

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

The Company and the Directors of MXC Capital Limited, whose names appear on page 4 of this document, accept responsibility for the information contained in this document, save that Marc Young, who has not participated in the Board's consideration of the proposals described in this document, takes no responsibility for the recommendation by the Non-Concert Party Directors on page 14 of this document relating to the proposals described in this document, including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. For the purposes of Rule 19.2 of the Takeover Code only, each Member of the Concert Party, including each director of MXC Holdings Limited accepts responsibility for the information contained in this document relating to such member of the Concert Party. To the best of the knowledge and belief of each member of the Concert Party (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which he, she or it (as applicable) is responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or transferred all of your registered holding of Ordinary Shares in the Company, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

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## **MXC Capital Limited**

*(Incorporated in Guernsey with registered number 58895)*

**Proposed Acquisition of MXC Holdings Limited and issue of 1,649,089,816 Ordinary Shares  
as consideration**

**Waiver of Rule 9 of the City Code**

**Conversion of 1,049,089,816 Ordinary Shares to new B Shares**

**and**

**Notice of Extraordinary General Meeting**

**Nominated Adviser  
Zeus Capital Limited**

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**This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of MXC Capital Limited which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to in this document.**

A notice of an Extraordinary General Meeting of the Company to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW on 9 September 2015 at 10.15 a.m. is set out on pages 27 to 31 of this document and the recommendations of the Non-Concert Party Directors are set out on page 14.

A Form of Proxy for use at the Extraordinary General Meeting is enclosed. To be valid, any instrument appointing a proxy must be received by Computershare Investor Services Plc, the Pavilions, Bridgewater Road, Bristol BS99 6ZY as soon as possible but in any event so as to arrive no later than 7 September 2015 at 10.15 a.m. Your attention is drawn to the section headed "Extraordinary General Meeting, Resolutions, and action to be taken" on pages 13 and 14 of this document.

Zeus Capital Limited (“Zeus Capital”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to MXC Capital Limited and is acting for no-one else in connection with the proposals described in the Circular and will not be responsible to anyone other than MXC Capital Limited for providing the protections afforded to clients of Zeus Capital nor for providing advice in connection with the proposals described in the Circular or any other matter referred to herein. Zeus Capital has not authorised the contents of or any part of, this document and no liability whatsoever is accepted by Zeus Capital for the accuracy of any information or opinions contained in this document or for the omission of any information.

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company or Zeus Capital that would permit a public offer of shares in the Company or possession of this document where action for that purpose is required. Persons outside the UK who come into possession of this document should inform themselves about the restrictions relating to the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdictions.

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

**THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE.**

#### **Forward-looking statements**

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the Company’s and the Directors’ intentions, beliefs or current expectations, such as those regarding business strategy, plans and objectives.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements.

In light of these factors and the uncertainties and assumptions inherent in forward-looking statements contained in this document, such statements may and often do differ materially from actual results and the events described in them may not occur. Any forward-looking statements in this document reflect (as applicable) the Directors’ and/or the Company’s view with respect to future events as at the date of this document and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to operations and strategy. Save as required by law, none of the Directors or the Company has any obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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## PART 1

### DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Peter Martin Rigg ( <i>Non-Executive Chairman</i> ) Marc Young ( <i>Chief Executive Officer</i> ) Paul Graham Guilbert ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	C.L. Secretaries Limited
<b>Company website</b>	www.mxccapital.com
<b>Registered Office</b>	1st & 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW
<b>Nominated Adviser</b>	Zeus Capital Limited 23 Berkeley Square London W1J 6HE  and  82 King Street Manchester M2 4WQ
<b>Legal advisers as to UK law</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL
<b>Legal advisers as to Guernsey law</b>	Carey Olsen PO BOX 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
<b>Registrars</b>	Computershare Investor Services (Guernsey) Limited 1st Floor, Tudor House Le Bordage St Peter Port Guernsey GY1 1DB

## **PART 2**

### **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Despatch of this document	25 August 2015
Latest time and date for receipt of Forms of Proxy	10.15 a.m. on 7 September 2015
Time and date of Extraordinary General Meeting	10.15 a.m. on 9 September 2015
Expected date for completion of the Acquisition	Week beginning 21 September 2015 (“T”)
Expected date of issue of the MXC Capital Consideration Shares	T+1 Business Day
Admission	T+4 Business Days

*The times and dates in the above timetable are subject to change. All times are London times. If any of the above times and dates change, the revised times and dates will be notified by announcement on a regulatory information service.*

## PART 3

### DEFINITIONS

<b>2013 EMI Scheme</b>	the MXC Group enterprise management scheme adopted in June 2013.
<b>Acquisition</b>	the proposed acquisition of MXC Holdings by MXC Guernsey pursuant to the terms of the Share Exchange Agreement.
<b>Admission</b>	the admission of the MXC Capital Consideration Shares to trading on AIM becoming effective in accordance with Rule 29 of the AIM Rules.
<b>AIM</b>	the AIM market operated by the LSE.
<b>AIM Rules</b>	the AIM rules for companies published from time to time by London Stock Exchange plc.
<b>Articles</b>	the Company's articles of incorporation, as amended from time to time.
<b>B Share Resolution</b>	resolution 2, as set out in the Notice.
<b>B Shares</b>	B shares of no par value each in the capital of the Company.
<b>Business Day</b>	a day on which the LSE and banks in England and Wales are open for business.
<b>Call Option</b>	the option over the MXC Guernsey Consideration Shares to be granted by the Selling Shareholders to the Company under the proposed Put and Call Option Agreement.
<b>City Code</b>	the City Code on Takeovers and Mergers.
<b>Company</b>	MXC Capital Limited, a non-cellular company limited by shares incorporated in Guernsey under registered number 58895.
<b>Concert Party</b>	MXC Holdings, Tony Weaver, Ian Smith, Martin Bolland, Marc Young, Matthew Darling, Inge Timperley (spouse of Matthew Darling, legal adviser to MXC Holdings), Charles Vivian, Philip Vivian, Andrew Vivian, Martin Chapman, Alex Sandberg, William Smith (Ian Smith's adult son), Jessica Smith (Ian Smith's adult daughter), Andy Ross, Jill Collighan, Justin Collighan, Beth Collighan, Harry Collighan, Steven Zhang, Charlotte Stranner, Christopher Barrett and Gavin Lyons.
<b>Conversion</b>	the proposed conversion of 1,049,089,816 Ordinary Shares legally and beneficially owned by MXC Holdings to B Shares.
<b>Conversion Resolution</b>	resolution 3, as set out in the Notice.
<b>CREST</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator.
<b>Directors or Board</b>	the directors of the Company from time to time.
<b>Extraordinary General Meeting</b>	the extraordinary general meeting of the Company to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St. Peter Port, Guernsey GY1 1EW on 9 September 2015, and any adjournment of that meeting.

<b>Form of Proxy</b>	the form of proxy enclosed with this document for use at the Extraordinary General Meeting.
<b>Independent Shareholders</b>	Shareholders who are permitted to vote on the Rule 9 Waiver Resolution pursuant to the City Code.
<b>LSE</b>	London Stock Exchange plc.
<b>MXC Capital Consideration Shares</b>	1,649,089,816 Ordinary Shares to be issued by the Company to the Selling Shareholders on exercise of the Put Option or the Call Option.
<b>MXC Group</b>	the Company and its subsidiaries.
<b>MXC Guernsey</b>	MXC Guernsey Limited, a non-cellular company limited by shares and a wholly owned subsidiary of the Company incorporated in Guernsey with registered number 59361.
<b>MXC Guernsey Consideration Shares</b>	1,649,089,816 ordinary shares of no par value in the capital of MXC Guernsey issued to the Selling Shareholders under the terms of the proposed Share Exchange Agreement.
<b>MXC Holdings</b>	MXC Holdings Limited, a company incorporated in England and Wales with registered number 07039551.
<b>MXC Holdings Directors</b>	the directors of MXC Holdings from time to time.
<b>MXC UK</b>	MXC Capital Limited (formerly MXC Capital plc) a wholly owned subsidiary of the Company incorporated in England and Wales with registered number 05010663.
<b>Non-Concert Party Directors</b>	Peter Rigg and Paul Guilbert.
<b>Notice</b>	the notice of the Extraordinary General Meeting which is set out at the end of this document.
<b>Ordinary Shares</b>	ordinary shares of no par value each in the capital of the Company.
<b>Put and Call Option Agreement</b>	the put and call option agreement to be entered into between the Company, MXC Guernsey and the Selling Shareholders relating to the proposed acquisition by the Company of the MXC Guernsey Consideration Shares.
<b>Put Option</b>	the option over the MXC Guernsey Consideration Shares to be granted by the Company to the Selling Shareholders under the proposed Put and Call Option Agreement.
<b>Registrar</b>	Computershare Investor Services PLC.
<b>Resolutions</b>	the Rule 9 Waiver Resolution, the B Share Resolution and the Conversion Resolution.
<b>Rule 9</b>	Rule 9 of the City Code.
<b>Rule 9 Waiver Resolution</b>	resolution 1, as set out in the Notice.
<b>Selling Shareholders</b>	the individual shareholders of MXC Holdings immediately prior to the completion of the Acquisition.

