general meeting of the Company convened for 2 p.m. on 2 March 2020, notice of which is set out at the end of this Circular;
<b>“Group”</b>	MXC Capital Limited and its subsidiaries;
<b>“Guernsey”</b>	the Island of Guernsey;
<b>“Law”</b>	the Companies (Guernsey) Law, 2008, as amended;

<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“MXC Group”</b>	the Company and its subsidiaries;
<b>“NAV”</b>	MXC’s net asset value, being total balance sheet net assets plus market value of shares held in the Employee Benefit Trust at any time;
<b>“Ordinary Shares”</b>	ordinary shares of no par value each in the capital of the Company;
<b>“Overseas Shareholders”</b>	a Shareholder who is resident in, or a citizen of, a jurisdiction other than the United Kingdom or Guernsey;
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers;
<b>“Registrars”</b>	Computershare Investor Services (Guernsey) Limited, 1st Floor, Tudor House, Le Bordage, St Peter Port Guernsey, GY1 1DB;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“Uncertificated” or “in uncertificated form”</b>	means for the time being recorded on the register of Shareholders as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
<b>“Zeus Capital”</b>	Zeus Capital Limited, a company registered in England and Wales with registration number 04417845.

## PART I

### LETTER FROM THE CHAIRMAN

#### MXC Capital Limited

(a company incorporated in Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered no. 58895)

*Directors:*

Peter Martin Rigg (*Non-Executive Chairman*)  
Andrew Ian ("Ian") Smith (*Executive Director*)  
Paul Graham Guilbert (*Non-Executive Director*)  
Simon James Christopher Freer (*Non-Executive Director*)

*Registered Office:*

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

14 February 2020

**Dear Shareholder**

#### **Proposed Cancellation of Admission of Ordinary Shares to trading on AIM**

##### **1. INTRODUCTION**

As announced by the Company, following a thorough review of the strategic options open to the Company, the Directors have concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for the cancellation of admission of the Ordinary Shares to trading on AIM.

The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out in Part III of this Circular.

The Company is seeking Shareholder approval for the Cancellation at the General Meeting, which has been convened for 2 p.m. on 2 March 2020 at 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW. The Notice of General Meeting is set out at the end of this Circular.

**The purpose of this Circular is to seek Shareholder approval for the Cancellation Resolution, to provide information on the background and reasons for the Cancellation and to explain the consequences of the Cancellation and provide reasons why the Directors unanimously consider the Cancellation to be in the best interests of the Company and its Shareholders as a whole.**

Ian Smith, Paul Guilbert and Peter Rigg, who together hold 15.9 per cent. of the issued share capital of the Company have committed to vote in favour of the Cancellation. Furthermore, other Shareholders who in aggregate hold 51.0 per cent. of the issued share capital of the Company have also committed to vote in favour of the Cancellation. In total, therefore, Shareholders who together hold 66.9 per cent. of the issued share capital of the Company have committed to vote in favour of the Cancellation.

##### **2. BACKGROUND TO AND REASONS FOR THE CANCELLATION**

The Board has continued to explore ways to maximise value in both the Company's trading subsidiaries and its investment portfolio. As previously announced, consideration was being given to the demerger of MXC Capital (UK) Limited, the holding company of the Group's transactional businesses, from the rest of the Group. The Board has now concluded that this proposal is not in the best interests of Shareholders.

However, as part of their evaluation of the strategic options open to the Company, the Directors conducted a review of the benefits and drawbacks to the Company and its Shareholders of retaining the listing of the Company's Ordinary Shares on AIM. As part of this review, the Board has considered, *inter alia*, the following key factors:

- For several years, the Company's Ordinary Shares have generally traded at a notable discount to the Company's NAV. By way of example, as at the end of the Company's previous three financial years, being 31 August 2017, 2018 and 2019, the closing mid-market price of an Ordinary Share represented a discount to the NAV of 27 per cent., 33 per cent. and 22 per cent. respectively. In addition, there is limited on-market trading activity or liquidity in the Company's Ordinary Shares. Shareholders therefore currently have no way of exiting MXC other than by way of a sale of Ordinary Shares at a significant discount to the NAV per share;
- The cost and management time, together with the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM are, in the Board's opinion, disproportionate to the benefits to the Company and therefore to Shareholders. It is estimated that Cancellation will reduce the Company's recurring administrative, advisor and other costs by £0.3 million per annum which include the directors' fees in relation to Peter Rigg and Simon Freer, both of whom intend to step down as directors should the Cancellation become effective; and
- The Company has not raised equity capital on AIM for over 4 years and has no intention of doing so for the foreseeable future and therefore it is the Directors' opinion that one of the fundamental reasons to maintain its admission to trading on AIM, access to capital, is no longer required.

After careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation at the earliest opportunity.

Following Cancellation, the Directors propose the following:

- Continuation of the Company's stated strategy of investing in technology companies and subsequently exiting those investments once a satisfactory return has been made;
- Commitment to return a minimum of 50 per cent. of the proceeds received (after costs) in respect of each exit by the Company from its investments ("Investment Return"). It is anticipated that the Investment Return will be facilitated by way of tender offer, the price for the tender offer being the then NAV of the Company. The remaining proceeds will be retained to enable the Company to continue to execute its stated strategy of investing in technology companies;
- To facilitate further liquidity, at certain other times, and at the Board's discretion, Shareholders may be able to benefit from offers from the Company to buy back shares. In line with the Company's stated buyback policy, and given the intended capital return programme above, such purchases will continue to be at a discount to NAV; and
- The Investment Return will continue until the Company ultimately exits all of its investments, at which point the cash remaining in the Company will be returned to Shareholders and the Company wound up. The Directors currently anticipate this will occur within the next five years.

In addition, the Board plans to establish a matched bargain settlement facility which should facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following the Cancellation. Further details on this facility will be provided in due course.

Shareholders who in total own 66.9 per cent. of the issued share capital of the Company have committed to vote in favour of the Cancellation.

### **3. PROCESS FOR CANCELLATION**

The Directors are mindful that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

Rule 41 of the AIM Rules requires that any AIM Company that wishes the London Stock Exchange to cancel admission of its shares to trading on AIM must notify shareholders of such intended cancellation and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 clear Business Days' prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the passing of the Cancellation Resolution, to cancel the admission of the Company's Ordinary Shares to trading on AIM on 16 March 2020.



Additionally, Cancellation will not take effect until at least 5 clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 13 March 2020 and that the Cancellation will take effect at 7.00 a.m. on 16 March 2020.

The principal effects of the Cancellation will be that:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares;
- the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- in the absence of a formal market and quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM. The Company intends to uphold high standards of corporate governance and will be obligated to adhere to Guernsey's economic substance requirements, though the composition of the Board will change as both Peter Rigg and Simon Freer intend to step down as directors should the Cancellation become effective;
- Zeus Capital will cease to be nominated adviser and broker to the Company;
- whilst the Company's CREST facility will remain in place immediately post the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST. In this instance, Shareholders who hold Ordinary Shares in CREST will receive share certificates; and
- the Cancellation may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The Company will remain registered under the Law, notwithstanding the Cancellation. Shareholders should also note that the Takeover Code will continue to apply to the Company following the Cancellation for the period of at least 10 years from the date of Cancellation. However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company will:

- continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Law;
- continue to hold general meetings for at least 12 months following the Cancellation where shareholder resolutions are proposed, although the Directors expect that they will seek a waiver of the requirement to continue to hold annual general meetings following Cancellation; and

- continue, for at least 12 months following the Cancellation, to maintain its website, [www.mxccapital.com](http://www.mxccapital.com) and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the Disclosure Guidance and Transparency Rules, AIM Rule 26 or to update the website as required by the AIM Rules.

#### **4. TRANSACTIONS IN THE ORDINARY SHARES PRIOR TO AND POST THE PROPOSED CANCELLATION**

##### ***Prior to Cancellation***

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to Cancellation.

##### ***Post Cancellation***

Shareholders should note that, post Cancellation, there will be no dealing and settlement arrangements in the Ordinary Shares on AIM, and that the Board does not intend to apply for admission of the Ordinary Shares to any other Market. Should the Cancellation be approved by Shareholders at the General Meeting, the Company intends to put in place a matched bargain settlement facility which should facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following the Cancellation, further details of which will be provided in due course.

##### ***Future Shareholder Returns***

As detailed above, it is the Director's intention to return the proceeds (net of costs) from the sale of the Company's assets over time to Shareholders, by way the payment of dividends or buying back of shares or otherwise (in the Board's discretion).

**If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 13 March 2020 and that the effective date of the Cancellation will be 16 March 2020.**

Shareholders should note that the disposal of Ordinary Shares may give rise to tax in the UK or otherwise (potentially corporation tax, CGT, income tax or the overseas equivalent depending on the relevant circumstances). Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately.

