

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and other securities.

If you no longer hold any shares in MXC Capital plc (incorporated in England and Wales) (“Old MXC”), subject to applicable laws, please forward this document and the accompanying documents immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares in Old MXC, you should retain these documents and contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document has been prepared in accordance with Schedule One and the Supplement to Schedule One of the AIM Rules. It includes, inter alia, all information that would otherwise have had to have been included in New MXC’s AIM admission document (if one were required under Rule 3 of the AIM Rules) and which is not found in the current public disclosure record, or in the current public disclosures filed by the directors of Old MXC, as notified to a Regulatory Information Service (collectively the “Public Record”). The Public Record can be accessed freely at www.londonstockexchange.com. Additional information on the MXC Group is available on the Old MXC website at www.mxccapital.com, where this document, which is dated 30 January 2015, is available and will be available for at least one month from the date of Admission on New MXC’s website at www.mxccapital.com. This document should be read in conjunction with the Announcement Form to be made by New MXC at least 20 clear business days prior to Admission, together with the Scheme Circular and the Public Record.

The New MXC Directors, whose names appear on page 9 of this document, have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this document, whether facts or opinion. All the New MXC Directors accept responsibility, both individually and together, accordingly.

Application will be made for the issued and to be issued New MXC Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New MXC Shares to the Official List. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Further, the London Stock Exchange has not itself examined or approved the contents of this document.

It is expected that Admission will take place, and dealings in New MXC Shares will commence on AIM on, 6 February 2015.

You should read the whole text of this document together with the Scheme Circular. Your attention is drawn in particular to the section entitled “Risk Factors” in Part II of this document.

MXC Capital Limited

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

APPENDIX TO AIM ANNOUNCEMENT FURTHER INFORMATION IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM

Nominated Adviser and Broker **Zeus Capital Limited**

Share capital of New MXC immediately following Admission

(assuming that the MXC Capital Options are not exercised and no new Old MXC Ordinary Shares are allotted and issued or acquired by Old MXC after the date of this document)

New MXC Shares (without par value)

Issued and fully paid

<i>Number</i>	<i>Amount</i>
1,965,354,992	£19,653,509.92

This document does not contain an offer to the public within the meaning of FSMA or otherwise. Accordingly, this document does not comprise a prospectus for the purposes of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules issued by the Financial Conduct Authority and has not been approved by or delivered to the Financial Conduct Authority in accordance with such rules. Copies of this document are also available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of Old MXC, and on the website of Old MXC at www.mxccapital.com and will be available on New MXC’s website at www.mxccapital.com until at least one month from the date of Admission.

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

Certain terms used in this document, including capitalised terms, are explained in the section entitled “Definitions”.

Overseas Shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the issue of New MXC Shares following the Scheme becoming effective, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If, in respect of any Overseas Shareholder, New MXC is advised that the issue of New MXC Shares would or might infringe the laws of any jurisdiction outside Guernsey or the United Kingdom, or would or might require New MXC to obtain any governmental or other consent or effect any registration, filing or other formality, New MXC may determine that no New MXC Shares shall be issued to such shareholder but instead those New MXC Shares shall be issued to a nominee appointed by New MXC as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, New MXC may determine that the New MXC Shares shall be issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder’s risk.

This document has been prepared for the purpose of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

Information for United States Shareholders

The financial information included or referred to in this document has been prepared in accordance with either (as indicated) the accounting standards applicable in the United Kingdom or the International Financial Reporting Standards, neither of which may be comparable to the financial statements of US companies. US generally accepted accounting principles differ in certain respects from the accounting standards applicable in the United Kingdom and from International Financial Reporting Standards. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Accounting Oversight Board (United States).

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

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KEY STATISTICS

Number of New MXC Shares in issue on Admission (assuming that the MXC Capital Options are not exercised and no new Old MXC Ordinary Shares are allotted and issued or acquired by Old MXC after the date of this document)	1,965,350,992
Percentage of the issued share capital on Admission not in public hands	71.66%
AIM symbol on Admission	MXCP
ISIN number on Admission	GG00BSBMMK42

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

<i>Event</i>	<i>Time and/or date</i>
Date of circulation of the Scheme Circular	24 November 2014
Latest time for lodging BLUE forms of proxy for the Court Meeting	11.00 a.m. on 15 December 2014
Latest time for lodging WHITE forms of proxy for the General Meeting	11.30 a.m. on 15 December 2014
Voting Record Time for Court Meeting and General Meeting	6.00 p.m. on 15 December 2014
Court Meeting	11.00 a.m. on 17 December 2014
General Meeting	11.30 a.m. on 17 December 2014

The following dates are subject to change:

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

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

DEFINITIONS

“ £ ” or “ sterling ”	pounds sterling, the lawful currency of the United Kingdom;
“ Admission ”	admission of the New MXC Shares, issued and to be issued pursuant to the Scheme, to trading on AIM becoming effective in accordance with the AIM Rules;
“ Admission Document ”	the admission document dated 26 July 2014;
“ AIM ”	the AIM market of the London Stock Exchange;
“ AIM Rules ”	the rules for AIM companies issued by the London Stock Exchange;
“ Announcement Form ”	the form of announcement to be made by New MXC at least 20 clear business days prior to Admission pursuant to Rule 2 and Schedule One of the AIM Rules;
“ Articles ” or “ New MXC Articles ”	articles of incorporation of New MXC, a summary of which is set out in paragraph 4 of Part III of this document;
“ Business Day ”	any day (other than a Saturday or Sunday or public holiday) on which banks are open for general banking business in the City of London;
“ Companies Act ”	the UK Companies Act 2006 (as amended from time to time);
“ Court ” or “ High Court ”	the High Court of Justice of England and Wales;
“ Court Meeting ”	the meeting of Old MXC Ordinary Shareholders convened by order of the Court pursuant to sections 895 to 899 of the Companies Act, notice of which is set out in Part 9 of the Scheme Circular;
“ CREST ”	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“ CREST Regulations ”	the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755), as amended from time to time including by the Uncertificated Securities (Amendment) Regulations 2013 (S1 2013 No. 632), or the Uncertificated Securities (Guernsey) Regulations 2009, as amended from time to time (as applicable);
“ CREST Rules ”	the rules, regulations, procedures, facilities and requirements of Euroclear as operator (within the meaning of the CREST Regulations) of CREST;
“ Directors ”	the Directors of Old MXC or the Directors of New MXC, from time to time, as the context requires, whose names are set out on page 9 of this document, including a duly constituted committee thereof;
“ Disclosure and Transparency Rules ”	the rules in the publication of that title made by the FCA in accordance with section 73A of FSMA;
“ Euroclear ”	Euroclear UK & Ireland Limited, the operator of CREST;
“ Financial Conduct Authority ” or the “ FCA ”	United Kingdom Financial Conduct Authority;
“ FSMA ”	the Financial Services and Markets Act 2000 of the United Kingdom;
“ General Meeting ”	means the general meeting of Old MXC convened for 11:30 a.m. on

17 December 2014, notice of which is set out in Part 10 of the Scheme Circular, and any adjournment of that meeting;

“Group”	Old MXC, its subsidiaries and subsidiary undertakings as at the date of this document and “member of the Group” shall be construed accordingly;
“Guernsey Companies Law”	The Companies (Guernsey) Law, 2008 (as amended) and subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force;
“London Stock Exchange”	London Stock Exchange plc;
“MXC Capital Advisory”	MXC Capital Advisory LLP, a limited liability partnership registered in England and Wales with registered number OC381555;
“MXC Capital Options”	the options over Old MXC Ordinary Shares granted under or pursuant to the MXC Capital Share Option Schemes which have not lapsed, or been exercised, in accordance with their terms at the date of this document;
“MXC Capital Share Option Schemes”	the agreements pursuant to which Old MXC has granted rights to subscribe for Old MXC Ordinary Shares from time to time;
“MXC Group”	Old MXC and its subsidiary undertakings, or following the Scheme becoming effective, New MXC and its subsidiary undertakings (which will include Old MXC), as the context may require;
“MXC Holdings”	MXC Holdings Limited, incorporated in England and Wales with company registration number 07039551;
“New MXC”	MXC Capital Limited, registered in Guernsey under Guernsey Companies Law with registered number 58895;
“New MXC Board” or “New MXC Directors”	the board of directors of New MXC from time to time including a duly constituted committee thereof;
“New MXC Initial Ordinary Share”	the one New MXC Share issued by New MXC as a subscriber share prior to the Scheme Effective Date which was converted into one redeemable share on 27 January 2015;
“New MXC Shares”	the ordinary shares (without par value) in the capital of New MXC;
“New MXC Shareholder”	a holder for the time being of New MXC Shares;
“Official List”	the Official List of the UK Listing Authority;
“Old MXC or the “Company”	MXC Capital plc, a public limited company incorporated in England and Wales with registered number 0501066;
“Old MXC Articles”	the articles of association of Old MXC at the date of this document;
“Old MXC Board” or “Old MXC Directors”	the board of directors of Old MXC from time to time including a duly constituted committee thereof;
“Old MXC Ordinary Shares”	the ordinary shares of 1 penny each in the capital of Old MXC;
“Old MXC Ordinary Shareholders”	a holder for the time being of Old MXC Ordinary Shares;
“Old MXC Reduction of Capital”	the reduction of capital in Old MXC through the cancellation of the Scheme Shares pursuant to sections 641 to 653 of the Companies Act;

“Overseas Shareholders”	Old MXC Ordinary Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“Proposals”	the proposed scheme of arrangement of Old MXC and admission to AIM of New MXC;
“Public Record”	has the meaning given to it on the front page of this document;
“Reduction Court Hearing”	the hearing to confirm the Old MXC Reduction of Capital;
“Registrars”	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement of Old MXC under sections 895 to 899 of the Companies Act as set out in the Scheme Circular, pursuant to which, inter alia, Old MXC Ordinary Shareholders will, assuming the Scheme becomes effective, become holders of New MXC Shares and New MXC will become the holder of the entire ordinary share capital then in issue in Old MXC;
“Scheme Circular”	the circular to Old MXC Ordinary Shareholders dated the date of this document which contains details of the Scheme;
“Scheme Court Hearing”	the hearing of the claim form to sanction the Scheme;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with its terms, expected to be 5 February 2015;
“Scheme Record Time”	6.00 p.m. London time on the Business Day immediately preceding the date of the Scheme Court Hearing;
“Scheme Shareholders”	the holders of Scheme Shares;
“Scheme Shares”	means: <ul style="list-style-type: none"> (a) all Old MXC Ordinary Shares in issue at the date of the Scheme and which remain in issue at the Scheme Record Time; (b) all (if any) additional Old MXC Ordinary Shares in issue at the Voting Record Time and which remain in issue at the Scheme Record Time; and (c) all (if any) further Old MXC Ordinary Shares issued on or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be bound or shall have agreed in writing by such time to be bound by the Scheme and which remain in issue at the Scheme Record Time, <p>in each case, excluding any Old MXC Ordinary Shares held by New MXC;</p>
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas

subject to its jurisdiction;

“US Exchange Act”

the United States Securities Exchange Act 1934 (as amended);

“Voting Record Time”

6.00 p.m. on 15 December 2014 or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before such adjourned meeting; and

“Zeus Capital” or “Nominated Adviser” or “Broker”

Zeus Capital Limited, authorised and regulated by the Financial Conduct Authority, Old MXC’s nominated adviser and broker and, following completion of the Proposals, New MXC’s nominated adviser and broker.