<b>Share Exchange Agreement</b>	the conditional share exchange agreement to be entered into between the Company, MXC Guernsey, the Selling Shareholders and MXC Holdings pursuant to which MXC Guernsey will agree to issue the MXC Guernsey Consideration Shares to the Selling Shareholders in exchange for the transfer of the entire issued share capital of MXC Holdings by the Selling Shareholders to MXC Guernsey.
<b>Shareholders</b>	holders of Shares from time to time.
<b>Shares</b>	Ordinary Shares and/or B Shares, as the context requires.
<b>Takeover Panel</b>	the Panel on Takeovers and Mergers.
<b>Uncertificated Securities Regulations</b>	The Uncertificated Securities (Guernsey) Regulations 2009, as amended.
<b>Zeus Capital</b>	Zeus Capital Limited, the Company's nominated adviser for the purposes of the AIM Rules.



## PART 4

### LETTER FROM THE CHAIRMAN

### MXC CAPITAL LIMITED

*(Incorporated in Guernsey with registered number 58895)*

*Directors*

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

*Registered Office*

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

25 August 2015

Dear Shareholder

**Proposed acquisition of MXC Holdings Limited and issue of 1,649,089,816 Ordinary Shares  
as consideration**

**Waiver of Rule 9 of the City Code**

**Conversion of 1,049,089,816 Ordinary Shares to new B Shares**

**and**

**Notice of Extraordinary General Meeting**

#### **1. Introduction**

On behalf of the Board, I am pleased to set out below certain proposals to be considered by Shareholders at an Extraordinary General Meeting of the Company to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW on 9 September 2015. Further to the announcement made by the Company on 7 May 2015, the proposals set out in this letter are all made in connection with the proposed acquisition by MXC Guernsey Limited (“**MXC Guernsey**”), a wholly owned subsidiary of the Company, of the entire issued share capital of the Company’s largest shareholder, MXC Holdings Limited, pursuant to a share exchange agreement (being the “**Acquisition**”).

As described in more detail below, if the Acquisition proceeds, certain shareholders of MXC Holdings, who will receive Ordinary Shares in the Company as consideration for the Acquisition, will be treated as acting in concert for the purposes of the City Code together with MXC Holdings, members of the Company’s advisory committee, senior employees and related persons (the “**Concert Party**”). Following completion of the Acquisition, the Concert Party’s maximum aggregate interest in shares carrying voting rights in the Company will have increased from 46.48 per cent. to 66.87 per cent. (and, excluding the B Shares which will not be voted by MXC Holdings as described below, to 55.91 per cent.). Therefore, the Independent Shareholders will be asked, by a proposed ordinary resolution, to be conducted by means of a poll vote, to waive any obligation on the Concert Party which may arise under Rule 9 of the Takeover Code as a result of the Company issuing Ordinary Shares to the Concert Party members as consideration for the Acquisition (the “**Rule 9 Waiver**”).

As described in more detail below, because of the share exchange structure of the Acquisition, the shares held by MXC Holdings in the Company will not be repurchased or cancelled as part of the Acquisition process. The Directors have therefore proposed that:

- immediately following the Acquisition, the shares held by MXC Holdings in the Company be converted into a new class of unlisted B Shares (the “**Conversion**”); and

- certain steps be taken in order to ensure that the new B Shares will not in practice dilute the voting or dividend rights attaching to the Company's Ordinary Shares.

The B Shares will have the rights set out in the appendix to the Notice set out at the end of this document. The adoption of such rights will have the effect of amending the Company's Articles. Shareholders will therefore be asked, by proposed special resolutions, to approve the Conversion, and, as required by article 7 of the Articles, the adoption of the rights to be attached to the B Shares following the Conversion.

Details of the Acquisition, the Rule 9 Waiver and the Conversion are set out below.

This letter explains why the Non-Concert Party Directors believe that the Rule 9 Waiver Resolution is in the best interests of the Independent Shareholders, and of the Company and Shareholders as a whole; and recommend that the Independent Shareholders vote in favour of the Rule 9 Waiver Resolution, as the Non-Concert Party Directors intend to do in respect of their own holdings of Ordinary Shares. It also explains why the Non-Concert Party Directors believe that the wider proposals set out in this document, including the Acquisition and the Conversion are in the best interests of the Company and Shareholders as a whole and unanimously recommends that you vote in favour of the B Share Resolution and the Conversion Resolution, as the Non-Concert Party Directors intend to do in respect of their own holdings of Ordinary Shares.

Marc Young, the Director who is a member of the Concert Party, will not vote on the Resolutions.

The Notice convening the Extraordinary General Meeting is set out in Part 6 of this document.

## 2. Proposed Acquisition

The Company will enter into a conditional share exchange agreement (the "**Share Exchange Agreement**") in respect of the Acquisition. The terms of the Acquisition value MXC Holdings (excluding its shareholding in MXC Capital) at £15 million.

Upon the Share Exchange Agreement becoming unconditional, the selling shareholders of MXC Holdings (the "**Selling Shareholders**") will transfer their shares in MXC Holdings to MXC Guernsey in exchange for the issue of 1,649,089,816 ordinary shares in the capital of MXC Guernsey (the "**MXC Guernsey Consideration Shares**").

In turn, pursuant to the terms of a put and call option agreement in respect of the MXC Guernsey Consideration Shares to be entered into between the Company, MXC Guernsey and the Selling Shareholders (the "**Put and Call Option Agreement**"), following the issue of the MXC Guernsey Consideration Shares and the exercise of the Call Option, the Company will acquire the MXC Guernsey Consideration Shares from the Selling Shareholders. The consideration payable by the Company to the Selling Shareholders for the MXC Guernsey Consideration Shares will be satisfied by the issue of 1,649,089,816 Ordinary Shares, on a one-for-one share exchange basis, representing 39.12% of the share capital of the Company following completion of the Acquisition (the "**MXC Capital Consideration Shares**").

Application will be made for the MXC Capital Consideration Shares to be admitted to trading on AIM.

Completion of the Acquisition and the issue of the MXC Capital Consideration Shares is conditional on Shareholder approval of the Resolutions to be proposed at the Extraordinary General Meeting, as further described below.

## 3. MXC Holdings

MXC Holdings is the investment vehicle established by Ian Smith and Tony Weaver in 2009 that led investments including Redstone plc, Maxima Group Holdings plc and Accumuli plc and in which Ian Smith and Tony Weaver remain the significant shareholders. As at 24 August 2015, being the latest practicable date prior to publication of this document, MXC Holdings held the following investments (excluding its investment in the Company):

## Publicly listed investments

	<i>No. of shares</i>	<i>Share price (£)</i>	<i>Option gain per share (£)</i>	<i>Market value (£'000)</i>
<b>Castleton Technology Plc</b>				
Fully paid ordinary shares		0.030		
Option shares	16,929,888		0.024	402
	<u>16,929,888</u>			<u>402</u>
<b>Redcentric Plc</b>				
Fully paid ordinary shares	5,849,108	1.683		9,841
Option shares	1,692,988		1.363	2,307
Option shares	7,000,000		0.883	6,178
	<u>14,542,096</u>			<u>18,325</u>
<b>Pinnacle Technology Group Plc</b>				
Fully paid ordinary shares	1,150,470	0.069		79
Option shares				
	<u>1,150,470</u>			<u>79</u>
Total value of public company holdings (market value)				<u>18,807</u>

## Private Company investments\*

	<i>Date</i>	<i>Euro amount invested/FX rate</i>	<i>No. of shares</i>	<i>Valuation (£'000)</i>
<b>Avar Communications</b>				
Shares	19/04/2013	150,000/1.27:1	40,000	118
Shares	09/07/2014	30,000/1.27:1	3,491	24
Shares	01/06/2015	152,417/1.41:1		108
			<u>43,491</u>	<u>250</u>
<b>Oaks Consultancy Ltd</b>				
Shares	15/12/2010		150	70
Shares converted from loan	31/10/2012		100	30
Loan	31/03/2015			22
			<u>250</u>	<u>122</u>
<b>Maytech Communications Ltd</b>				
Shares	03/06/2013		1,874	150
Loan – due 31/5/16	30/09/2014			186
			<u>1,874</u>	<u>336</u>
<b>Glantus Ltd</b>				
Loan	30/09/2015			50
			<u>–</u>	<u>50</u>
Total value of private company holdings				<u>758</u>

\*Valued at cost and assumed foreign exchange rates as disclosed.