#### **5. TAKEOVER CODE**

Notwithstanding the Cancellation, under the Takeover Code the Company will continue to be subject to its terms for a period of 10 years following the Cancellation. However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months. Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

As previously disclosed, there is a group of persons who together have been considered to be acting in concert. The Concert Party comprises MXC Holdings Limited, Tony Weaver, Ian Smith, Inge Timperley, Charles Vivian, Philip Vivian, Andrew Vivian, Alex Sandberg, William Smith, Jessica Smith, Andy Ross, Jill Collighan, Justin Collighan, Beth Collighan, Harry Collighan, Steven Zhang, Charlotte Stranner, Christopher Barrett, Gavin Lyons, Martin Bolland, Martin Chapman and Marc Young (the "Concert Party"). As the Concert Party retains an interest of more than 50 per cent. of the voting rights in the Company, for so long as the members of the Concert Party continue to be treated as acting in concert, both pre and post the Cancellation, they may increase their interests in Ordinary Shares without incurring any further obligation under Rule 9 of the Takeover Code to make a general offer for the remainder of the issued share capital of the Company, although individual members of the Concert Party are not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Panel consent.

Following the expiry of the 10 year period from the date of the Cancellation, or such other date on which the Takeover Code ceases to apply to the Company, the Company will no longer be subject to the provisions of the Takeover Code. A summary of the protections afforded to Shareholders by the Takeover Code which will be lost is set out in Part II of the Circular.

## **6. GENERAL MEETING**

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in Part III of the Circular contains a special resolution to approve the Cancellation.

## **7. ACTION TO BE TAKEN**

Shareholders will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the meeting, Shareholders are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon in the envelope provided so that it arrives at 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 post or by hand (during normal business hours only) not later than 2 p.m. on 27 February 2020. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the meeting should they so wish.

## **8. RECOMMENDATION**

The Directors consider that the Cancellation is in the best interests of Shareholders as a whole and unanimously recommend that you vote in favour of the Cancellation Resolution as they have undertaken to do in respect of their own beneficial holdings of 10,455,986 Ordinary Shares, representing 15.9 per cent. of the existing issued ordinary share capital of the Company.

Yours sincerely

**Peter Rigg**  
*Non-Executive Chairman*

## PART II

### THE TAKEOVER CODE

The Takeover Code currently applies to the Company and will do so for 10 years following the Cancellation. However, once the 10 year period referred to has expired, the Takeover Code will not apply to the Company and will not apply to any offer made to Shareholders to acquire their Ordinary Shares subsequent to the 10 year period following the Reregistration of the Company as a private company. However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

**Shareholders should note that, if the Cancellation becomes effective, after the expiry of 10 years from the date of the Cancellation (or such other date at which the Takeover Code ceases to apply to the Company) they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.**

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below.

#### ***The Takeover Code***

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

#### ***The General Principles and Rules of the Takeover Code***

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part 1 of Appendix A of this Part II. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

#### ***Giving up the protection of the Takeover Code***

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part 2 of Appendix A of this Part II. You are encouraged to read this information carefully as it outlines certain important protections which will cease to apply 10 years following Cancellation or on such other date at which the Takeover Code ceases to apply to the Company.

# APPENDIX A

## Part 1: The General Principles of the Takeover Code

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company, or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

## Part 2: Detailed application of the Takeover Code

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. **You should note that 10 years after the Cancellation you will be giving up protections afforded by the Takeover Code although the Takeover Code may cease to apply earlier if a majority of the Directors cease to be resident in the UK, the Channel Islands or the Isle of Man.**

### *Equality of treatment*

General Principle 1 of the Takeover Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

### *Information to shareholders*

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

### *The opinion of the offeree board and independent advice*

The board of the offeree company is required by Rule 3.1 of the Takeover Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

*Optionholders and holders of convertible securities or subscription rights*

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If the Cancellation occurs, 10 years following the Cancellation (subject to Re-registration having occurred) or on such other date at which the Takeover Code ceases to apply to the Company, these protections will be lost.

## PART III

### 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 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 2 p.m. on 2 March 2020 to consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

##### **Special Resolution**

THAT, in accordance with AIM Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by the London Stock Exchange plc) of the ordinary shares of no par value in the capital of the Company be and is hereby approved and the directors of the Company be authorised to take all action reasonable and necessary to effect such cancellation.

By order of the Board

*Registered Office:*

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

14 February 2020

## **Explanatory Notes:**

### **Entitlement to attend and vote**

1. The Company specifies that only those Qualifying Shareholders registered on the Company's register of members at:
  - 6 p.m. on 27 February 2020; or
  - if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting (excluding any days which are not business days), 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, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
  - received by the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 2 p.m. on 27 February 2020 or, if this Meeting is adjourned, not less than 48 hours (excluding any days which are not business days) before the time of the holding of the adjourned Meeting.
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 hardcopy proxy form, please contact the Company's registrar, 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, 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.