DIRECTORS AND ADVISERS

Directors of New MXC	Paul Martin Rigg (Non-Executive Chairman) Paul Graham Guilbert (Non-Executive Director) Marc Young (Chief Executive Officer) (each director being of the registered office of New MXC, as set out below)
Registered office of New MXC	1st & 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW
Registered office of Old MXC	100 Fetter Lane London EC4A 1BN
New MXC's website	www.mxccapital.com
Legal advisers as to Guernsey law	Carey Olsen PO BOX 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Legal advisers as to English law	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Nominated adviser and broker	Zeus Capital Limited 23 Berkeley Square London W1J 6HE and 82 King Street Manchester M2 4WQ
Auditors to the MXC Group	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB
New MXC UK Transfer Agent	Computershare Investor Services (Guernsey) Limited 1st Floor, Tudor House Le Bordage St Peter Port Guernsey GY1 1DB

PART I

INFORMATION ON NEW MXC

1. Introduction

New MXC is a company with limited liability incorporated in Guernsey and established for the sole purpose of acquiring the entire issued share capital of Old MXC via the Scheme. New MXC has not traded since its incorporation. Assuming the Scheme becomes effective, it will result in Old MXC Ordinary Shareholders holding New MXC Shares in precisely the same proportions and numbers in which they held Old MXC Ordinary Shares immediately prior to the Scheme Effective Date and New MXC will own all of the ordinary shares then in issue in Old MXC. Old MXC will be re-registered as a private limited company called MXC Capital Limited and its admission to AIM will be cancelled. New MXC intends to make an application for 1,965,350,992 New MXC Shares to be admitted to trading on AIM (assuming that the MXC Capital Options are not exercised and no new Old MXC Ordinary Shares are allotted and issued or acquired by Old MXC after the date of this document). The New MXC Shares are expected to be admitted to trading on AIM on or around 6 February 2015. Further details about the Scheme are set out in the Scheme Circular which is being sent to Old MXC Ordinary Shareholders.

Following due and careful enquiry, Old MXC confirms that it has adhered to the legal and regulatory requirements involved in having its securities traded on AIM.

2. Reasons for the Proposals

On 17 July 2014, Old MXC (formerly known as Broca Plc) announced a placing of 850,000,000 Old MXC 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 Old MXC became a specialist merchant bank focused on investing in and advising companies in the TMT sector.

In the context of the MXC Group's strategy and commercial objectives, the Directors consider that there are significant commercial and financial benefits from conducting business as a Guernsey protected cell-company rather than a traditional English company and have therefore chosen to re-domicile the Group in Guernsey. In the first instance however, New MXC, a non-cellular company with limited liability, has been incorporated in Guernsey and will be used to effect the proposed Scheme.

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

The process for conversion of a non-cellular company to a protected cell company under Guernsey law is relatively straightforward and the Directors intend to give further thought to undertaking that process in the future, as and when the circumstances warrant it.

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

Flexible structure: Should an investment opportunity arise which is unappealing to some or all of the existing shareholder base, a new cell can be created for investors for whom it would appeal. In addition there would be no challenge for New MXC in raising further capital in the event that its shares trade at a discount to net asset value, a significant challenge for many closed-ended funds and investment companies. In such circumstances, a new cell can be created, with the dual benefit of making the investment appealing to new investors and commercially viable to existing investors in New MXC.

Cost and other efficiencies: There will be no requirement to have a separate board of directors, auditors or other professional advisers (together with the associated fees) for each cell, which would be required for the English alternative, being a series of separate subsidiary companies. This therefore represents significant annual cost savings as and when second and subsequent cells are created.

Protection of the cell structure: The liability advantage of using protected cell companies is that any risk is ring-

fenced within each cell such that should one cell go into liquidation its creditors cannot look to the assets owned by the other cells or their shareholders for recovery of outstanding debts or other liabilities.

3. New MXC

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

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

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

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

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

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

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

4. Historical financial information and prospects

Old MXC's audited annual report and accounts for the three financial years ended 31 August 2014 and the unaudited interim accounts for the six months ended 28 February 2014 and the unaudited interim accounts for MXC Capital Advisory LLP can be viewed on Old MXC's website at www.mxccapital.com. Old MXC was re-admitted to AIM on 29 October 2014 following the reverse takeover of MXC Capital Advisory.

Results for the year ending 31 August 2014

For the financial year ended 31 August 2014, Old MXC reported revenue of £1.516 million, and an operating loss of £1.070 million.

Operational Update

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

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

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

Old MXC has recently announced the following investments:

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

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

Prospects

The MXC Group's strategy is two-fold: (i) to target significant capital gains by increasing the value of the current and future investments; and (ii) to generate income and profits from the advisory business. New MXC will continue to explore numerous opportunities for both investments as well as advisory mandates.

5. Directors

The New MXC Directors will be responsible for supervising the overall activities of New MXC; they are all currently Old MXC Directors. Summary details of their roles and their backgrounds are set out below:

Peter Martin Rigg (Non-Executive Chairman, aged 66)

Peter Rigg is an experienced chairman with a background in investment banking. Currently serving as chairman of Polarcus Limited, an Oslo Listed marine seismic survey company, Peter is also an independent non-executive director of Schroders Oriental Income Fund Ltd. Peter was formerly Head of Asian Equity Capital Markets and Head of Investment Banking North Asia at Credit Suisse First Boston.

Paul Graham Guilbert (Independent Non-Executive Director, aged 53)

Paul is an experienced non-executive director with specific expertise in working on the boards of both quoted and unquoted investment companies and private equity businesses including Permira, Apollo, Alchemy and Schroders. Paul has had significant experience in fund administration having worked at Northern Trust, latterly as Senior Vice President and Global Head of Private Equity Fund Administration. Consequently Paul has substantial experience in managing investments and board committees. It is proposed that Paul will chair the audit and remuneration committees.

Marc Young (Chief Executive Officer, aged 35)

Marc is a corporate financier and corporate broker with a decade of experience in small cap having led numerous M&A mandates, IPOs and secondary fundraisings for quoted companies after gaining experience at both specialist brokerages and an investment bank. Latterly, Marc was a director and Head of Technology at finnCap Limited. Marc is a chartered accountant, having trained in the Information, Communication and Entertainment division at KPMG.

6. MXC Capital Share Option Schemes

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

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

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

been issued under the Scheme had they been Scheme Shares.

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

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

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

7. Long Term Incentive Plan

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

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

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

With effect from the publication date of the Admission Document, being 26 July 2014, in the event that Old MXC or New MXC achieves a mid-market closing share price of 1.5 pence, the beneficiaries shall be entitled to a quarter of the 12.5 per cent., being 3.125 per cent. of shareholder value created; the remaining quarters shall vest at 2 pence, 2.5 pence with the full amount vesting at 3 pence.

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

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

8. Terms of the Scheme of Arrangement

A full explanation of the Scheme is contained in Zeus Capital's explanatory letter in Part 2 of the Scheme Circular. You are invited to read the Scheme Circular for a full explanation of the terms of the Scheme as what follows here is only a brief summary.

If the Scheme is approved and becomes effective, it will result in Old MXC Ordinary Shareholders holding New MXC Shares in precisely the same proportions and numbers in which they held Old MXC Ordinary Shares immediately prior to the Scheme Effective Date and New MXC will own all of the ordinary shares then in issue in Old MXC. Under the Scheme, Old MXC Ordinary Shareholders at the Scheme Record Time will receive, in consideration for the cancellation of their Old MXC Ordinary Shares, New MXC Shares on the following basis:

for every one Old MXC Share one New MXC Share

Accordingly, immediately upon the Scheme becoming effective, a New MXC Shareholder will have the same

proportionate interest in the profits, net assets and dividends of New MXC as they have in Old MXC immediately prior to the Scheme Effective Date. The MXC Group will have the same business and operations immediately after the Scheme Effective Date as it had immediately before the Scheme Effective Date. The assets and liabilities of the MXC Group immediately after the Scheme Effective Date will not differ from the assets and liabilities the Group had before the Scheme Effective Date, save that New MXC will hold all of the ordinary shares then in issue in Old MXC.

The Court Meeting to sanction the Scheme and the General Meeting to approve the resolutions required in connection with the Scheme and the Old MXC Reduction of Capital were convened for 11.00 a.m. and 11:30 a.m. (or as soon thereafter as the Court Meeting concludes) respectively on 17 December 2014. All resolutions were duly passed.

9. Listing, dealings, share certificates and settlement

Application will be made to the London Stock Exchange for 1,965,35,992 New MXC Shares to be admitted to trading on AIM (assuming that the MXC Capital Options are not exercised and no new Old MXC Ordinary Shares are allotted and issued or acquired by Old MXC after the date of this document). The ISIN of the New MXC Shares will be GG00BSBMMK42. It is expected that the New MXC Shares will be issued, their admission will become effective and that dealings will commence on 6 February 2015.

If all the conditions to the Scheme are satisfied, Old MXC intends to seek the de-listing of the Old MXC Ordinary Shares from AIM with effect from the Scheme Effective Date. The last day of dealings in Old MXC Ordinary Shares is expected to be on 4 February 2015. The last day for registration of transfers of Old MXC Ordinary Shares is expected to be on 4 February 2015.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the Scheme as described in this document or there is any delay in obtaining the Court's sanction of the Scheme or its confirmation of the Old MXC Reduction of Capital. In the event of a delay, the application for cancellation of the Old MXC Ordinary Shares will be deferred so that the admission will not be cancelled until immediately prior to the Scheme Effective Date.

On the Scheme Effective Date, all certificates representing Old MXC Ordinary Shares will cease to be valid and binding in respect of such holdings and should be destroyed. Definitive share certificates for the New MXC Shares of Old MXC Ordinary Shareholders who held their Old MXC Ordinary Shares in certificated form are expected to be despatched within 14 days after the Scheme Effective Date. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register of members. All certificates will be sent by pre-paid first class post at the risk of the person entitled thereto.

Old MXC Ordinary Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date.

For Old MXC Ordinary Shareholders who hold their Old MXC Ordinary Shares in a CREST account, New MXC Shares are expected to be credited to the relevant CREST accounts on 6 February 2015. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The New MXC Articles permit the holding of New MXC Shares under the CREST system. The New MXC Directors will apply for the New MXC Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in New MXC Shares following Admission may take place within the CREST system. CREST is a voluntary system and holders of New MXC Shares who wish to receive and retain share certificates will be able to do so.

New MXC reserves the right to issue New MXC Shares to all shareholders in certificated form if, for any reason, it wishes to do so.

All the New MXC Shares will be in registered form and no temporary documents of title will be issued.

All mandates in force on the Scheme Effective Date relating to payment of dividends on Old MXC Ordinary Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New MXC in relation to the corresponding holding of New MXC Shares.

10. Overseas shareholders

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to paragraph 16 of Part 2 of the Scheme Circular for further details concerning the Scheme.

11. Dividend policy

Following implementation of the Scheme, the New MXC Directors intend New MXC to adopt the existing dividend policy of Old MXC. As the MXC Group is at an early stage in the development of its aforementioned strategy, the New MXC Board believes that it is inappropriate to give an indication of the future dividend policy at this stage. However, should the MXC Group generate surplus cash that is not required for the execution of this strategy then the New MXC Directors will consider the most effective means of returning cash to New MXC Shareholders.

12. Corporate governance

The Directors recognise the importance of sound corporate governance and, following the Proposals, the MXC Group will comply with the provisions of the Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 (“**QCA Code**”), as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the MXC Group’s size, stage of development and resources.

New MXC will hold board meetings periodically as issues arise which require the attention of the New MXC Directors. The New MXC Directors will be responsible for the management of the business of New MXC, setting the strategic direction of New MXC and establishing the policies of New MXC. It will be the New MXC Director’s responsibility to oversee and monitor the financial position, the business and affairs of New MXC on behalf of the New MXC Shareholders, to whom the New MXC Directors are accountable. The primary duty of the New MXC Directors will be to act in the best interests of New MXC at all times. The New MXC Directors will also address issues relating to internal control and New MXC’s approach to risk management.

New MXC has established a remuneration committee (the “**Remuneration Committee**”) and an audit committee (the “**Audit Committee**”) with formally delegated duties and responsibilities.

The Remuneration Committee, which comprises Paul Guilbert as Chairman and Peter Rigg, will meet not less than twice each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options (or similar arrangements) with due regard to the interests of the New MXC Shareholders and the performance of New MXC.

The Audit Committee, which comprises Paul Guilbert as Chairman and Peter Rigg, will meet not less than twice a year. The committee will be responsible for making recommendations to the New MXC Directors on the appointment of auditors and the audit fee, and for ensuring that the financial performance of the MXC Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of New MXC.

New MXC will adopt and will operate a share dealing code governing the share dealings in its shares by the New MXC Directors and applicable employees with a view to ensuring compliance with the AIM Rules.