The long term strategic objective and commercial rationale for the Acquisition is to unify the MXC Group organisation, management and investment interests into a single structure beneath an AIM quoted company, thereby aligning the interests of all of the shareholders of the Company and MXC Holdings.

Marc Young, the Chief Executive Officer of the Company, is interested in 6.4 per cent. of the issued ordinary share capital of MXC Holdings.

On completion of the proposed Acquisition, it is proposed that each of the MXC Holdings Directors shall retire from their positions as directors of MXC Holdings, and that the directors of the Company shall be appointed to and constitute the board of directors of MXC Holdings.

#### **4. Financial position of the Company following the Acquisition**

Following the Acquisition, there will be no resultant reduction in the cash reserves of the Company since consideration which the Company will pay to the Selling Shareholders upon exercise of the Call Option in connection with the Acquisition will be satisfied by the issue of the MXC Capital Consideration Shares.

#### **5. Conversion of Ordinary Shares held by MXC Holdings**

On completion of the Acquisition, the Company will, indirectly through MXC Guernsey, control the entire issued share capital of MXC Holdings, which will in turn own 24.89 per cent. of the issued share capital of the Company (the “**Subsidiary Shareholding**”).

If the Subsidiary Shareholding were to remain structured as a holding of Ordinary Shares, Shareholders’ rights in the capital of the Company would be diluted to the extent that voting and dividend rights would continue to attach to the Subsidiary Shareholding.

The Directors recognise the importance to Shareholders of not having their voting or dividend rights in the Company being effectively diluted as a result of the Subsidiary Shareholding following the Acquisition. To address this point, the Directors propose the following, subject to Shareholder approval of the B Share Resolution and the Conversion Resolution:

- the creation of a new class of redeemable shares in the capital of the Company (“**B Shares**”); and
- the conversion of the Subsidiary Shareholding into B Shares (the “**Conversion**”).

The B Shares shall have the rights set out in the appendix to the Notice. In advance of the proposed Acquisition and Conversion, MXC Holdings will deliver to the Company a deed of waiver in respect of (i) voting rights; and (ii) dividend rights, which would otherwise attach to the B Shares (the “**Waiver Letter**”).

Moreover, in order to further secure the interests of Shareholders against any potential dilutive effects of the Subsidiary Shareholding on voting rights and dividend rights, the Company and MXC Guernsey will each execute a deed of undertaking confirming that the Company and MXC Guernsey, as the parent companies of MXC Holdings Limited, will ensure that the Waiver Letter remains effective and enforceable (the “**Deed of Undertaking**”).

The combined effect of the Waiver Letter and the Deed of Undertaking will be that the sole effective right exercisable by MXC Holdings as the holder of B Shares shall be the right to require the Company to repurchase the B Shares at a future date for the lower of:

- 2.625p; or
- the middle market price per Ordinary Share quoted on AIM as at close of trading on the date immediately prior to the date of service of notice of redemption,

per B Share.

The Company shall have the right to repurchase the B Shares on the same basis. The consideration payable by the Company to MXC Holdings on redemption of the B Shares will be left outstanding as an

intercompany loan on exercise. More detailed terms of the redemption rights in respect of the B Shares are set out in the appendix to the Notice at the end of this document.

The creation of the B Share class is made necessary as a result of the share exchange structure of the Acquisition. The shares held by MXC Holdings in the Company currently stand at a chargeable gain for tax purposes. The MXC Group would prefer not to realise this chargeable gain at the present time and so the shareholding will not be disposed of until a later date. In order to provide the Company with an element of certainty on the eventual size of this latent gain, the directors have proposed that a redemption right is created in order to set a cap on the size of the chargeable gain that will eventually be realised upon redemption of the B Shares.

Shareholders should be aware that since, on redemption of the B Shares at a future date, an intercompany balance will be created by MXC Capital in favour of MXC Holdings (i.e. on an intra-group basis), such a redemption will have nil impact on the value of shares in the Company or on the net assets of the MXC Group.

Other than the Conversion, which is conditional on the completion of the Acquisition, there are no arrangements, whether formal or informal, having connection with, or dependent on, completion of the Acquisition. On the Conversion Date, assuming that the B Share Resolution and the Conversion Resolution are approved by Shareholders, the Ordinary Shares comprising the Subsidiary Shareholding will be converted into a proposed new class of B Shares on a one-for-one basis.

As required in accordance with article 7 of the Articles, a special resolution of the holders of Ordinary Shares is required in order to give effect to the Conversion. MXC Holdings has agreed to provide its written consent to the Conversion.

The Directors propose that the Company adopt the B Share Resolution as a special resolution of the Company, and distinguish the separate rights attaching to the Ordinary Shares and the newly created class of B Shares. For the avoidance of doubt, there will be no substantive change to the rights attaching to the Ordinary Shares as a result of the adoption of the B Share Resolution.

Immediately following the Acquisition, the Conversion and Admission, the Company will have 3,165,350,992 Ordinary Shares admitted to trading on AIM. The B Shares will not be admitted to trading on AIM.

The adoption of the rights to be attached to the Ordinary Shares and B Shares set out in the appendix to the Notice would have the effect of amending the Company's Articles. Under section 42 of the Companies (Guernsey) Law, 2008, as amended, a special resolution of the Shareholders is required in order to effect such changes.

## **6. Related Party Transactions**

Since MXC Holdings is a Substantial Shareholder (as defined in the AIM Rules) of the Company, the Share Exchange Agreement, the issue of the MXC Capital Consideration Shares and the Conversion are all related party transactions for the purposes of Rule 13 of the AIM Rules.

The independent directors of the Company (being for these purposes Peter Rigg and Paul Guilbert) consider, having consulted with Zeus Capital, that the terms of such proposals are fair and reasonable insofar as Shareholders are concerned.

## **7. Extraordinary General Meeting, Resolutions and actions to be taken**

You will find at the end of this document a Notice of Extraordinary General Meeting of the Company to be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW on 9 September 2015 at 10.15 a.m., at which the Resolutions will be proposed.

The Resolutions being proposed at the Extraordinary General Meeting are:

- *Waiver of Rule 9 requirements in relation to the Concert Party members.* Resolution 1, which will be proposed as an ordinary resolution and conducted on a poll of the Independent Shareholders only, will approve the Takeover Panel's conditional waiver of Rule 9 requirements in respect of the issue of MXC Capital Consideration Shares to certain members of the Concert Party in connection with the Acquisition.
- *Adoption of rights attaching to B Shares.* Resolution 2, which will be proposed as a special resolution, is to approve the rights which will attach to the Ordinary Shares and B Shares following the Conversion as set out in the appendix to the Notice.
- *Conversion of Ordinary Shares to B Shares.* Resolution 3, which will be proposed as a special resolution, is to approve the conversion of the Ordinary Shares held by MXC Holdings to B Shares, and the consequential variation of class rights pursuant to article 7 of the Articles.

Resolution 1 requires a majority of votes, on a poll of Independent Shareholders voting in person or by proxy at the Extraordinary General Meeting, to pass.

Resolutions 2 and 3 require a majority representing not less than seventy five per cent. of the votes of the Shareholders entitled to vote and voting in person or by proxy at the Extraordinary General Meeting to pass.

## **8. Recommendations**

The Non-Concert Party Directors, having been so advised by Zeus Capital pursuant to paragraph 4(a) of Appendix 1 to the City Code, consider the proposals set out in this document, including the Rule 9 Waiver Resolution, to be fair and reasonable and in the best interests of the Independent Shareholders. Accordingly, the Non-Concert Party Directors unanimously recommend that Shareholders vote in favour of each of the Resolutions, as they intend to do or procure to do in respect of their aggregate beneficial shareholdings at the Extraordinary General Meeting. This advice was provided by Zeus Capital to the Non-Concert Party Directors only, and in providing such advice, Zeus Capital has taken into account the Non-Concert Party Directors' commercial assessments.

Marc Young, the chief executive of the Company, is a member of the Concert Party, being a shareholder of MXC Holdings, and is therefore conflicted in respect of the Board's consideration of the Acquisition. Marc Young shall therefore take no part in the Board's consideration of the proposals contained in this document, including the Acquisition, the Conversion and the Resolutions.

Yours sincerely,

**Peter Rigg**  
*Chairman*



## **PART 5**

### **RULE 9 WAIVER DISCLOSURES**

#### **Background**

The Company is subject to the City Code.

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and, in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person. Accordingly, since in connection with the Acquisition the Concert Party's aggregate interest in shares carrying voting rights will increase from 46.48 per cent. to 66.87 per cent., in the absence of a waiver from the Takeover Panel as further explained below, one or more members of the Concert Party would be required to make a mandatory offer for the remainder of the issued share capital of the Company.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

#### **The Concert Party**

The Concert Party comprises of MXC Holdings, Tony Weaver, Ian Smith, Inge Timperley, Matthew Darling, Charles Vivian, Philip Vivian, Andrew Vivian, Alex Sandberg, William Smith, Jessica Smith, Andy Ross, Jill Collighan, Justin Collighan, Beth Collighan, Harry Collighan, Steven Zhang, Charlotte Stranner, Christopher Barrett, Gavin Lyons, Martin Bolland, Martin Chapman and Marc Young (the Company's Chief Executive Officer). The registered office of MXC Holdings is at 100 Fetter Lane, London EC4A 1BN. The address for each of the other members of the Concert Party is 15 Buckingham Gate, London SW1E 6LB.

MXC Holdings is the investment vehicle established by Ian Smith and Tony Weaver in 2009 that led investments including Redstone plc, Maxima Group Holdings plc and Accumuli plc and in which Ian Smith and Tony Weaver remain the significant shareholders.

Martin Bolland founded the private equity group Alchemy, serving as a Partner for 11 years. Martin is currently chairman of Capita plc, a FTSE 100 company and is also chairman of Parkdean Holidays. Martin previously held a number of senior operational roles in Lonrho and is a chartered accountant. Martin Bolland is the Chairman of MXC Holdings.

Tony Weaver has an IT and communications services background that started in the mid-1980s. Tony founded his first IT business in 1988, is a founder of a number of other successful technology companies and has a very well established background in sales and management. Tony Weaver is a founder and director of MXC Holdings.

Ian Smith has significant experience of leading and creating value in the technology industry. Ian Smith is a founder and director of MXC Holdings.

Matthew Darling is a longstanding advisor to the MXC Group and is a partner of DAC Beachcroft LLP.

Gavin Lyons is a consultant to the MXC Group.

Martin Chapman was previously head of corporate banking in London for HSBC Bank plc. Martin provides the MXC Group with a wealth of experience in debt advisory and structuring in support of working capital, leverage and acquisition finance. Martin also serves as a non-executive director of Weston Group plc, The Erith Group and Fulham Shore plc. Martin Chapman is a consultant to the MXC Group.

Alex Sandberg is a consultant to MXC Group and its investee companies. He has spent his career advising businesses on building their reputation within the capital markets as well as their value during growth by acquisition, joint venture and geographic expansion, often with a view to attracting fresh investors or an IPO. Alex founded and was executive Chairman of international business communications consultancy College Group.

Charles Vivian is a senior executive within the MXC Group.

Andy Ross is a senior executive within the MXC Group.

Charles Stranner is a senior executive within the MXC Group.

Steven Zhang is an executive within the MXC Group.

Jill Collighan is the finance director of the MXC Group (without holding formal directorships within the MXC Group).

William Smith is Ian Smith's son.

Jessica Smith is Ian Smith's daughter.

Inge Timperley is Matthew Darling's wife.

Philip Vivian is Charles Vivian's father.

Andrew Vivian is Charles Vivian's brother.

Justin Collighan is Jill Collighan's husband.

Beth Collighan is Jill Collighan's daughter.

Harry Collighan is Jill Collighan's son.

Christopher Barrett is Charlotte Stranner's husband.

Certain members of the Concert Party are shareholders of MXC Holdings Limited, being a private limited company. In the context of a share exchange arrangement, such as the Acquisition, pursuant to which shareholders in a private company transfer their shares in such private company to a company which is subject to the City Code (the "**Code Company**"), and receive as consideration shares in that Code Company, the selling shareholders of that private company are presumed to be acting in concert for the purposes of the City Code. The Takeover Panel has indicated that, on that basis, such persons should be treated as members of the Concert Party in connection with the Acquisition and the issue of MXC Capital Consideration Shares (the "**Selling Shareholders**"). The exceptions to that are Simon Duckworth and Julian Smith who, although they are Selling Shareholders, are not treated as members of the Concert Party.

The individual members of the Concert Party who are not Selling Shareholders are treated as being members of the Concert Party by virtue of either their close working relationship with the Selling Shareholders or their close family relationship to a Selling Shareholder (as described above).

MXC Holdings is a company controlled by the Selling Shareholders and is therefore treated as being a member of the Concert Party.

As at 24 August 2015, the latest practicable date prior to the publication of this document, the Concert Party in aggregate held 1,192,393,660 Ordinary Shares, representing 46.48 per cent. of the Company's issued Ordinary Shares.

Marc Young, the chief executive of the Company, is a member of the Concert Party, being a Selling Shareholder, and is therefore conflicted in respect of the Board's consideration of the Acquisition. Marc Young shall therefore take no part in the Board's consideration of the proposals contained in this document, including the Acquisition, the Conversion and the Resolutions.



Certain Concert Party Members, being MXC Holdings, Ian Smith, Marc Young and Jill Collighan, have entered into identical lock-in agreements dated 5 February 2015 with the Company and Zeus Capital (the “**Lock-in Agreements**”), pursuant to which each locked-in shareholder has agreed with Zeus Capital not to dispose of any shares in the capital of the Company held by them until 13 August 2015 except in certain limited circumstances permitted by the AIM Rules. Although this period has now expired, the Lock-in Agreements also contain certain orderly market provisions which apply for a further 12 month period after the expiry of the lock-in period. The Non-Concert Party Directors have each entered into identical agreements.

For the avoidance of doubt, neither the Lock-in Agreements nor the identical agreements executed by the Non-Concert Party Directors prevent the Directors from considering or voting on the Rule 9 Waiver Resolution, although i) as at the date of this document Peter Rigg is the only Director who is interested in shares in the capital of the Company; and ii) Marc Young is disenfranchised from considering the Rule 9 Waiver Resolution as a result of his membership of the Concert Party.