13. Taxation

Your attention is drawn to the general information regarding UK and Guernsey taxation in relation to Admission as set out in paragraphs 16 and 17 of Part III of this document. Such information is intended as a guide only and any Old MXC Ordinary Shareholders who are in any doubt as to their tax position, or who are resident for tax purposes outside of the United Kingdom, are strongly advised to consult an appropriate independent financial adviser immediately.

14. Takeover code

The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a company with its registered office in the United Kingdom, Channel Islands or Isle of Man, if any of its securities are admitted to trading on a multilateral trading facility in the United Kingdom, which includes AIM. Old MXC is such a company. Following completion of the Scheme, New MXC will therefore also be subject to the Takeover Code.

15. Further information

Prospective investors should read the whole of this document. In particular, prospective investors are advised to consider carefully the principal identified risk factors relating to an investment in New MXC which are summarised in Part II of this document; and read the additional information set out in Part III of this document.

PART II

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in the context of an investment in New MXC. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

The New MXC Directors believe the following risks to be the most significant for investors or potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in New MXC and are not intended to be presented in any assumed order of priority. In particular, New MXC's performance may be affected by changes in overall global financial conditions.

This is a high risk investment and investors may lose a substantial portion or even all of the money they invest in New MXC. An investment in New MXC is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment (which may equal the whole amount invested). If you are in any doubt about the contents of this document you should consult your stockbroker, accountant or other independent financial adviser authorised under the FSMA. It should be remembered that the price of securities and the income from them can go down as well as up.

Investors should also take their own tax advice as to the consequences of their owning shares in New MXC as well as receiving returns from it. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any shares in New MXC and neither New MXC, the New MXC Directors, nor Zeus Capital will be responsible for any tax consequences for any such investors.

Risks Specific to New MXC

Failure to implement strategy

It may not be possible for New MXC to implement its strategy if opportunities meeting the required investment criteria do not arise. Furthermore, the TMT market sub-sectors in which the current or potential future investee companies operate could be volatile due to technological innovation, regulatory change or some other industry driven event. New MXC may suffer from adverse conditions in such sectors as well as a deterioration in the factors that are considered to give it a competitive advantage. The opportunities sought will be where there is potential for an attractive return. Such investment opportunities are, by their nature, often uncertain and, whilst the New MXC Board will only make decisions after careful and informed consideration, it is possible that the impact of those uncertainties will be adverse.

Future funding

Whilst the New MXC Board has no current plans for raising additional capital it is possible that New MXC will need to raise extra capital in the future to develop fully New MXC's business or to take advantage of investment opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to New MXC or its shareholders. In addition, the further development of businesses may well depend upon the ability of its investee companies to obtain financing through engaging in joint ventures for projects, private placement financing, public financing or other means. There is no assurance that such businesses will be successful in obtaining the required financing.

If further financing is obtained by issuing equity securities or convertible debt securities, the existing shareholders' holdings of New MXC Shares may be diluted and the new securities may carry rights, privileges and preferences superior to the New MXC Shares. The New MXC Board may seek debt finance to fund all or part of any future acquisition. There can be no assurance that New MXC will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, New MXC's ability to raise further finance and its ability to operate its business may be subject to restrictions.

A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond New MXC's control) may make it difficult for New MXC to obtain new financing on attractive terms or even at all. If New MXC's borrowings become more expensive, then New MXC's profits will be adversely affected.

Prospective portfolio investments

The value of an investment in New MXC is dependent, inter alia, upon New MXC acquiring interests in other businesses. There can be no guarantee that suitable companies will be available for investment or acquisition or that New MXC will successfully identify and invest in such businesses. Further, once New MXC has acquired an interest in a business, it is likely that such asset will not be realisable immediately, particularly given the nature of the sectors of interest, the size of the targeted businesses and that targeted businesses may be private companies. In addition, smaller companies frequently lack the financial strength, diversity and resources to overcome or survive periods of economic slowdown. Furthermore, the share prices of such companies, if publicly traded, are often subject to significant fluctuations. It is the intention of the New MXC Board that, over time, New MXC will create a portfolio of businesses, thereby spreading its risk, to some degree. However, during New MXC's initial stages, the number of business interests will be limited and any volatility in the value of one or more of such businesses could have a substantial impact upon the value of New MXC and the New MXC Shares. In any event, New MXC would be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected. New MXC is likely to have minority interests in some of the companies in which it invests, without any contractual safeguards in respect of management, operational and financial matters.

Early stage of development and limited operating history

Many of the businesses in which New MXC invests may be companies at an early stage of commercial development. The commencement of such businesses' material revenues is difficult to predict and there is no guarantee that such businesses will generate any material revenues after investment by New MXC or any revenues at all. The resources available to such businesses may not be sufficient to fund the businesses until they are profitable. Some of the businesses may be companies which have a limited sales and operating history upon which their performance and prospects can be evaluated and they may well face the risks frequently encountered by developing companies. These risks include the potential inability to retain key personnel, as well as uncertainty as to which areas to target for growth and expansion. In addition, there can be no assurance that the businesses' proposed operations will be profitable or produce a reasonable return, if any, on investment.

Competition in the market place

Investee companies may be companies where the markets in which such businesses operate are highly competitive and characterised by evolving customer needs and rapid technological change. Such businesses may well compete with a number of other companies, some of which may well have significantly greater financial, technical and marketing resources. In addition, those competitors may have the ability to respond more quickly to new or emerging technologies, adapt more quickly to changes in customer requirements, have stronger customer relationships, have greater name recognition, and may devote greater resources to the development, promotion and sale of their products than the investee companies. In the markets in which such companies operate, competition may also be based on a variety of factors including product performance, functionality, value, and breadth of sales and service organisation. Competition could result in price reductions, reduced margins, and loss of market share by businesses.

Dependence on key executives and the consultant, MXC Holdings

New MXC's future success is substantially dependent on the continued services and performance of its directors, MXC Holdings and those engaged by MXC Holdings (particularly Marc Young, Ian Smith and Tony Weaver), and their ability to continue to attract and retain highly skilled and qualified personnel. The New MXC Directors cannot give assurances that New MXC will retain the services of any of the directors, MXC Holdings or those engaged by MXC Holdings. As New MXC expands, it will likely need to recruit and integrate additional personnel.

Economic, political or market conditions

The trading activities of the MXC Group will be influenced to a certain extent on the global economic environment which may have a detrimental effect on trading and operational activities and overall results of the MXC Group and investors should be aware of the risks involved.

Reductions in the number of, and size of, public offerings, mergers and acquisitions and reduced securities' trading activities due to changes in economic, political or market conditions, which are beyond the MXC Group's control, could adversely impact New MXC's prospects. The revenues and profitability of New MXC will be subject to fluctuations in the global investment markets, primarily the equity markets, which are typically subject to price volatilities. The MXC Group's businesses are highly dependent on stock market conditions, particularly

the level of activity on the London stock markets, and in particular in the small and mid-cap sectors. Uncertain economic prospects, declines in investment markets, failures of investment markets to sustain levels of growth or short-term volatility in investment markets for whatever reason could have a material adverse effect on the financial condition or results or operations of New MXC.

Transaction costs

There is a risk that New MXC may incur substantial legal, financial and advisory expenses arising from aborted transactions which may include public offer and transaction documentation, legal, accounting and environmental due diligence.

Leverage

New MXC or the businesses it invests in may utilise bank borrowings or other forms of financial leverage. Leveraged transactions are intrinsically subject to a higher degree of financial risk and may expose New MXC to interest rate variations, lender default and other risks, which may or may not be hedged.

The Group may need to indemnify the acquirer of 2ergo Americas as a result of litigation in the US

Pursuant to the disposal of Telitas US Inc and its subsidiary 2ergo Americas Inc on 24 February 2012, as is common in such transactions, Georgia Holding, a subsidiary of Old MXC, agreed to indemnify the acquirer, SoundBite Communications Inc (“**SoundBite**”), against certain claims that might arise relating to the period prior to SoundBite’s acquisition of Telitas US Inc. The indemnification notice period terminated on 24 February 2014 but notice of a claim under the said indemnity was received by Georgia Holding prior to that date. Any successful claim made under this indemnity could have a material adverse effect on the Group’s financial condition. \$750,000 of the consideration for the disposal of Telitas US Inc was placed into an escrow account to be used to settle any indemnification claims arising, including in respect of any legal costs incurred by SoundBite in defending such claims. \$300,000 has been released to SoundBite in satisfaction of a claim by SoundBite for legal costs relating to the action described below. The amount held in escrow is not included in the Group’s cash balances.

The US customer communications industry is characterised by frequent claims and litigation, including claims regarding patent and other intellectual property rights. On 5 April 2012, a class action suit was filed against sixteen defendants across the US mobile telecommunications market, including the major network carriers, alleging violation of the US Sherman Act. SoundBite, as the ultimate parent undertaking of 2ergo Americas, was named as a defendant in this case and therefore has sought indemnification from Georgia Holding. The Directors view the claim as an example of the US approach to litigation and indeed 2ergo Americas has never contracted or done any business with the plaintiffs. Accordingly, while any litigation proceedings are inherently uncertain, based upon the information currently available to them, the Directors believe that the action against SoundBite is unlikely to succeed and the claim is to be defended vigorously. However, if the claim is successful, the effect on the Group’s financial position could be material and it is not currently possible to estimate the costs that may be incurred in relation to it. Whether or not the claim is successful, there can be no guarantee that the amount held in escrow will be adequate to cover the liability under the indemnity. That indemnity is, however, contractually capped at US\$3,800,000.

General risks

AIM

The New MXC Shares will be admitted to AIM and it is emphasised that no application is being made for admission of any of the New MXC Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List of the UK Listing Authority. Further, the London Stock Exchange has not itself examined or approved the contents of this document. Any prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised who specialises in the acquisition of shares and other securities.

Currency risk

A proportion of the MXC Group’s revenue may be obtained in currencies other than Sterling. Due to the unpredictable nature of currency exchange rates, New MXC cannot guarantee against any losses which may be incurred as a result of variations in exchange rates. The MXC Group’s performance may be subject to exchange

rate fluctuations. In order to mitigate these risks around currency, the New MXC Board intends to implement a currency hedging policy.

Liquidity and pricing

Following Admission, the market price of the New MXC Shares may be subject to significant fluctuations in response to many factors, including variations in the results of the MXC Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes in the MXC Group's sector and other events and factors outside of the MXC Group's control.

In addition, stock market prices may be volatile and may go down as well as up. The price at which investors may dispose of their New MXC Shares in the MXC Group may be influenced by a number of factors, some of which may pertain to the MXC Group and others of which are external. These factors could include the performance of the MXC Group's business, changes in the values of its investments, changes in the amount of distributions or dividends, changes in the MXC Group's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the MXC Group encounters competition, large purchases or sales of New MXC Shares, liquidity (or absence of liquidity) in the New MXC Shares, legislative or regulatory or taxation changes and general economic conditions. The value of the New MXC Shares will therefore fluctuate and may not reflect their underlying asset value. Investors may realise less than the original amount invested.

Admission of New MXC's ordinary share capital to trading on AIM should not be taken as implying that there will be a liquid market for the New MXC Shares. It may be more difficult for an investor to realise an investment in the MXC Group than in a company whose shares are quoted on the Official List. In addition, the market price of the New MXC Shares may not reflect the underlying value of the MXC Group's net assets.

Investment risk

Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of the New MXC Shares at all times. An investment in a share which is traded on AIM, such as the New MXC Shares, is likely to be difficult to realise and carries a high degree of risk. The ability of an investor to sell New MXC Shares will depend upon there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the MXC Group and he/she may lose all his/her investment. The Ordinary Shares therefore may not be suitable as a short-term investment.

The MXC Group is at an early stage, which may make it difficult to evaluate current business and predict future performance.

In the future, financial analysts may publish research about the business containing earnings expectations or use negative language which could cause the price of New MXC's shares to decline. In mitigation, the New MXC Board will ensure the MXC Group retain necessary professional advisers – however, the business will be subject to external independent opinion which will be outside its control.

The MXC Group does not foresee payment of dividends in the short term, but will retain future earnings, if any, to fund the development and growth of the business.