### Effect of the Acquisition

The maximum controlling position of the members of the Concert Party following the issue of the MXC Capital Consideration Shares, as well as the maximum controlling position of the Concert Party as a whole, is set out in the table below (assuming completion of the Acquisition and Conversion):

<i>Concert Party member</i>	<i>Concert Party member aggregate shareholding in the Company as at the date of this document (Ordinary Shares)</i>	<i>Percentage of issued share capital of the Company as at the date of this document</i>	<i>Number of MXC Capital Consideration Shares to be issued pursuant to the Acquisition</i>	<i>Total number of Ordinary Shares following the Acquisition</i>	<i>Percentage of total issued share capital following the Acquisition</i>	<i>Percentage of voting rights following the Acquisition and the Conversion***</i>
MXC Holdings	1,049,089,816	40.89%	0	1,049,089,816*	24.89%	0%
Tony Weaver	11,578,947	0.45%	582,518,997	594,097,944	14.1%	18.77%
Ian Smith	35,088,000	1.37%	498,667,016	533,755,016	12.66%	16.86%
Inge Timperley	0	0%	16,490,908	16,490,908	0.39%	0.52%
Matthew Darling	0	0%	0	0	0%	0%
Charles Vivian	3,000,000	0.12%	47,516,198	50,516,198	1.2%	1.6%
Philip Vivian	6,000,000	0.23%	0	6,000,000	0.14%	0.19%
Andrew Vivian	4,000,000	0.16%	0	4,000,000	0.09%	0.13%
Alex Sandberg	44,694,000	1.74%	27,950,641	72,664,641	1.72%	2.3%
William Smith	0	0%	41,925,990	41,925,990	0.99%	1.32%
Jessica Smith	0	0%	41,925,990	41,925,990	0.99%	1.32%
Andy Ross	0	0%	5,590,094	5,590,094	0.13%	0.18%
Jill Collighan	430,831	0.02%	0	10,430,831**	0.25%	0.33%
Justin Collighan	93,914	0.004%	0	93,914	0.002%	0.003%
Beth Collighan	62,438	0.002%	0	62,438	0.001%	0.002%
Harry Collighan	102,714	0.004%	0	102,714	0.002%	0.003%
Steven Zhang	0	0%	838,520	838,520	0.02%	0.03%
Charlotte Stranner	0	0%	2,795,047	2,795,047	0.07%	0.09%
Christopher Barrett	1,500,000	0.06%	0	1,500,000	0.04%	0.05%
Gavin Lyons	18,113,000	0.71%	33,540,792	51,653,792	1.23%	1.63%
Martin Bolland	18,640,000	0.73%	202,519,894	221,159,894	5.25%	6.99%
Martin Chapman	0	0%	8,245,454	8,245,454	0.2%	0.26%
Marc Young	0	0%	105,582,458	105,582,458	2.51%	3.34%
TOTAL	1,192,393,660	46.48%	1,626,107,999	2,818,521,659*	66.87%	55.91%

\* to be converted to B Shares pursuant to the Conversion

\*\* assumes the exercise in full of an option to acquire up to 10,000,000 Ordinary Shares held by Jill Collighan

\*\*\* assuming that the B Shares are not voted pursuant to the Waiver Letter and the Deed of Undertaking

No agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party or any of the Directors or recent Directors, Shareholders or recent

Shareholders, or any person interested or recently interested in Ordinary Shares, having any connection with, or dependence upon the issue of MXC Capital Consideration Shares made in connection with the Acquisition or the Rule 9 Waiver Resolution.

There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the MXC Capital Consideration Shares to be acquired by any member of the Concert Party pursuant to the proposals set out in this document (or any other Ordinary Shares) will be transferred to any other person.

As at 24 August 2015, being the latest practicable date prior to the publication of this document, no member of the Concert Party has borrowed or lent any relevant securities of the Company.

Save as disclosed on page 21 in relation to the options granted to Jill Collighan under the 2013 EMI Scheme, as at 24 August 2015, being the latest practicable date prior to the publication of this document, no member of the Concert Party has any interests, rights to subscribe or hold any short positions (including short positions under a derivative) in the relevant securities of the Company.

No member of the Concert Party has dealt in any relevant securities of the Company (or, prior to the redomicile of the MXC Group to Guernsey, MXC UK, being the previous AIM-quoted parent company of the MXC Group) during the 12 months period prior to the publication of this document, save for (i) through participation in the placing announced on 17 July 2014, (ii) the issue of shares to certain members of the Concert Party in return for services as previously announced by the Company on 31 October 2014 and 18 December 2014, (iii) through participation in the placing announced on 7 May 2015 and (iv) the following on-market purchases:

<i>Concert Party Member</i>	<i>Date of Acquisition</i>	<i>Number of Ordinary Shares</i>
Jill Collighan	30 October 2014	653,844*
Ian Smith	30 October 2014	22,088,000*
Tony Weaver	30 October 2014	1,578,947*
Jill Collighan	30 January 2015	138,979*
Justin Collighan	30 January 2015	93,914*
Beth Collighan	8 May 2015	62,438
Harry Collighan	8 May 2015	102,714
Gavin Lyons	10 June 2015	113,000
Christopher Barrett	30 June 2015	505,000
Christopher Barrett	23 July 2015	500,000

\*Shares acquired in MXC UK prior to the redomicile of the MXC Group to Guernsey.

For the purposes of this Part 5:

- references to a person having an “interest” in relevant securities includes where a person:
  - (a) owns securities;
  - (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
  - (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their deliver or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - (d) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them, and
- references to “relevant securities” means Ordinary Shares, and any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing; and references to “derivatives” include any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of deliver of such underlying securities derivatives.

As at 24 August 2015, being the latest practicable date prior to the publication of this document, the Company held no interest, right to subscribe or hold any short positions (including short positions under a derivative) in relevant securities of any member of the Concert Party.

As at 24 August 2015, being the latest practicable date prior to the publication of this document, save for the shares held by Marc Young in MXC Holdings (representing 6.4 per cent. of the issued ordinary share capital of MXC Holdings) no Director held any interest, right to subscribe or hold any short positions (including short positions under a derivative) in relevant securities of any member of the Concert Party.

As at 24 August 2015, being the latest practicable date prior to publication of this document, save for the 8,500,000 Ordinary Shares held by Peter Rigg, no Director nor any person acting in concert with the Company held any interest, right to subscribe or hold any short positions (including short positions under a derivative) in relevant securities of the Company.

As at 24 August 2015, being the latest practicable date prior to the publication of this document, neither the Company nor any person acting in concert with the Company has borrowed or lent any relevant securities of the Company or any member of the Concert Party.

Shareholders should be aware that, following the completion of the Acquisition, the members of the Concert Party will not be restricted from making an offer for the Company under the Takeover Code.

### **Takeover Panel waiver**

The Takeover Panel has granted a waiver, subject to the approval, by means of a poll vote, of the Independent Shareholders of the Company, of the obligation of any Concert Party member under Rule 9 (a summary of which is set out below at the section headed “**Rule 9 Waiver**” ) to make a mandatory offer for the Company in respect of the issue of MXC Capital Consideration Shares to such Concert Party member pursuant to the Acquisition.

The Rule 9 Waiver Resolution will not apply in respect of increases of any Concert Party member’s voting rights in the Company, other than in respect of the issue of MXC Capital Consideration Shares to such Concert Party members made pursuant to the Acquisition. Any other incremental increase in a Concert Party member’s interest in the voting rights of the Company will be subject to Rule 9.

In accordance with the requirements of the City Code, to the extent that the Concert Party members are Shareholders, they will not be voting their combined interest in 1,192,393,660 Ordinary Shares (as at 24 August 2015, the latest practicable date prior to the publication of this document), representing 46.48 per cent. of the voting share capital on the Rule 9 Waiver Resolution. The vote in respect of the Rule 9 Waiver Resolution will be held by means of a poll vote of the Independent Shareholders only.

**Shareholders should note that if the Rule 9 Waiver Resolution is approved and the Company subsequently allots MXC Capital Consideration Shares to the Concert Party members (as detailed in the section headed “Effect of the Acquisition” below), the Concert Party may hold, in aggregate, in excess of 50 per cent. of the voting shares of the Company and, for so long as its members continue to be treated as acting in concert may accordingly increase their interests in Ordinary Shares without incurring any further obligation under Rule 9 of the City Code to make a general offer for the remainder of the issued share capital of the Company, although individual members of the Concert Party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Takeover Panel consent.**

Following completion of the Acquisition, the Concert Party’s maximum aggregate interest in shares carrying voting rights in the Company will have increased from 46.48 per cent. to 66.87 per cent. (and, excluding the B Shares, which will not be voted by MXC Holdings as described above, to 55.91 per cent.).

The Concert Party members have each confirmed to the Company that he, she or it has no current intention to change the Company’s current plans with respect to:

- the continued employment of the employees and management of the Company or its subsidiaries, including any material change in conditions of employment;

- its strategic plans for the Company, or their likely repercussions on employment or the locations of the Company's places of business;
- employer contributions into the Company's pension scheme(s), the accrual of benefits for existing members, or the admission of new members;
- the redeployment of the fixed assets of the Company; or
- the Company's AIM listing (although please note that the new class of B Shares to be held by MXC Holdings following the Conversion, will be unlisted).

### **Current trading and prospects**

On 7 May 2015 the Company announced its interim results for the six months ended 28 February 2015. The Directors made the following comments at that time:

- “The Directors consider that this was an important period for MXC with the completion of the MXC Group's restructuring during the period and subsequent investment in the people and systems which form the infrastructure to deliver on the MXC Group's strategy. The Directors are of the view that the results for the six months ended 28 February are not representative of the Company going forward since they include the cost of establishing the business and a period of restricted trading during which the Company was unable to carry on meaningful business due to the process of acquiring MXC Capital Advisory LLP, the associated FCA change of control and the re-domicile of the MXC Group to Guernsey”; and
- “However, since the period end, the Company has enjoyed a very productive few months to date with a number of completed investments, disposals and advisory transactions which the Directors consider demonstrate the broader potential of the MXC Group. With the £12 million gross proceeds of the recent cash placing, the Company will have, combined with its existing cash resources, in excess of £27 million to invest in a significant pipeline of identified opportunities which the Board therefore believes positions the MXC Group strongly for the future. The Board looks forward to the future with confidence.”

### **Information incorporated by reference**

The unaudited interim financial statements for the period ended 28 February 2015 have been published on [www.mxccapital.com/investors-company-reports/](http://www.mxccapital.com/investors-company-reports/) and are incorporated into this document by reference to such website in accordance with Rule 24.15 of the City Code.

The following financial statements, published by MXC UK prior to the MXC Group's re-domicile to Guernsey which completed in February 2015, have been published on [www.mxccapital.com/investors-company-reports/](http://www.mxccapital.com/investors-company-reports/)

- audited consolidated financial statements for the year ended 31 August 2014 (the “**2014 Annual Report**”); and
- audited consolidated financial statements for the year ended 31 August 2013 (the “**2013 Annual Report**”).

The 2014 Annual Report and the 2013 Annual Report are incorporated into this document by reference to such website in accordance with Rule 24.15 of the City Code.

Please see the section “Documents available for inspection” in this Part 5 of this document for details of obtaining hard copies of documents incorporated by reference into this document.

## Significant changes

Save as follows, there has been no significant change in the financial or trading position of the MXC Group since 28 February 2015, being the date at which the Company's initial half-yearly interim results have been prepared:

- trading EBITDA has risen to £5.9m (before restructuring and re-domicile costs of approximately £250,000) generated from the period from 1 November 2014 to 30 April 2015 (following the acquisition of MXC Capital Advisory LLP); and
- approximately £12m of equity capital was raised pursuant to a placing which closed on 2 June 2015 and approximately £3m of equity capital was raised pursuant to the exercise by Zeus Capital of the option granted by the Company to it to facilitate non institutional shareholders to acquire Ordinary Shares.

## Middle market quotations

The following table shows the closing middle-market quotations of the Ordinary Shares, as derived from AIM on the following dates:

<i>Date (2015)</i>	<i>Price per Ordinary Share (pence)</i>
2 March	3.000p
1 April	2.850p
1 May	3.600p
1 June	3.550p
1 July	3.600p
1 August	2.850p
24 August (the latest practicable date prior to publication)	2.90p

The Company's issued share capital as at the date of this document is:

<i>Shares</i>	<i>Nominal Value</i>	<i>Number</i>
Ordinary Shares	Nil	2,565,350,992

The Company's issued share capital, immediately following the Acquisition, and assuming completion of the Conversion, will be:

<i>Shares</i>	<i>Nominal Value</i>	<i>Number</i>
Ordinary Shares	Nil	3,165,350,992
B Shares	Nil	1,049,089,816

## Options

On 24 July 2013 (the "**Date of Grant**"), Jill Collighan was granted an option over 10,000,000 Ordinary Shares at an exercise price of £0.01 per Ordinary Share under the rules of the 2013 EMI Scheme. This option vested immediately upon the Date of Grant but is subject to certain performance conditions, leaver provisions and sale provisions.

## Directors' appointments and remuneration

Peter Rigg and Paul Guilbert have entered into non-executive director appointment letters dated 5 February 2015 with the Company. The appointment letters have an initial term of three years and a three month notice period. The initial term for Peter Rigg is deemed to have begun on 14 November 2014 and the initial term for Paul Guilbert is deemed to have begun on 19 August 2014. The fee payable to Peter Rigg for his services as a non-executive director is £45,000 per annum under the terms of his 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 his letter of appointment.

In addition, on 12 August 2014, Marc Young entered into a service agreement with MXC Capital Limited, a UK domiciled wholly-owned subsidiary of the Company (“MXC UK”) pursuant to which his appointment as Chief Executive Officer of the MXC Group was confirmed with effect from 12 August 2014. The agreement can be terminated by either party giving to the other not less than six months’ notice in writing. For the avoidance of doubt, Marc Young’s salary is paid by MXC UK. 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 MXC UK 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 MXC UK. The service agreement contains restrictive covenants for a period of 12 months following the termination of his employment. Pursuant to the terms of an appointment letter, dated 5 February 2015, Marc Young was appointed as chief executive officer of the Company with effect from 14 November 2014. Marc Young is not separately remunerated by the Company and continues to be paid by MXC UK.

Save as set out in this Part 5 of this document, as at the date of this document there are no existing or proposed service agreements between any of the Directors and any member of the MXC Group. None of the service agreements set out in this Part 5 have been entered into or amended within the six months prior to the date of publication of this document. The Company plans to appoint an additional Director but has not yet identified a shortlist of candidates.

### **Material contracts of the MXC Group**

The following are the only contracts (not being entered into in the ordinary course of business) which have been entered into by any member of the MXC Group within the two years immediately preceding the date of publication of this document and which are, or may be, material to the MXC Group or have been entered into by any member of the MXC Group at any time and contain a provision under which any member of the MXC Group has any obligation or entitlement which is material to the MXC Group at the date of this document:

#### *Material contracts of the Company*

- (a) The Company, the Directors and Zeus Capital entered into a placing agreement dated 7 May 2015 (the “**Placing Agreement**”), pursuant to which the Company appointed Zeus Capital to act as the Company’s agent to procure subscribers for Ordinary Shares which were issued by the Company on 2 June 2015, and Zeus Capital agreed to use its reasonable endeavours to procure such subscribers. Under the terms of the Placing Agreement, the Company agreed to pay Zeus Capital a commission. The Placing Agreement contains warranties from the Company in favour of Zeus Capital in relation to, *inter alia*, the accuracy of the information contained in the Placing Agreement, and matters relating to the MXC Group and its business. In addition, the Company has agreed to indemnify Zeus Capital in relation to certain liabilities it may incur in respect of the Placing. The liability of the Company and the Directors is limited. The Placing Agreement is governed by English law.
- (b) The Company entered into a nominated adviser and broker agreement with Zeus Capital pursuant to which the Company has appointed Zeus Capital to act as the Company’s nominated adviser and broker for the purposes of the AIM Rules (the “**Nomad Agreement**”). Under the terms of the Nomad Agreement, the Company has agreed to pay Zeus Capital an annual retainer of £30,000 plus VAT commencing on the date of the Nomad Agreement (such fee being payable quarterly in advance) together with reasonable out-of-pocket expenses which are incurred in respect of such services. The Nomad Agreement sets out the ongoing responsibilities of both parties and contains various undertakings, indemnities and warranties to be given by the Company to Zeus Capital. The Nomad Agreement is subject to termination by either party giving not less than three months’ prior notice. The Nomad Agreement is governed by English law.



- (c) The Company, MXC Holdings and Zeus Capital entered into a relationship agreement, dated 25 July 2014, pursuant to which MXC Holdings undertook, *inter alia*, that it will not use the voting rights attached to its holding of Ordinary Shares to take control of the board of directors of the Company or procure its de-listing from AIM (the “**Relationship Agreement**”). The Relationship Agreement will remain in place whilst MXC Holdings is interested shares in the capital of the Company representing 30 per cent. or more of the issued share capital of the Company, subject to earlier termination. The agreement is governed by English law.
- (d) The Company entered into lock-in agreements with Zeus Capital and each of Peter Rigg, Paul Guilbert, Jill Collighan, Simon Duckworth, Marc Young, Ian Smith, MXC Holdings and Nigel Wray dated 5 February 2015 (the “**Lock-in Agreements**”) pursuant to which each of Peter Rigg, Paul Guilbert, Jill Collighan, Simon Duckworth, Marc Young, Ian Smith, MXC Holdings and Nigel Wray have agreed with Zeus Capital not to dispose of any shares in the capital of the Company held by them until 13 August 2015 except in certain limited circumstances permitted by the AIM Rules. The Lock-in Agreement also contains certain orderly market provisions which apply for a further 12 month period after the expiry of the lock-in period. The Lock-in Agreements are governed by English law.