Economic, political, judicial, administrative, taxation or other regulatory matters

The MXC Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters. International expansion may provide opportunities to New MXC, but will also expose New MXC to multiple governmental regulatory requirements and legislation which may have an adverse effect on financial position and performance.

Taxation

Tax rules and their interpretation relating to any investment in the MXC Group may change during its lifetime. Any such change in the MXC Group's tax status, taxation legislation, or interpretation could affect the value of the investments held in the MXC Group, or the MXC Group's ability to provide returns to New MXC Shareholders or could change post-tax returns to New MXC Shareholders. Representations in this document concerning the taxation of the MXC Group and its investors are based upon current tax law and practice which is, in principle, subject to change.

Legislation and Tax Status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the New MXC Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the MXC Group or in tax legislation or practice may have an adverse effect on the returns available on an investment in the MXC Group.

Investors and prospective investors are strongly recommended to consult an investment adviser authorised under FSMA, who specialises in advising on investments of this nature before making any decision in the context of an investment in New MXC Shares.

PART III

ADDITIONAL INFORMATION

1. Background information on New MXC and Old MXC

1.1 *New MXC*

New MXC was incorporated and registered in Guernsey on 19 August 2014.

New MXC's registered office is 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW.

New MXC has no administrative, management or supervisory bodies other than its board. It has replicated the audit and remuneration committees that Old MXC has (please see below at paragraph 1.2). Please see further details of the New MXC Board, the remuneration committee and the audit committee in paragraphs 5 and 12 of Part I of this document.

New MXC's nominated adviser and broker will be, from Admission, Zeus Capital of 82 King Street, Manchester, M2 4WQ. Zeus Capital is authorised and regulated by the Financial Conduct Authority.

1.2 *Old MXC*

Old MXC was incorporated and registered in England and Wales, where it remains domiciled, on 9 January 2004 as a public limited company with the name Sharelease plc and with registered number 05010663. On 2 February 2004, Old MXC changed its name to 2 Ergo Group plc and on 11 April 2011 it changed its name to 2Ergo Group plc. On 16 April 2014, Old MXC changed its name to Broca plc. On 12 August 2014, it changed its name to MXC Capital plc.

Old MXC was incorporated under the Companies Act 1985 and its securities are now governed by the Companies Act 2006.

Old MXC's registered office is 100 Fetter Lane, London EC4A 1BN.

Old MXC has no administrative, management or supervisory bodies other than the Old MXC Board, its remuneration committee and its audit committee.

Old MXC's nominated adviser and broker is Zeus Capital of 82 King Street, Manchester, M2 4WQ. Zeus Capital is authorised and regulated by the Financial Conduct Authority.

Old MXC was admitted to trading on AIM on 11 March 2004. Following completion of a demerger, Old MXC was re-admitted to trading on AIM on 6 March 2007. It was further re-admitted to trading on AIM on 29 October 2014 following the acquisition of MXC Capital Advisory.

If all of the conditions to the Scheme are satisfied, Old MXC will become a subsidiary of New MXC and intends to seek the de-listing of the Old MXC Ordinary Shares from AIM with effect from the Scheme Effective Date. The last day of dealings in Old MXC Ordinary Shares is expected to be on 4 February 2015. The last day for registration of transfers of Old MXC Ordinary Shares is expected to be on 4 February 2015.

2. Securities being admitted

New MXC intends to make an application for 1,965,350,992 New MXC Shares to be admitted to trading on AIM (assuming that the MXC Capital Options are not exercised and no new Old MXC Ordinary Shares are allotted and issued or acquired by Old MXC after the date of this document). It is expected that the New MXC Shares will be issued, their admission will become effective and that dealings will commence on 6 February 2015. No shares are held as treasury shares.

It is proposed that the New MXC Shares may be held in either certificated or uncertificated form (i.e. in CREST). Further information on the CREST settlement system is set out in paragraph 9 of Part I of this document.

3. Share Capital

3.1 *New MXC*

The issued share capital of New MXC as at the date of this document is one redeemable MXC share held by Peter Rigg. The share will be redeemed and cancelled for nil consideration automatically and without further action by the New MXC Directors (subject only to New MXC satisfying the solvency test, as defined in the Guernsey Companies Law) immediately upon the issue of the New MXC Shares following the Scheme becoming effective.

The issued share capital of New MXC immediately after the Scheme becomes effective will be 1,965,350,992 New MXC Shares (assuming that the MXC Capital Options are not exercised and no new Old MXC Ordinary Shares are allotted and issued or acquired by Old MXC after the date of this document).

The holder of the New MXC Initial Ordinary Share has already approved, among other matters, the adoption of the New MXC Articles. In addition, the holder of the New MXC Initial Ordinary Share will approve, amongst other things, before the Scheme Record Time:

- (A) the authority of the New MXC Directors to issue New MXC Shares in connection with the implementation of the Scheme;
- (B) the authority of the New MXC Directors to issue New MXC Shares; and
- (C) the authority of the New MXC Directors to issue New MXC Shares otherwise than in accordance with pre-emption rights.

Save as described above, New MXC has made no further issues of New MXC Shares since the date of incorporation. Save as set out in paragraph 6 of Part I of this document, no person has any right or any option (conditional or unconditional) to subscribe for any unissued share capital of New MXC.

Please see paragraphs 4.1 and 4.9 of this Part III for details on the voting, dividend and return of capital rights in respect of the New MXC Shares. The New MXC Shares are not redeemable or convertible. Please also see paragraph 4.10 of this Part III in respect of restrictions on transfers of New MXC Shares.

3.2 *Old MXC*

The issued share capital of Old MXC as at the date of this document is £19,653,509.92 divided into 1,965,350,992 ordinary shares of one penny each, all of which are in issue and fully paid up, there being no treasury shares.

There are no warrants to subscribe for any shares in the capital of Old MXC.

As at 29 January 2015 (the latest practicable date prior to the date of this document), there were outstanding MXC Capital Options over a total of 66,660,842 Old MXC Ordinary Shares representing approximately 3.41 per cent. of the existing issued share capital of Old MXC. Details of the MXC Capital Options are set out below:

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

Please refer to paragraph 6 of Part I of this document for further information on the MXC Capital Options.

4. New MXC Articles

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

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

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

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

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

4.2 Variation of Rights: All or any of the rights at the relevant time attached to any class or group of shares may only be varied with the consent in writing of the holders of not less than seventy-five per cent. in value of the issued shares of the class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the relevant class. The quorum at any such meeting (other than an adjourned meeting at which those of the relevant New MXC Shareholders who are present shall be a quorum) shall be New MXC Shareholders of the class or group affected holding or representing by proxy at least one third in number of the capital paid on the issued shares of the class in question. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

4.3 Issue of Shares: Subject to the provisions of the Guernsey Companies Law and the New MXC Articles, the New MXC Directors may exercise the power of New MXC to issue shares of New MXC as they see fit, to grant rights to subscribe for or convert any security into shares of New MXC, to issue shares of different types or classes, to convert all or any of New MXC's shares into redeemable shares, to issue shares with or without par value and to determine the consideration payable on the issue of such shares, in each case in respect of an unlimited number of shares. The New MXC Articles state that the New MXC Directors may only issue shares, or grant rights to subscribe for or convert into shares, to the extent that they are authorised to do so by an ordinary resolution of New MXC from time to time. The New MXC Directors may pay any commission of such amount as may from time to time be determined by the New MXC Directors. Subject to the provisions of the Guernsey Companies Law, the New MXC Articles and other members' rights, shares may be issued with or have attached to them such rights and restrictions as the New MXC Directors may from time to time decide. No person shall be recognised by New MXC as holding any share upon any trust and New MXC shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fractioned part thereto (except as provided by the New MXC Articles or the Guernsey Companies Law), any other right in respect of any share, except an absolute right thereto in the registered holder.

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

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

If any member is in default in supplying to New MXC the information required by New MXC within the prescribed period, the New MXC Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**Default Shares**”) and any other shares held by the member, (i) the member shall not be entitled to vote in general meetings or meeting of the holders of any class of shares; (ii) where the Default Shares represent at least 0.25 per cent. of the number of shares in issue of the class of shares concerned, the direction notice may additionally direct that any dividend or distribution or the proceeds of any repurchase, redemption or repayment on the Default Shares will be retained by New MXC (without interest); and (iii) that no transfer of the Default Shares (other than a transfer to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued share capital of New MXC not already owned by the offeror or persons connected with it; or the New MXC Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to the New MXC Directors to be interested in such shares; or the transfer results from a sale made through a recognised investment exchange (as defined in FSMA) or any stock exchange outside the United Kingdom on which the shares are listed or normally traded (“**Permitted Transfers**”)) shall be registered unless the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in a form satisfactory to the New MXC Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying the information is interested in any of the Shares the subject of the transfer.

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

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

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

Forced Transfers:

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

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

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

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

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

In the event that any shares are deemed “Shares-in-Trust”, the relevant shareholder shall not benefit economically from ownership of any Shares-in-Trust, shall have no rights to dividends or other

distributions, shall not possess any rights to vote or other rights attributable to the Shares-in-Trust, shall cease to own any right or interest with respect to such shares and New MXC will have the right to repurchase such Shares-in-Trust for an amount equal to their fair market value, which proceeds shall be payable to the purported owner. All Shares-in-Trust shall cease to be designated as Shares-in-Trust and shall be returned, automatically and by operation of law, to their purported owners, at such time as those shares qualify as a class of “publicly-offered securities” or if another exception to the “look-through” rule under the Plan Assets Regulation applies.

4.9 Dividends: The New MXC Directors may from time to time authorise dividends and distributions to be paid to New MXC Shareholders in accordance with the procedure set out in the Guernsey Companies Law and subject to any New MXC Shareholder's rights attaching to such shares. The New MXC Directors may resolve that any such dividends or distributions will be satisfied wholly or partly by the distribution of assets (including, but not limited to, paid up shares or other securities of any other company), and may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for dividend and distribution purposes of any assets or any part thereof. No dividend or distribution or other monies payable on or in respect of a share shall bear interest against New MXC. All dividends or distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the New MXC Directors for the benefit of New MXC until claimed. All dividends or distributions unclaimed six years after the date of declaration shall, if the directors resolve, be forfeited and shall revert to New MXC.

4.10 Transfer of Shares: The New MXC Articles provide that the New MXC Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of an uncertificated system. If the New MXC Directors implement any such arrangements no provision of the New MXC Articles shall apply or have effect to the extent that it is in any respect inconsistent with: (a) the holding of shares of that class in uncertificated form; (b) the transfer of title to shares of that class by means of the CREST system; or (c) the relevant Guernsey regulations and rules of the operator of the relevant system. Where any class of shares is for the time being admitted to settlement by means of a relevant system such securities may be issued in uncertificated form in accordance with and subject as provided in the relevant Guernsey regulations and rules of the operator of the relevant system. Unless the New MXC Directors otherwise determine, such securities held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the relevant regulations and rules. Title to such shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the relevant system.

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

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

4.11 Alteration of Capital: New MXC at any time may, by ordinary resolution, consolidate and divide all or any of its shares into shares of larger amounts than its existing shares; sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the New MXC Articles or ordinary resolution; cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its shares by the amount of the shares so cancelled; redesignate the whole, or any particular class, of its shares into shares of another class; convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency; or where its shares are expressed in a particular currency or former currency, denominate or redenominate it, whether expressing the amount in units or subdivisions of that currency or former currency, or otherwise.

4.12 Notices: A notice may be given by New MXC to any New MXC Shareholder either personally or by

sending it by prepaid post addressed to such shareholder at his registered address or by electronic means in accordance with the New MXC Articles. A notice may be given by New MXC to the joint holders of a share by giving the notice to the joint holder first named in the register of members of New MXC in respect of the share.

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

- (A) in the case of a notice sent by post to an address in the United Kingdom, Channel Islands or the Isle of Man, on the third day after the day of posting;
- (B) in the case of a notice sent by post elsewhere by airmail, on the seventh day after posting;
- (C) in the case of a notice sent by electronic means, at the expiration of twenty four hours after the time it was sent,

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

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

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

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

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

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

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

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

- 4.14 Proceedings of the Directors: The New MXC Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings as they think fit. All meetings of New MXC Directors shall take place outside of the United Kingdom and any decision reached or resolution passed by the New MXC Directors at any meeting held within the United Kingdom or at which half or more of the New MXC Directors present are resident in the United Kingdom for tax purposes shall be invalid and of no effect. The quorum necessary for the transaction of the business of the New MXC Directors may be fixed by the New MXC

Directors and unless so fixed shall be two except where the number of New MXC Directors has been fixed at one, a sole Director shall be deemed to form a quorum. The New MXC Directors may delegate any of their powers to committees consisting of one or more Directors, as they think fit. The proceedings of any such committee shall be governed by any regulations imposed on it by the New MXC Directors.

- 4.15 Interests of Directors: A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with New MXC, disclose to the New MXC Directors (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest, in each case unless the transaction or proposed transaction is between the Director and New MXC, and is to be entered into in the ordinary course of New MXC's business and on usual terms and conditions. A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon. A general notice given to the New MXC Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified. An interest of which a Director is unaware shall not be treated as an interest of his.

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

- (A) may be a party to, or otherwise interested in, any transaction or arrangement with New MXC, or in which New MXC is otherwise interested;
- (B) may act by himself or through his firm in a professional capacity for New MXC (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or a member of or otherwise, directly or indirectly, interested in, anybody corporate promoted by New MXC, or with which New MXC has entered into any transaction, arrangement or agreement or in which New MXC is otherwise interested; and
- (D) shall not by reason of his office be accountable to New MXC for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

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

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

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

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis

mutandis as if he were a Director.

- 4.18 Appointment of Directors: The New MXC Directors have power at any time and from time to time to appoint any person to be a New MXC Director, either to fill a casual vacancy or as an addition to the existing New MXC Directors. Any New MXC Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Unless otherwise determined by the members by ordinary resolution, the number of New MXC Directors shall not be subject to any maximum and the minimum number shall be one. At no time shall half or more of the New MXC Directors, including alternates, be resident in the United Kingdom, and a person shall not be appointed as a Director if as a result of such appointment the board would cease to consist of a majority of New MXC Directors resident outside the United Kingdom.

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

- 4.19 Retirement and Removal of Directors: The office of a New MXC Director shall, ipso facto, be vacated:
- (A) if he resigns his office by writing;
 - (B) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors on the affairs of New MXC) from meetings of the New MXC Directors for six months in succession and the other New MXC Directors shall have resolved that his office shall be vacated;
 - (C) if he becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or has his affairs declared en désastre or has a preliminary vesting order made against his Guernsey realty;
 - (D) if he dies;
 - (E) if he becomes ineligible to be a New MXC Director;
 - (F) if he is removed by resolution of the New MXC Directors in writing signed by all his co-Directors (being not less than two in number) provided that, until the date of such written resolution, his acts as a New MXC Director shall be as effectual as if his office were not vacated; or
 - (G) if New MXC by ordinary resolution declares that he shall cease to be a New MXC Director.
- 4.20 Borrowing Powers: The New MXC Directors may exercise all the powers of New MXC to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue securities whether outright or as security for any debt, liability or obligation of New MXC or of any third party.
- 4.21 Indemnity and Insurance: The New MXC Directors (including any alternate Director) and other officer or employee for the time being of New MXC shall be indemnified out of the assets of New MXC to the fullest extent permitted by the Guernsey Companies Law from and against all actions, costs, charges, losses, damages and expenses in respect of which they may lawfully be indemnified which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted, in or about the execution of their duty or supposed duty or in relation thereto.
- 4.22 Register of Members and Other Statutory Records: New MXC shall keep a register in accordance with the Guernsey Companies Law and outside the United Kingdom. The registration of transfers of shares may be suspended at such times and for such a period (not exceeding in aggregate thirty days in any calendar year) as the New MXC Directors may determine.

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

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

Under the Guernsey Companies Law, the corporate objects of a Guernsey company are deemed to be unlimited unless they are restricted. The memorandum of incorporation of New MXC does not restrict the activities of New MXC and therefore New MXC, like Old MXC, has unrestricted objects.

Some of the principal differences between the Old MXC Articles and the New MXC Articles are explained in paragraph 6 below. These differences arise by reason of New MXC being a company incorporated, existing and

registered in Guernsey instead of in England.

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

Notwithstanding the differences between the New MXC Articles and the Old MXC Articles outlined in paragraph 6 below, with effect from the Effective Date, the voting rights relating to New MXC Shares will be substantially the same as the Old MXC Ordinary Shares and the New MXC Shares will rank *pari passu* for dividends and in all respects with other fully paid New MXC Shares in issue on the Effective Date.

The provisions of the New MXC Articles are further described in paragraph 4 of this Part III.

6. Differences between English and Guernsey company law and implications of New MXC being a Guernsey incorporated company

There are a number of differences between the Companies Act and the Guernsey Companies Law which may impact upon the rights of shareholders when they become shareholders of New MXC. However, where it was thought appropriate to confer similar rights on and protections to holders of New MXC Shares, and where permitted under the Guernsey Companies Law, appropriate provisions have been incorporated into the New MXC Articles, as described in the summary setting out the principal differences between Old MXC Articles and New MXC Articles at paragraph 5 of this Part III. A fuller description of certain provisions of the New MXC Articles is set out in paragraph 4 of this Part III.

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

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

or its holding company must be approved by a resolution of shareholders.

- 6.7 any general meeting of a Guernsey company may be convened on 10 days' notice (rather than 21 days' notice required under English law for the calling of an annual general meeting and 14 days' notice required under English law for the calling of any other general meeting).
- 6.8 under the Guernsey Companies Law, shareholders holding not less than one-tenth of the total voting rights of the shareholders of a company may requisition a meeting of shareholders (whereas under the Companies Act, this right may be exercised by shareholders representing at least 5 per cent. of the paid up voting capital of a company);
- 6.9 the Guernsey Companies Law does not confer on members the right to an independent scrutiny of a poll taken, or to be taken, at a general meeting, nor does it confer rights on members to require a company to circulate resolutions proposed to be moved by members at the next annual general meeting, or to circulate explanatory statements relating to any matter relating to a proposed resolution at a general meeting, or rights for a nominee holder of shares to have information rights granted to the underlying beneficial owner of the share;
- 6.10 there is no restriction on donations by a company to political organisations under Guernsey law;
- 6.11 under Guernsey law, the two procedures for dissolving a Guernsey company are winding up and administration. The concepts of receivership and voluntary arrangements do not exist under Guernsey law. The concepts of a winding up and administration are broadly similar to that under English law.

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

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

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

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

7. Directors' and other interests

All Old MXC Directors have been appointed as New MXC Directors.

Immediately after Admission, assuming that no further Old MXC Ordinary Shares have been issued after 29 January 2015 (the latest practicable date prior to the publication of this document) the New MXC Directors will have the following beneficial interests in New MXC Shares by virtue of the effect of the Scheme on their Old MXC Ordinary Shares:

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

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

The above interests are based upon the interests of the Old MXC Directors in Old MXC Ordinary Shares which (a) have been notified by each Old MXC Director to Old MXC pursuant to Rule 17 of the AIM Rules before 29 January 2015 (the latest practicable date prior to publication of this document), or (b) are interests of a connected person (within the meaning of the Companies Act), of an Old MXC Director which have been notified to Old MXC by each connected person (within the meaning of the Companies Act) pursuant to Rule 17 of the AIM Rules.

The persons listed above will not have different voting rights in respect of their New MXC Shares to other holders of New MXC Shares.

8. Directors' appointments and remuneration

After the Scheme Effective Date, the New MXC Directors (save for Marc Young) will receive their remuneration from New MXC. The total emoluments receivable by each of the New MXC Directors will not be varied as a result of the Scheme.

Peter Rigg and Paul Guilbert have agreed to sign new non-executive director appointment letters with New MXC which will be conditional upon the Scheme becoming effective and Admission occurring before 31 March 2015 and which will replace their existing appointment letters with Old MXC referred to below. These new appointment letters have the same commercial terms as the corresponding existing appointment letters with Old MXC. The existing agreement with Old MXC referred to below under which Marc Young's executive services are provided as Chief Executive Officer to the MXC Group will continue unchanged and his salary will continue to be paid by Old MXC.

Under the letters of appointment entered into with Old MXC both Peter Rigg and Paul Guilbert have an initial appointment term of three years and a three month notice period. The fee payable to Peter Rigg for his services as a non-executive director is £45,000 per annum under the terms of a letter of appointment. The fee payable to Paul Guilbert for his services as a non-executive director is £35,000 per annum under the terms of a letter of appointment.

In addition, on 25 July 2014, Marc entered into a service agreement with Old MXC pursuant to which his appointment as Chief Executive Officer was confirmed with effect from 25 July 2014. The agreement can be terminated by either party giving to the other not less than six months' notice in writing. The agreement contains provisions for early termination, inter alia, in the event of a breach of any material term of the agreement. The basic salary payable to Marc is £150,000 per annum. This is to be reviewed by the remuneration committee of Old MXC from time to time without any obligation to increase the same. In addition, Marc is entitled to participate in a bonus scheme, payments under which will be assessed and payable dependent on the financial performance of Old MXC. The service agreement contains restrictive covenants for a period of 12 months following the termination of his employment.

9. Additional Information on the New MXC Board

9.1 In addition to the directorships of Old MXC and New MXC, the New MXC Directors hold or have held within the five years preceding the date of this document:

<i>Name</i>	<i>Current Directorships and Partnerships (with the jurisdiction of the company/partnership, where not England and Wales, noted in brackets)</i>	<i>Past Directorships and Partnerships within the last 5 years</i>
Marc Young	104 Bolingbroke Grove Management Company Limited	GEMS Oriental & General Fund II Limited
Peter Rigg	Polarcus Limited (<i>Cayman Islands</i>) Schroders Oriental Income Fund Ltd (<i>Guernsey</i>) GEMS III Limited	General Enterprise Management Services (International) Ltd
Paul Guilbert	Cartesius Advisory Network Indian Advisors (CI) Limited (<i>Guernsey</i>) Alchemy India (CI) Limited (<i>Guernsey</i>)	Neptun Lux Holding One Sarl (<i>Luxembourg</i>) Neptun Lux Holding Two Sarl (<i>Luxembourg</i>)