#### *Material contracts of MXC UK*

MXC UK, the then-directors of MXC UK, the then-proposed directors of MXC UK and Zeus Capital entered into a placing agreement dated 25 July 2014 (the “**2014 Placing Agreement**”). Under the terms of the 2014 Placing Agreement, the Company appointed Zeus Capital as its agent to procure subscribers for shares in the capital of MXC UK and Zeus Capital agreed to use its reasonable endeavours to procure such subscribers. MXC UK paid to Zeus Capital a corporate finance fee of £150,000 (plus VAT). The 2014 Placing Agreement contains certain warranties given by the Company, the then-directors of MXC UK and the then-proposed directors of MXC UK in favour of Zeus Capital (including warranties relating to the accuracy of the information in certain documents and MXC UK’s incorporation and capacity). The liability of MXC UK, the then-directors of MXC UK and the then-proposed directors of MXC UK is limited. The 2014 Placing Agreement also contains an indemnity given by MXC UK in favour of Zeus Capital. The 2014 Placing Agreement is governed by English law.

A sale and purchase agreement dated 25 July 2014, between MXC Holdings and MXC UK, pursuant to which MXC Holdings agreed to resign as, and the Company agreed to become, a member of MXC Capital Advisory LLP for a consideration payable to MXC Holdings of £6,000,000 to be satisfied by the allotment and issue of 600,000,000 ordinary shares in the capital of MXC UK at a price of 1 penny per share. The agreement contains warranties given by MXC Holdings to MXC UK, a tax indemnity in favour of MXC UK and confidentiality provisions. The agreement is governed by English law.

On 25 July 2014, MXC UK, MXC Holdings and Zeus Capital entered into a relationship agreement pursuant to which MXC Holdings undertook, *inter alia*, that it would not use the voting rights attached to its holdings of ordinary shares in the capital of MXC UK to take control of the MXC UK board of directors or procure a de-listing from AIM of MXC UK. This agreement was superceded by the Relationship Agreement described above.

MXC UK, Zeus Capital and each of Peter Rigg, Paul Guilbert, Jill Collighan, Simon Duckworth, Marc Young, Ian Smith, Nigel Wray and MXC Holdings entered into lock-in agreements dated 25 July 2014, pursuant to which each of Peter Rigg, Jill Collighan, Simon Duckworth, Marc Young, Ian Smith, Nigel Wray and MXC Holdings agreed with Zeus Capital not to dispose of any shares in the capital of MXC UK held by them until 13 August 2015 except in certain limited circumstances permitted by the AIM Rules. These lock-in agreements also contained certain orderly market provisions which apply for a further 12 month period after the expiry of the lock-in period. These agreements were superceded by the Lock-in Agreements. These agreements were governed by English law.

On 25 July 2014, the Company and MXC Holdings entered into a shared services agreement pursuant to which MXC Holdings has agreed to provide MXC UK with general office and secretarial support services. In addition, MXC UK and MXC Holdings have agreed to share occupation of the premises at first, second and third floors, 15 Buckingham Gate, London SW1E 6LB. The agreement commenced 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. MXC UK 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 MXC UK 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. The agreement is governed by English law.

On 25 July 2014, MXC UK and MXC Holdings entered into a consultancy, referral and licence agreement pursuant to which MXC Holdings has agreed to provide MXC UK 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 MXC Holdings; 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 MXC UK, unless the board of directors of MXC UK has formally resolved not to pursue the same. MXC UK 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 MXC UK 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 commenced 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 MXC UK. The agreement is governed by English law.

On 15 July 2014, the Company and the Registrar entered into an agreement pursuant to which the Registrar 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 Registrar in favour of MXC UK. The Registrar's 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. The agreement is governed by English law.

An engagement letter dated 15 July 2014 between Zeus Capital and MXC UK 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 LLP, the placing of shares in the capital of MXC UK and admission of MXC UK to AIM (together the "**Transaction**"). MXC UK agreed to pay Zeus Capital a corporate finance fee of £150,000 (plus VAT). MXC UK 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. The agreement is governed by English law.

A lock-in deed dated 16 April 2014 between MXC UK, Panmure Gordon (UK) Limited ("**Panmure**") and Eagle Eye Solutions Group plc ("**Eagle Eye**") whereby MXC UK 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 MXC UK. The agreement is governed by English law.

On 21 March 2014, MXC UK 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”). The total consideration payable by Eagle Eye to MXC UK 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 MXC UK at the placing price, credited as fully paid. MXC UK warranted certain information about the business and assets of 2ergo Limited to Eagle Eye. MXC UK’s liability in respect of any claims arising under the warranties is limited. MXC UK agreed to indemnify Eagle Eye against various issues including all losses suffered by Eagle Eye in relation to the hive out (detailed in paragraph 37.11 below) and the disposal of the various foreign subsidiaries and also agreed to various restrictive covenants. The agreement is governed by English law.

On 21 March 2014, MXC UK 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 MXC UK 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 MXC UK. In addition, it was a completion deliverable of the Hive Out Agreement that MXC UK would deliver a duly executed IP assignment under which the “Assigned Rights” (as defined in the IP assignment) would be assigned to the Company. MXC UK 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. The agreement is governed by English law.

Pursuant to the Hive Out Agreement, MXC UK 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”). MXC UK 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. The agreement is governed by English law.

On 17 June 2013, MXC UK and MXC Capital Advisory LLP 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 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, which is governed by English law, 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.

## **Consent**

Zeus Capital has given and has not withdrawn its written consent to the inclusion in this document of its letter and name in the form and context in which it is included and the substance of the advice given to the Non-Concert Party Directors set out on page 14 of this document.

**Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL for the period of 14 days following the date of this document:

- the memorandum and articles of incorporation of the Company;
- the interim financial statements of the Company for the 6 month period ended 28 February 2015;
- the audited consolidated financial statements of MXC UK for the years ended 31 August 2014 and 31 August 2013; and
- written consent from Zeus Capital.

These documents, along with this document, will also be available at the Company's website, [www.mxccapital.com/investors](http://www.mxccapital.com/investors), from the date of this document. Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company by telephone on 0207 965 8149 (calls to this number are charged at standard call rates). Lines are open 9.00 a.m. to 6.00 p.m. Requests can also be made by writing to MXC Capital Limited, 15 Buckingham Gate, London SW1E 6LB. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two Business Days following such request.

## PART 6

### NOTICE OF EXTRAORDINARY GENERAL MEETING

#### **MXC Capital Limited**

*(Incorporated in Guernsey with registered number 58895)*  
(the “Company”)

**NOTICE IS HEREBY GIVEN** pursuant to sections 207 and 210 of The Companies (Guernsey) Law, 2008 (as amended) (the “**Companies Law**”) and the Articles of **MXC CAPITAL LIMITED** (the “**Company**”) that an Extraordinary General Meeting of the Company will be held on 9 September 2015 at 10.15 a.m. at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW, for the purpose of transacting the following business by considering the following resolutions. Resolution 1 will be proposed as an ordinary resolution and Resolutions 2 and 3 will be proposed as special resolutions. Capitalised terms not otherwise defined in this notice shall have the same meaning as in the company circular dated 25 August 2015, of which this notice forms part (the “**Circular**”).

#### **ORDINARY RESOLUTION**

1. That the waiver granted by the Takeover Panel, in relation to the obligations which would otherwise arise under Rule 9 for the members of the Concert Party to make a mandatory general offer to Shareholders under Rule 9, as a result of the issue by the Company of the MXC Capital Consideration Shares to the respective Concert Party members, be and is hereby approved.