Alchemy Partners (Gsy) Limited (<i>Guernsey</i>)	Neptun Lux Holding Three Sarl (<i>Luxembourg</i>)
Alchemy Partners CI (Guernsey) Limited (<i>Guernsey</i>)	Ironmax S.ár.L (<i>Luxembourg</i>)
Alchemy Partners Nominees Limited (<i>Guernsey</i>)	First Chemical (<i>Luxembourg</i>) S.a.r.l. (<i>Luxembourg</i>)
Alchemy Partners LP (<i>Guernsey</i>) Limited (<i>Guernsey</i>)	Red & Black Lux 2 S.ar.l (<i>Luxembourg</i>)
Stichting AP GP (<i>Netherlands</i>)	CEA Private Equity Group Limited (<i>Guernsey</i>)
Tattershall Castle Group Limited (<i>Guernsey</i>)	Permira Advisers Group Holdings Limited (<i>Guernsey</i>)
TCGB Guernsey Limited (<i>Guernsey</i>)	Permira Debt Managers Group Holdings Limited (<i>Guernsey</i>)
TCGB Holdings Limited (<i>Guernsey</i>)	Permira Europe I Nominees Limited (<i>Guernsey</i>)
TCGI Holdings Limited (<i>Guernsey</i>)	Permira (Guernsey) Limited
TCGP Guernsey Limited (<i>Guernsey</i>)	Permira Europe II Nominees Limited (<i>Guernsey</i>)
TCGP Holdings Limited (<i>Guernsey</i>)	Permira Europe BY (<i>Netherlands</i>)
TCGT Holdings Limited (<i>Guernsey</i>)	Permira IP Limited (<i>Guernsey</i>)
Alchemy Partners GP Limited (<i>Guernsey</i>)	Permira Investments Limited (<i>Guernsey</i>)
Alchemy Special Opportunities (Guernsey) Limited (<i>Guernsey</i>)	Permira Nominees Limited (<i>Guernsey</i>)
ASO (CI) Limited (<i>Guernsey</i>)	Permira Carried Interest G.P. Limited (<i>Guernsey</i>)
ASO (GP) II Limited (<i>Guernsey</i>)	Permira Europe III Nominees Limited (<i>Guernsey</i>)
ASO (CI) II Limited (<i>Guernsey</i>)	Permira Europe III G.P. Limited (<i>Guernsey</i>)
ASOF II Feeder Fund (GP) Limited (<i>Guernsey</i>)	Permira Holdings Limited (<i>Guernsey</i>)
ASO Lux 2 Sarl (<i>Luxembourg</i>)	Permira (Europe) Limited (<i>Guernsey</i>)
ASO (GP) III Limited (<i>Guernsey</i>)	Permira IY GP Limited (<i>Guernsey</i>)
ASO (CI) III Limited (<i>Guernsey</i>)	Permira IY Managers Limited (<i>Guernsey</i>)
ASOF III Feeder Fund (GP) Limited (<i>Guernsey</i>)	P-Investments Luxembourg S.a.r.l. (<i>Luxembourg</i>)
ASO Lux 3 Sarl (<i>Luxembourg</i>)	Permira Capital Limited (<i>Guernsey</i>)
Bedford Lux Sarl (<i>Luxembourg</i>)	TCG Holdings Limited (<i>Guernsey</i>)
Palmer Lux Sarl (<i>Luxembourg</i>)	Fermain Holdings Limited (<i>Guernsey</i>)
Garrick Lux Sarl (<i>Luxembourg</i>)	Nalozo Guernsey G.P. Limited (<i>Guernsey</i>)
AAA Guernsey Limited (<i>Guernsey</i>)	Permira Europe II Managers BY (<i>Netherlands</i>)
Pearl Diver CLO Opportunity 2008 GP Limited (<i>Guernsey</i>)	Permira Europe II Managers BY (<i>Netherlands</i>)
Pearl Diver CLO Opportunity 2014 GP Limited (<i>Guernsey</i>)	Topsi 2 S.ar.l (<i>Luxembourg</i>)
SOF General Partner (Guernsey) Limited (<i>Guernsey</i>)	Topsi 1 S.ar.l (<i>Luxembourg</i>)
	Gaminghouse S.A. (<i>Luxembourg</i>)
	Gaming Invest S.a.r.l. (<i>Luxembourg</i>)

HL General Partner V Limited (Guernsey)	ASO Lux S.ar.l. (<i>Luxembourg</i>)
HLSP Investment Management II Limited (Guernsey)	ASO Lux 2 S.a.r.l. (<i>Luxembourg</i>)
HLSP Investment Management III Limited (Guernsey)	Alchemy Special Opportunities (Trading) Limited (<i>Guernsey</i>)
Parkdean MIS (GP) Limited (Guernsey)	Liberator Manager Partner Limited (<i>Guernsey</i>)
R3768723 (Guernsey)	Liberator GP Limited (<i>Guernsey</i>)
	Birds Eye Iglo Equity Investment Plan Limited (<i>Guernsey</i>)
	AMS Holding Sarl (<i>Luxembourg</i>)
	Saline Nominees Limited (<i>Guernsey</i>)
	AA Development Cap India (GP) Limited (<i>Guernsey</i>)
	Conversus Capital Limited (<i>Guernsey</i>)
	ASO Lux SARL (<i>Luxembourg</i>)
	Subtarc SA (<i>Luxembourg</i>)
	Crane Midco (Guernsey) Limited (<i>Guernsey</i>)
	UBK Buyout Investments (Guernsey) Limited (<i>Guernsey</i>)
	Fashion Auction SARL (<i>Luxembourg</i>)
	CT Fashion A SARL (<i>Luxembourg</i>)
	CT Fashion B (<i>Luxembourg</i>)
	Elgae S.ar.l (<i>Luxembourg</i>)
	Dreamliner Lux S.a.r.l (<i>Luxembourg</i>)
	MEP S.a.r.l (<i>Luxembourg</i>)
	Toro Investment S.A. (<i>Luxembourg</i>)
	Reden S.a.r.l (<i>Luxembourg</i>)
	CMA S.a.r.l (<i>Luxembourg</i>)
	Victoria Holding Sarl (<i>Luxembourg</i>)
	Telco Holding S.a.r.l (<i>Luxembourg</i>)
	Cognis Holding Luxembourg Sarl (<i>Luxembourg</i>)
	Cart Lux Sarl (<i>Luxembourg</i>)
	Tarc Lux S.a.r.l (<i>Luxembourg</i>)
	MWCR Lux S.a.r.l (<i>Luxembourg</i>)
	Gupag S.ar.l (<i>Luxembourg</i>)
	Lavena 1 Sarl (<i>Luxembourg</i>)
	Lavena 2 Sarl (<i>Luxembourg</i>)
	Lavena 3 Sarl (<i>Luxembourg</i>)
	Foodco Sarl (<i>Luxembourg</i>)
	Korolux S.A.R.L (<i>Luxembourg</i>)
	Kikkolux S.A.R.L (<i>Luxembourg</i>)
	Avallux S.a.r.l (<i>Luxembourg</i>)
	Siltarc SA (<i>Luxembourg</i>)
	Subcart SA (<i>Luxembourg</i>)
	Silcart SA (<i>Luxembourg</i>)
	Red & Black Holdco 2 S.ar.l (<i>Luxembourg</i>)
	Nuclobel Topco 1 Sarl (<i>Luxembourg</i>)
	Nuclobel Topco 2 Sarl (<i>Luxembourg</i>)
	Nuclobel Lux 1 Sarl (<i>Luxembourg</i>)
	Nuclobel Lux 2 Sarl (<i>Luxembourg</i>)
	ENB TopCo 1 S.ar.l (<i>Luxembourg</i>)

ENB TopCo 2 S.ar.l (*Luxembourg*)
 ENB Lux 1 S.ar.l (*Luxembourg*)
 ENB Lux 2 S.ar.l (*Luxembourg*)
 Kitza S.ar.l. (*Luxembourg*)
 Nalozo S.ar.l. (*Luxembourg*)
 Nalozo Topco S.ar.l. (*Luxembourg*)
 LuxELIT Sarl (*Luxembourg*)
 Red & Black TopCo S.ar.l
 (*Luxembourg*)
 Red & Black Holdco S.ar.l
 (*Luxembourg*)
 Pronutri Sarl (*Luxembourg*)
 Perconlux Sarl (*Luxembourg*)
 Nutrilux Sarl (*Luxembourg*)
 MEP II Sarl (*Luxembourg*)
 Fita 2 sarl (*Luxembourg*)
 Torisa S.a.r.l (*Luxembourg*)
 Venice Luxco S.a.r.l (*Luxembourg*)
 Telefood S.a.r.l (*Luxembourg*)
 Alchemy Special Opportunities (GP)
 Limited (Guernsey)
 SOF Conduit (Guernsey) GP Limited
 (Guernsey)

9.2 Save as disclosed in paragraph 9.3 below, none of the New MXC Directors has:

- (A) any unspent convictions in relation to indictable offences;
- (B) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (C) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (D) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement while he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (E) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (F) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (G) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.3 Paul Guilbert was a director of TCG Holdings Limited (a company registered in Guernsey) until 13 April 2010. On 28 September 2010, an application was made to the Court for a compulsory winding up of the company. On 3 January 2012, a further application was made for an order declaring the company be dissolved, it being noted that there were no assets of the company available for distribution. The company was dissolved on 20 November 2012.

9.4 There are no potential conflicts of interest between any duties to New MXC of the New MXC Directors and their private interests or their other duties.

9.5 No New MXC Director has or has had any interest in any transaction which is or was significant in relation to the business of New MXC and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

10. Significant shareholdings

10.1 Other than as set out below, New MXC is not aware of any person or persons who either alone or, if connected, jointly, will have an interest of 3 per cent. or more of New MXC's issued share capital:

<i>Shareholder</i>	<i>Number of Old MXC Ordinary Shares held</i>	<i>Interest in the Old MXC Ordinary Shares</i>	<i>Number of New MXC Shares to be held</i>	<i>Interest to be held in the New MXC Shares upon the Scheme becoming effective</i>
MXC Holdings	1,049,089,816	53.38	1,049,089,816	53.38
Nigel Wray	355,490,917	18.09	355,490,917	18.09
Hargreave Hale	157,855,000	8.03	157,855,000	8.03

10.2 The New MXC Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of New MXC.

10.3 The persons listed above will not have different voting rights in respect of their New MXC Shares to other holders of New MXC Shares.

11. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by New MXC, Old MXC or another member of the MXC Group within the two years immediately preceding the date of this document and are, or may be, material.

11.1 Old MXC

- (A) On 25 July 2014, the Company, the directors, the proposed directors and Zeus Capital entered into a placing agreement. Under the terms of the placing agreement, the Company appointed Zeus Capital as its agent to procure subscribers for the placing shares at the placing price and Zeus Capital agreed to use its reasonable endeavours to procure such subscribers. The obligations of Zeus Capital are conditional, inter alia, on admission of the placing shares occurring on or before 13 August 2014 or such later date (being no later than 23 December 2014) as the Company and Zeus Capital may agree. Subject to admission of the placing shares, the Company shall pay to Zeus Capital a corporate finance fee of £150,000 (plus VAT). The placing agreement contains certain warranties given by the Company, the directors and the proposed directors in favour of Zeus Capital (including warranties relating to the accuracy of the information in certain documents and the Company's incorporation and capacity). The liability of the Company, the directors and the proposed directors is limited. The placing agreement also contains an indemnity given by the Company in favour of Zeus Capital.
- (B) A sale and purchase agreement dated 25 July 2014, between MXC Holdings (1) and the Company (2) pursuant to which, conditional upon certain matters being satisfied including the passing of the resolutions at the general meeting held on 12 August 2014 and approval of the FCA to Marc Young and the Company becoming members of MXC Capital Advisory, MXC Holdings agreed to resign as, and the Company agreed to become, a member of MXC Capital Advisory for a consideration payable to MXC Holdings of £6,000,000 to be satisfied by the allotment and issue of 600,000,000 Old MXC Ordinary Shares at a price of 1 penny per share. The agreement contains warranties given by MXC Holdings to the Company, a tax indemnity in favour of the Company and confidentiality provisions.
- (C) On 25 July 2014, the Company, MXC Holdings and Zeus Capital entered into a relationship agreement pursuant to which MXC Holdings has undertaken, inter alia, that it will not use the voting rights attached to its holdings of Old MXC Ordinary Shares to take control of the board of directors or procure a de-listing from AIM. The relationship agreement will remain in place whilst MXC Holdings is interested in Old MXC Ordinary Shares representing 30 per cent. or more of the issued share capital of the Company, subject to earlier termination. This agreement will be terminated on Admission.
- (D) Lock-in agreements dated 25 July 2014 entered into between the Company (1), Zeus Capital (2) and each of the directors, the proposed directors, MXC Holdings and Nigel Wray (3) pursuant to which each of the directors, the proposed directors, MXC Holdings and Nigel Wray have agreed with Zeus Capital, conditional upon admission of the placing shares in August 2014, not to dispose of any Old MXC Ordinary Shares held by them for a period of 12 months from the date of admission of the placing shares except in certain limited circumstances permitted by the AIM Rules. The deeds also contain certain orderly market provisions which apply for a further 12 month period after the expiry of the lock-in period. These agreements will be terminated on Admission.
- (E) On 25 July 2014, the Company and MXC Holdings entered into a shared services agreement pursuant to which MXC Holdings has agreed to provide the Company with general office and secretarial support services. In addition, the Company and MXC Holdings will share occupation of the premises at first, second and third floors, 15 Buckingham Gate, London SW1E 6LB. The agreement commences on admission of the placing shares in August 2014 for an initial term of 12 months and continues

thereafter until terminated in accordance with its terms. Either party may terminate the agreement after expiry of the initial term by serving six months' prior written notice to that effect on the other. The Company has agreed to pay MXC Holdings a service charge of £50,000 per annum (exclusive of VAT) for the first 12 months and thereafter as agreed between the parties in respect of the services and its occupation of the premises. The agreement contains an indemnity from the Company in favour of MXC Holdings. MXC Holdings' liability is limited to an amount equal to the aggregate service charge paid in respect of the relevant services during the 12 months prior to the date of receipt of the claim.