#### **SPECIAL RESOLUTIONS**

2. That, conditional on completion of the Acquisition, the rights attaching to the Ordinary Shares and B Shares in the capital of the Company, as set out in the appendix to this Notice be and are hereby adopted as if the same constituted part of the Company’s articles of incorporation with effect from the date hereof.
3. That, conditional on completion of the Acquisition, the variation of class rights pursuant to the conversion of the entire shareholding of Ordinary Shares in the capital of the Company held by MXC Holdings Limited to B Shares in the capital of the Company on a one-for-one basis, and having the rights set out in the articles of incorporation of the Company to be adopted pursuant to Resolution 2 above, be and is hereby approved in accordance with article 7 of the articles of incorporation of the Company.

By Order of the Board

**C.L. Secretaries Limited**  
*Company Secretary*

Dated: 25 August 2015

*Registered Office:*  
1st and 2nd floors  
Elizabeth House  
Les Ruettes Brayes  
St. Peter Port  
Guernsey  
GY1 1EW

## **Notes:**

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

1. The Company specifies that only those members registered on the Company's register of members at 6.00 p.m. on 7 September 2015 or if this Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.
2. Pursuant to the City Code, Resolution 1 shall be taken on a poll. MXC Holdings, Tony Weaver, Ian Smith, Martin Bolland, Charles Vivian, Philip Vivian, Andrew Vivian, Alex Sandberg, Gavin Lyons, Jill Collighan, Justin Collighan, Beth Collighan, Harry Collighan and Christopher Barrett, who are all members of the Concert Party, will not be permitted to vote on Resolution 1.

### **Appointment of proxies**

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

### **Appointment of proxy using hard copy form of proxy**

6. The notes to the form of proxy explain how to direct your proxy how to vote on the resolution or withhold their vote.
7. To appoint a proxy using the form of proxy, the form must be:
  - 7.1 completed and signed;
  - 7.2 sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
  - 7.3 received by Computershare Investor Services PLC no later than 10.15 a.m. on 7 September 2015.
8. In the case of a member which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy,
10. Please note that communications regarding the matters set out in this Notice of General Meeting will not be accepted in electronic form, other than as specified in the enclosed form of proxy.

### **Appointment of proxy by joint members**

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

### **Changing proxy instructions**

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above.
13. Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
14. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy appointments**

15. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
16. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
17. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

18. The revocation notice must be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.15 a.m. on 7 September 2015 or by the Company (at its Registered Office) no later than the commencement of the meeting or adjourned meeting.
19. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
20. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated,
21. You may not use any electronic address provided either in this form of proxy or in any related documents (including the Notice) to communicate with the Company for any purposes other than those expressly stated.

#### **Appointment of a proxy through CREST**

22. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be viewed electronically at [www.euroclear.com/CREST](http://www.euroclear.com/CREST).
23. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
24. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message (a 'CREST Proxy Voting Instruction') must be properly authenticated with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. This message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST Participant ID 3RA50) by 10.15 a.m. on 7 September 2015. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.
25. CREST members and, where applicable, their CREST sponsor or voting service provider, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Voting Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, CREST members and, where applicable, their CREST sponsor or voting service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
26. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations. In any case a proxy form must be received by the Company's Registrars no later than 10.15 a.m. on 7 September 2015.

#### **Online voting**

27. To cast your vote online please go to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please refer to the proxy form received by you for your Control Number and personal PIN.

## APPENDIX

### ORDINARY SHARES AND B SHARES

#### 1. Shares

- 1.1 The share capital of the Company shall be divided into Ordinary Shares and B Shares.
- 1.2 The Ordinary Shares and the B Shares shall have the rights attaching to them as set out in this Appendix.
- 1.3 The Company's Articles of Incorporation shall be amended and supplemented by the terms of this Appendix.

#### 2. Share Rights

The rights attaching to the respective classes of Shares shall be as follows:

#### 3. Distributions of capital and income

Subject to the provisions of the Law, any profits which the Company may determine to distribute by way of Dividend, as defined in the Law, in respect of any financial year, or other Distribution, as defined in the Law, shall be applied amongst the holders of Ordinary Shares and B Shares (*pari passu* as if the same constituted one class of share) in such amounts and on such terms as are determined by the Directors.

#### 4. Voting

Each Ordinary Share and B Share shall confer upon its holder one vote on resolutions of Members of the Company.

#### 5. B Share Redemption

- 5.1 Subject to the provisions of the Law, the B Shareholders (or any number of them) shall have the right to require the Company repurchase and the Company shall have the right to require the B Shareholders (or any of them) to sell, any amount of B Shares to the Company, on the terms set out in this Appendix, at the following price:
  - (a) 2.625p; or
  - (b) the middle market price per Ordinary Share quoted on AIM as at close of trading on the date immediately prior to the date of service of notice of redemption,per B Share.
- 5.2 A B Shareholder, or the Company if applicable, may only exercise an Option under paragraph 5.1 by serving a B Share Redemption Notice which (once served) shall be unconditional and irrevocable.
- 5.3 An Option may only be exercised in respect of all (but not some only) of the B Shares to which it relates.
- 5.4 Exercise of an Option shall oblige the Company to buy, and the relevant B Shareholder(s) to sell, the B Shares to which the Option relates.
- 5.5 The B Shares sold pursuant to the exercise of an Option shall be sold free from all Encumbrances and together with all rights attached thereto at the date of service of the relevant Exercise Notice.
- 5.6 On Completion of the sale and purchase of the B Shares following the exercise of an Option, the relevant B Shareholder(s) shall procure the delivery to the Company of:
  - (a) a duly executed stock transfer form in respect of the relevant B Shares in favour of the Company; and
  - (b) such other documents as may be necessary to enable the Company to obtain good title to the relevant B Shares.

- 5.7 The Consideration payable by the Company to the relevant B Shareholder on the exercise of an Option under paragraph 5.1 shall remain outstanding and constitute an interest free unsecured debt of the Company payable upon the written demand of the relevant B Shareholder(s).
- 5.8 All rights attached to the B Shares shall accrue to the Company from and including the date on which a B Share Redemption Notice is served in respect of an Option and following that time the relevant B Shareholder shall exercise all rights attaching to the B Shares at the direction of the Company.
- 5.9 If any B Shareholder fails to transfer or procure the transfer of the B Shares in accordance with paragraph 5.6 following the service of a B Share Redemption Notice in relation to an Option, that B Shareholder shall be deemed to have appointed any one of the directors of the Company as its attorney to execute a transfer of the B Shares to the Company. After the relevant B Shareholder's name has been removed from the Company's register of members, the validity of the proceedings shall not be questioned by any person.
- 5.10 Until such time as a B Share Redemption Notice is validly served in respect of B Shares a B Shareholder shall be entitled to exercise all rights attached to his or her B Shares and shall be entitled to receive and retain all distributions in respect of those shares.

## **Definitions**

<b>B Share Redemption Notice</b>	a Call Exercise Notice or a Put Exercise Notice as applicable.
<b>B Shareholder</b>	a holder of B Shares.
<b>B Shares</b>	B shares of no par value in the capital of the Company having the rights set out in this Appendix.
<b>Call Exercise Notice</b>	a notice in writing delivered by the Company to the B Shareholders (or any of them), requiring the recipients to sell such number of B Shares as are specified in such notice to the Company in accordance with the terms of paragraph 5.1.
<b>Call Option</b>	an option exercisable by the Company in accordance with paragraph 5.1 requiring the B Shareholders (or any of them) to sell B Shares to the Company in accordance with the terms of this Appendix.
<b>Company</b>	MXC Capital Limited, incorporated in Guernsey under registered number 58895.
<b>Group Company</b>	the Company or any of its subsidiaries from time to time.
<b>Law</b>	the Companies (Guernsey) Law, 2008 (as amended).
<b>Options</b>	either or both a Call Option and/or a Put Option (as the context may require) and "Option" shall be construed accordingly.
<b>Ordinary Shareholder</b>	a holder of Ordinary Shares.
<b>Ordinary Shares</b>	Ordinary shares of no par value in the capital of the Company having the rights set out in this Appendix.
<b>Put Exercise Notice</b>	a notice in writing delivered by the B Shareholders (or any of them) to the Company, requiring the Company to purchase such number of B Shares as are specified in such notice from the relevant B Shareholder(s) in accordance with the terms of this Appendix.
<b>Put Option</b>	an option exercisable by a B Shareholder in accordance with this Appendix requiring the Company to buy B Shares from the Selling Shareholder in accordance with the terms of this Appendix.