- (F) On 25 July 2014, the Company and MXC Holdings entered into a consultancy, referral and licence agreement pursuant to which MXC Holdings has agreed to provide the Company with corporate advisory services and such other services as may be agreed by the parties from time to time. MXC Holdings has also agreed: (i) to ensure that each of the individual consultants (being Ian Smith and Tony Weaver) is available to provide the services; (ii) to seek to introduce appropriate investment opportunities in the TMT sector to the Company; and (iii) not to seek to exploit any potential investment opportunities in the TMT sector which might reasonably be considered opportunities which should properly be brought to the attention of the Company, unless the board of directors of the Company has formally resolved not to pursue the same. The Company has agreed to pay MXC Holdings a fee in respect of the services of £200,000 per annum (exclusive of VAT), such fee being payable quarterly in advance, as well as reasonable expenses properly and necessarily incurred by MXC Holdings in the course of providing the services and developing the MXC brand. In addition, under the terms of the agreement MXC Holdings grants to the Company and its group companies an exclusive licence to use all intellectual property rights in the "MXC Capital" name and brand throughout the world for the term of the agreement. The agreement shall commence on admission of the placing shares in August 2014 for an initial period of 24 months and thereafter shall be terminable by either party giving to the other not less than 12 months' prior written notice. The agreement sets out MXC Holdings' duties in respect of the services to be provided and includes an indemnity from MXC Holdings in favour of the Company.
- (G) On 15 July 2014, the Company and the Registrars entered into an agreement pursuant to which the Registrars agreed to act as receiving agent to the Company in connection with the placing which completed in August 2014. The agreement contains warranties and indemnities given by the Registrars in favour of the Company. The Registrars liability is capped at twice the amount of fees payable under the terms of the letter. The agreement will terminate on completion of the services.
- (H) An engagement letter dated 15 July 2014 between Zeus Capital and the Company pursuant to which Zeus Capital has agreed to provide certain services to the Company as its nominated adviser and broker in relation to the acquisition of MXC Capital Advisory, the placing and admission (together the "**Transaction**"). The Company has agreed to pay Zeus Capital a corporate finance fee of £150,000 (plus VAT). The full fee is payable by the Company to Zeus Capital if, for a period of 12 months after the engagement comes to an end, by termination or otherwise, the Company completes the Transaction. The Company has also agreed to pay the reasonable and properly incurred expenses of lawyers acting on Zeus Capital's behalf in connection with the Transaction. The engagement may be terminated by either party giving to the other not less than one month's prior written notice and by written notice with immediate effect in certain limited circumstances. The engagement letter includes certain undertakings given by the Company to Zeus Capital and an indemnity given by the Company to Zeus Capital in relation to the engagement and/or the provision of services to the Company in connection therewith or any matter incidental thereto.
- (I) A lock-in deed dated 16 April 2014 between (1) the Company, (2) Panmure Gordon (UK) Limited ("**Panmure**") and (3) Eagle Eye Solutions Group plc ("**Eagle Eye**") whereby the Company agreed, subject to certain exceptions, not to:
- (i) dispose of any interest in the shares held by it or to be held by it, until 14 October 2014 (being a period of 6 months from admission of the whole of the enlarged ordinary share capital of Eagle Eye, issued and to be issued, to trading on AIM) without the prior written consent of Panmure if the valuation of Eagle Eye on admission was £20 million or less; and
 - (ii) dispose of any interest in the shares held by it or to be held by it except through Panmure on a best execution basis, if the valuation of Eagle Eye on admission was £20 million or less for a period from the end of the lock-in period mentioned in paragraph 11.1(I)(i) up to and including the date of the 12 month anniversary of admission of Eagle Eye and if the valuation of Eagle Eye on admission was more than £20 million for a period from the date of admission of Eagle Eye up to and including the date of the 12 month anniversary of admission.

The valuation achieved was more than £20 million hence the 12 month orderly market arrangement applies to the Company.

- (J) On 21 March 2014, the Company entered into a sale and purchase agreement with Eagle Eye pursuant to which Eagle Eye agreed to acquire the entire issued share capital of 2ergo Limited (“SPA”). Completion of the SPA (“**Completion**”) was conditional on the passing of the resolutions proposed at the general meeting of the Company and admission of the ordinary shares of 1 penny each in the capital of Eagle Eye to AIM (“**Eagle Eye Admission**”). The total consideration payable by Eagle Eye to the Company was £4,500,000, £2,500,000 of which was satisfied in cash on Completion and the remaining £2,000,000 was satisfied by the allotment and issue of new ordinary shares of 1 penny each in Eagle Eye to the Company at the placing price, credited as fully paid. The Company warranted certain information about the business and assets of 2ergo Limited to Eagle Eye. The Company’s liability in respect of any claims arising under the warranties is limited. The Company agreed to indemnify Eagle Eye against various issues including all losses suffered by Eagle Eye in relation to the hive out (detailed in paragraph (K) below) and the disposal of the various foreign subsidiaries and also agreed to various restrictive covenants. The agreement is governed by English law.
- (K) On 21 March 2014, the Company entered into an asset purchase agreement with 2ergo Limited, pursuant to which it agreed to acquire from 2ergo Limited the business of developing and commercialising the Broca, SAMS and 2safeguard technology carried on by 2ergo Limited at that time, together with the assets of the business (“**Hive Out Agreement**”). The consideration payable under the terms of the Hive Out Agreement was £1 (exclusive of VAT). 2ergo Limited made no warranties or representations in connection with the transfer of the business and assets and has no liability to the Company in connection with the transfer. The parties agreed that if, and to the extent possible, the £3,025,600 tax losses relating to the business (and not the retained business) would be for the benefit of the Company. In addition, it was a completion deliverable of the Hive Out Agreement that the Company would deliver a duly executed IP assignment under which the “Assigned Rights” (as defined in the IP assignment) would be assigned to the Company. The Company agreed to indemnify 2ergo Limited against liability which 2ergo Limited may have incurred in connection with the ownership or operation of the business and the assets, whether before or after the effective time of the transfer.
- (L) Pursuant to the Hive Out Agreement, the Company was under an obligation to deliver a duly executed IP assignment in relation to the patents, unregistered trademarks, software and unregistered assigned rights relating to the business of developing and commercialising the Broca, SAMS and 2safeguard technology (“**Assigned Rights**”). The Company and 2ergo Limited therefore entered into a deed of assignment in relation to the Assigned Rights on 21 March 2014 (“**Deed of Assignment of IPR**”) pursuant to which 2ergo Limited assigned absolutely to the Company all its right, title and interest in and to the Assigned Rights.
- (M) Effective from 8 August 2013, the Company entered into a nominated adviser and broker agreement with Zeus Capital pursuant to which the Company appointed Zeus Capital to act as its nominated adviser and broker for the purposes of the AIM Rules. The Company agreed to pay Zeus Capital an annual retainer of £30,000 plus VAT commencing on the date of the letter (such fee being payable quarterly in advance) together with reasonable out-of-pocket expenses which are incurred in respect of such services. The letter sets out the ongoing responsibilities of both parties and contains various undertakings, indemnities and warranties given by the Company to Zeus Capital. The agreement is for a fixed period of one year and is subject to termination by either party giving not less than three months’ prior notice thereafter. Pursuant to the terms of the letter of engagement summarised in paragraph (H) above, the Company agreed to increase the annual retainer fee to £50,000 plus VAT from 29 October 2014. This agreement will be terminated on Admission.
- (N) On 17 June 2013, the Company and MXC Capital Advisory entered into a letter of engagement pursuant to which MXC Capital Advisory agreed to provide corporate finance consultancy services to the Company in connection with its development. Subject to, and conditional upon, the placing undertaken in June/July 2013 becoming unconditional in all respects, MXC Capital Advisory agreed to charge a fee of £100,000 (plus VAT) of which £50,000 (plus VAT) would be satisfied by the Company in cash and £50,000 would be satisfied by the issue by the Company to MXC Capital Advisory of 5,000,000 fully paid Old MXC Ordinary Shares. The Company also agreed to pay all reasonable expenses of MXC Capital Advisory incurred in the proper performance of the services. The letter sets out the Company’s responsibilities and includes an indemnity in favour of MXC Capital Advisory. The letter is terminable on one month’s written notice from the Company to MXC Capital Advisory and in other circumstances as set out in the letter. MXC Capital Advisory’s liability is limited to the amount paid for the services.
- (O) On 17 June 2013, the Company and MXC Capital Advisory entered into a letter of engagement pursuant to which MXC Capital Advisory agreed to provide corporate finance consultancy services to

the Company in connection with its development. The Company has agreed to pay MXC Capital Advisory: (a) in respect of the 12 month period commencing on the date of the letter (the “**Initial Period**”), an annual retainer fee of £25,000 plus VAT; (b) following the expiry of the Initial Period, an annual retainer fee of £50,000 plus VAT (the annual retainer fee shall be reduced by any fees charged under (c) subject to a maximum reduction of £25,000 in each year); and (c) a consultancy fee equal to 3.5 per cent. of the enterprise value of any acquisition, disposal or equity fundraising completed by the Company prior to the termination of the letter and in respect of which services have been provided. The Company also agreed to pay all reasonable expenses of MXC Capital Advisory incurred in the proper performance of the services. The letter sets out the Company’s responsibilities and includes an indemnity in favour of MXC Capital Advisory.

The letter is terminable on six months’ written notice from the Company to MXC Capital Advisory and in other circumstances as set out in the letter. MXC Capital Advisory’s liability is limited to the amount paid for the services. The letter of engagement has now been terminated.

- (P) On 27 July 2009, the Company entered into a sale and purchase agreement with Ariya Priyasantha, Claypath Limited and Ramesh Kumar (“**Sellers**”) and Rajbir Singh Bhandal (together with the Sellers, the “**Warrantors**”) pursuant to which the Company agreed to acquire the entire issued share capital of Activemedia Technologies Limited (including its wholly-owned Indian subsidiary Active Media Technologies Private Limited) (“**Sale Agreement**”). The total consideration payable by the Company to the Sellers was £774,000 (the “**Consideration**”). The Consideration comprised initial cash consideration of £87,785 plus the Sterling equivalent of US\$150,000 (which equated to, in aggregate, £179,000) with the balance of the consideration being £595,000 calculated on the basis of four times Active Media Technologies Private Limited’s profit after tax and 2.8 times the UK global product line’s operating profit for the year to 31 August 2012, which was payable between November 2009 and November 2013, dependent on Activemedia Technology Limited and Active Media Technologies Private Limited achieving agreed levels of financial performance and subject to an overall consideration cap. The Sale Agreement contained restrictions, warranties and indemnities. However, the Company is now only entitled to bring a tax warranty claim on the basis that the period to bring a non-tax related claim has now expired.

11.2 *New MXC*

- (A) It has been agreed that New MXC will enter into a nominated adviser and broker agreement with Zeus Capital, conditional upon Admission, pursuant to which New MXC will appoint Zeus Capital to act as its nominated adviser and broker for the purposes of the AIM Rules. New MXC has agreed to pay Zeus Capital an annual retainer of £50,000 plus VAT commencing on the date of the letter (such fee being payable quarterly in advance) together with reasonable out-of-pocket expenses which are incurred in respect of such services. The letter will set out the ongoing responsibilities of both parties and will contain various undertakings, indemnities and warranties to be given by New MXC to Zeus Capital. The agreement will be subject to termination by either party giving not less than three months’ prior notice. The terms will mirror the terms of the nominated adviser and broker agreement currently in place with Old MXC in all other respects.
- (B) It has been agreed that New MXC, MXC Holdings and Zeus Capital will enter into a relationship agreement, conditional upon Admission, pursuant to which MXC Holdings will undertake, inter alia, that it will not use the voting rights attached to its holdings of New MXC Shares to take control of the board of directors or procure a de-listing from AIM. The relationship agreement will remain in place whilst MXC Holdings is interested in New MXC Shares representing 30 per cent. or more of the issued share capital of New MXC, subject to earlier termination. These terms mirror the terms of the relationship agreement currently in place with Old MXC.
- (C) It has been agreed that New MXC (1), Zeus Capital (2) and each of Peter Rigg, Jill Collighan, Simon Duckworth, Paul Guilbert, Marc Young, Ian Smith, MXC Holdings and Nigel Wray (3) will enter into a lock-in agreement pursuant to which each of Peter Rigg, Jill Collighan, Simon Duckworth, Paul Guilbert, Marc Young, Ian Smith, MXC Holdings and Nigel Wray will agree with Zeus Capital, conditional upon Admission, not to dispose of any New MXC Shares held by them for the remainder of the original 12 months lock-in period except in certain limited circumstances permitted by the AIM Rules. The deeds will also contain certain orderly market provisions which apply for a further 12 month period after the expiry of the lock-in period.

12. **Related Party Transactions**

Save as disclosed in the Admission Document and the announcement dated 30 October 2014, Old MXC has not entered into any related party transactions in the 12 month period preceding the date of this document.

Save as set out in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

- 12.1 received, directly or indirectly, from New MXC within the 12 months preceding the date of this document; or
- 12.2 entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from New MXC on or after Admission any of the following:
 - (A) fees totaling £10,000 or more;
 - (B) securities of New MXC where these have a value of £10,000 or more; or
 - (C) any other benefit with the value of £10,000 or more at the date of this document.

13. Litigation

No member of the MXC Group is involved nor has it been involved in any governmental, legal or arbitration proceedings in the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the MXC Group's financial position or profitability and, so far as the New MXC Directors are aware, there are no such proceedings pending or threatened against any member of the MXC Group.

14. Significant Change

14.1 *Old MXC*

Save as disclosed in paragraph 4 of Part I of this document, there has been no material change in the trading or financial position of Old MXC since 31 March 2014, being the date to which historic financial information was included in the Admission Document.

14.2 *New MXC*

There has been no significant change in the financial or trading position of New MXC since 19 August 2014, being the date of its incorporation.

15. Working Capital

The New MXC Directors have no reason to believe that the working capital available to the MXC Group will be insufficient for its present requirements and for at least 12 months from the date of Admission.

16. Taxation

The Directors intend to conduct New MXC's affairs such that, based on current law and practice of the relevant tax authorities, New MXC will not become resident for tax purposes in any other territory other than Guernsey. It is assumed that New MXC does not become resident in a territory other than Guernsey.

16.1 *Guernsey tax*

The following summary of the anticipated tax treatment in Guernsey of New MXC and the holders of MXC Shares is based on what is understood to be Guernsey taxation law and practice in force at the date of this document and does not constitute legal or tax advice. Shareholders should consult their professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of New MXC Shares under the laws of the jurisdictions in which they may be liable to taxation. Shareholders should be aware that tax rules and practice and their interpretation may change.

New MXC

New MXC is resident for tax purposes in Guernsey and is subject to the company standard rate of income tax in Guernsey, being charged at the rate of 0%. New MXC will be taxed at the standard rate of income tax provided the income of New MXC does not include income from:

- banking business;
- domestic insurance business;
- fiduciary business;
- insurance intermediary business;
- insurance manager business;

- trading activities regulated by the Guernsey Competition and Regulatory Authority; or
- the ownership of land and buildings situate in Guernsey.

It is not intended that the income of New MXC will be derived from any of those sources.

Shareholders

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm), or who are operating in Guernsey through a permanent establishment, may incur Guernsey income tax at the applicable rate on a distribution paid to them by New MXC.

There is an obligation on New MXC, when it makes distributions, to report those events to the Director of Income Tax on a quarterly basis and to withhold and account for tax where those distributions are being made to Guernsey resident “beneficial members”. A beneficial member is for these purposes, an individual who has a beneficial interest in a share of New MXC and is either resident in Guernsey or operating in Guernsey through a permanent establishment. If there is no individual who can reasonably be identified as having a beneficial interest in a share of New MXC then the beneficial member of New MXC is deemed to be the person who holds the legal title to it. The liability to account for tax from New MXC's distributions arises where the beneficial member is resident in Guernsey for tax purposes, or where the beneficial member's nominee is a Guernsey resident for tax purposes and chooses to accept the tax liability on behalf of the beneficial member.

A distribution includes any distribution made out of the assets of a Guernsey company, including a dividend, but does not include any repayment of capital to the member.

Actual distributions paid by New MXC will be treated as being declared gross but paid net and New MXC will be required to deduct income tax at the appropriate rate from the grossed up distribution paid to the Guernsey resident beneficial member or its nominees, as indicated above. New MXC must then file a return with the Director of Income Tax within the prescribed period after the end of the relevant quarter and remit the tax deducted. The Guernsey resident recipient of the distribution, or its nominee, must disclose in its tax return a figure equal to the dividend grossed up at the appropriate rate. The duty to file quarterly returns will only arise when New MXC has paid a distribution.

New MXC will not be required to make any additional deduction or withholding in respect of Guernsey taxation from any payments made by New MXC to non-Guernsey resident individuals or companies provided that such non-Guernsey resident individuals or companies do not carry on a business in Guernsey through a permanent establishment situate in Guernsey.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of New MXC Shares.

European Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States to introduce measures that are the same as the EU Savings Directive (2003/48/EC) (the “**Directive**”) in respect of the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the Directive as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to a Undertaking for Collective Investment in Transferable Securities (“**UCITS**”), guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements and EC Directive 85/611/EEC (as requested by EC Directive 2009/65/EC) indicate that paying agents located in Guernsey are currently not required to operate the measures on payments made by New MXC. Accordingly, any payments made by New MXC to its shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the Directive in Guernsey.

On 24 March 2014 the Council of the European Union formally adopted a directive to amend the EU

Savings Directive. The amendments significantly widen the scope of the EU Savings Directive. EU Member States are required to adopt national legislation to comply with the amended EU Savings Directive by 1 January 2016. The amended EU Savings Directive is anticipated to be applicable in EU Member States from 2017. Guernsey, along with other dependent and associated territories, will consider the effect of the amendments to the EU Savings Directive in the context of existing bilateral agreements and domestic law. If changes to the implementation of the EU Savings Directive in Guernsey are brought into effect the position of New MXC and the shareholders in New MXC in relation to the EU Savings Directive may be different to that set out above.

Future Changes

New MXC and/or interests in New MXC could be subject to the Foreign Account Tax Compliance Act (“**FATCA**”). The application of FATCA to New MXC is not currently clear, and its application will be affected by the intergovernmental agreement relating to the implementation of FATCA in Guernsey, into which Guernsey and the United States have entered.

UK-Guernsey Intergovernmental Agreement

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the UK (“**UK-Guernsey IGA**”) under which certain disclosure requirements will be imposed in respect of certain investors in New MXC who are, or being entities are controlled by one or more, residents of the UK. The UK-Guernsey IGA is implemented through Guernsey’s domestic legislation, in accordance with guidance which is currently published in draft form.

US-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US (“**US-Guernsey IGA**”) regarding the implementation of FATCA, under which certain disclosure requirements will be imposed in respect of certain investors in New MXC who are, or being entities are controlled by one or more, residents or citizens of the US. The US-Guernsey IGA is implemented through Guernsey’s domestic legislation, in accordance with guidance which is currently published in draft form.

Multilateral Competent Authority Agreement for Automatic Exchange Of Taxpayer Information

On 13 February 2014, the Organization for Economic Co-operation and Development released the Common Reporting Standard (“**CRS**”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“**Multilateral Agreement**”) that activates this automatic exchange of FATCA-like information in line with the CRS. Pursuant to the Multilateral Agreement, certain disclosure requirements may be imposed in respect of certain investors in New MXC who are, or are entities that are controlled by one or more, residents of any of the signatory jurisdictions. Both Guernsey and the UK have signed up to the Multilateral Agreement, but the United States has not signed the Multilateral Agreement.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018. Guidance and domestic legislation regarding the implementation of the CRS and the Multilateral Agreement in Guernsey are yet to be published in finalised form. Accordingly, the full impact of the CRS and the Multilateral Agreement on New MXC and its reporting responsibilities pursuant to the Multilateral Agreement as it will be implemented in Guernsey is currently uncertain.

Request for Information

New MXC reserves the right to request from any shareholder or potential shareholder such information as New MXC deems necessary to comply with FATCA or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA and the UK-Guernsey IGA, relating to automatic exchange of information with any relevant competent authority.

17. UK taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current legislation and on what is understood to be current HM Revenue and Customs

practice as at the date of this document, having regard to changes expected to be enacted in the Finance Act 2014. They summarise certain limited aspects of the UK taxation consequences of the Scheme and the holding and disposing of New MXC Shares. Unless otherwise expressly stated, they apply only to Old MXC Ordinary Shareholders (or New MXC Shareholders) who are resident or ordinarily resident in the United Kingdom for taxation purposes, who hold their Old MXC Ordinary Shares (and who will hold their New MXC Shares) as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of those shares and who have not (and are not deemed to have) acquired those shares by virtue of an office or employment (whether current, historic or prospective). In addition, these comments may not apply to certain classes of Old MXC Ordinary Shareholder or New MXC Shareholder such as collective investment schemes and insurance companies. If you are in any doubt about your tax position in relation to the Proposals or the holding of New MXC Shares, you should consult your own professional adviser without delay.

The following paragraphs have been prepared on the basis that New MXC will be resident in Guernsey, and not resident in the United Kingdom, for tax purposes.

UK taxation consequences of the Scheme

17.1 UK taxation of chargeable gains

Liability to UK taxation of chargeable gains will depend on the individual circumstances of Old MXC Ordinary Shareholders.

Acquisition of New MXC Shares

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

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

Transactions in Securities

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

Disposal of New MXC Shares

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

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

A subsequent disposal of New MXC Shares by a New MXC Shareholder who is an individual not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New MXC Shares for the purposes

of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains. An individual New MXC Shareholder who ceases to be resident (for tax purposes) in the UK, or falls to be regarded as resident in a territory outside the UK for the purposes of double taxation relief arrangements for a temporary period and who disposes of the shares during that period may be liable on that shareholder's return to the UK to tax on any chargeable gains realised on the disposal (subject to any available exemption or relief).

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

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

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

17.2 ***Tax on dividends on New MXC Shares***

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

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

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

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

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

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

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

17.3 ***Inheritance tax***

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

The UK inheritance tax position of an Old MXC Ordinary Shareholder receiving New MXC Shares under the Scheme should not be affected by the Scheme. The availability of BPR for New MXC Shareholders should follow the Old MXC Ordinary Shareholder's current position for Old MXC Ordinary Shares.

17.4 Stamp duty and stamp duty reserve tax (“SDRT”)

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

Paragraph 17 of this Part III is not intended to be, and should not be construed to be, legal or taxation advice to any particular Old MXC Ordinary Shareholder. Any Old MXC Ordinary Shareholder who has any doubt about his own taxation position, or who is subject to taxation in any jurisdiction other than the UK, should consult his professional taxation advisor immediately.

18. Consents

Zeus Capital has given and not withdrawn its consent to the issue of this document and the references to its name in the form and context in which they appear.

19. General

- 19.1 It is intended that the financial year end of New MXC will be 31 August in each year. The New MXC Directors may decide to change the financial year end at any time.
- 19.2 The New MXC Directors are not aware of any exceptional factors which have influenced the activities of the MXC Group.
- 19.3 The MXC Group has not made any investments since 30 October 2014 up to the date of this document nor are there any investments by the MXC Group in progress or anticipated which are significant.
- 19.4 The New MXC Directors are not aware of any environmental issues or risks affecting the MXC Group or its operations.
- 19.5 From Admission, the information required to be made publicly available by New MXC pursuant to Rule 26 of the AIM Rules will be made available on New MXC’s website at www.mxccapital.com.
- 19.6 There are no patents or intellectual property rights, licences or industrial, commercial or financial contracts which are of material importance to New MXC's business or profitability.

20. Availability of this document

Copies of this document will be available on Old MXC’s website at www.mxccapital.com, and free of charge from New MXC’s registered office and at the offices of (Saturdays, Sundays and public holidays excepted) and shall be available on New MXC’s website at www.mxccapital.com for at least one month after Admission.

(Date: 30 January 2015)