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

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Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. No application has been made or is currently intended to be made for the Placing Shares to be admitted to trading or dealt in on any other exchange. It is expected that, subject to, inter alia, the passing of the Resolutions at the General Meeting, admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares, on or around 1 December 2015.

XEROS TECHNOLOGY GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with number 08684474)

Notice of General Meeting

relating to the proposed

Placing of 17,777,778 new Ordinary Shares at 225 pence per share

by

Jefferies

as nominated adviser and broker

The attention of existing shareholders is drawn to the letter from the Chairman of the Company which is set out in this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Jefferies International Limited (“**Jefferies**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker exclusively for the Company and no one else in relation to the Placing. Jefferies is not acting for, and will not be responsible to, any person other than the Company and no one else for providing the protections afforded to clients of Jefferies or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. The responsibility of Jefferies as nominated adviser under the AIM Rules is owed solely to the London Stock Exchange and not to the Company or its Directors or any other person. Jefferies has not authorised the contents of this document and no liability is accepted by Jefferies for the accuracy of any information or opinions contained in or for the omission of any information from this document, for which the Company and the Directors are solely responsible.

Notice of a general meeting of the Company to be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH at 10.00 a.m. on 30 November 2015 is set out at the end of this document. Shareholders will find the Form of Proxy for use at the General Meeting accompanying this document. The Form of Proxy should be completed and returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 26 November 2015 (or, in the case of an adjournment of the general meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Placing and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, or Jefferies or their respective directors.

The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this document.

The Placing Shares will, upon Admission, rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares are not being made available to the public in conjunction with the Placing and the information concerning the proposed Placing set out in this document is being provided to existing Shareholders for information purposes only.

The distribution of this document and the offer of the Placing Shares in certain jurisdictions may be restricted by law. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside of the UK into whose possession this document comes should inform themselves about and observe any such restrictions.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the Placing or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

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DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors: John Andrew Walter Samuel (*Non-Executive Chairman*)
Mark James Nichols (*Chief Executive Officer*)
Stephen Derek Jenkins (*Chief Scientific Officer*)
David Christopher Hanson (*Chief Financial Officer*)
Maciek Drozd (*Non-Executive Director*)
Julian George Viggars (*Non-Executive Director*)
Simon Richard Ellis (*Non-Executive Director*)

All of whose business address is The Company's registered office

Company Secretary: David Christopher Hanson

Registered Office: Xeros Technology Group plc
Unit 2, Evolution
Advanced Manufacturing Park
Whittle Way
Catcliffe
Rotherham
South Yorkshire
S60 5BL

Nominated Adviser and Broker: Jefferies International Limited
Vintners Place
68 Upper Thames Street
London
EC4V 3BJ

Solicitors to the Company: Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH

Solicitors to Jefferies: Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

Auditors: KPMG LLP
1 Sovereign Square Sovereign Street
Leeds
LS1 4DA

Registrars: Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
B63 3DA

PLACING STATISTICS

Number of Ordinary Shares in issue at the date of this document	65,626,212
Placing Price	225p
Placing Price discount to the closing middle market price on 11 November 2015	1.1 per cent.
Total number of Placing Shares being issued pursuant to the Placing	17,777,778
Number of Ordinary Shares in issue immediately following Admission	83,403,990
Gross proceeds of the Placing	£40,000,000.50
Placing Shares as a percentage of the Enlarged Share Capital	21.3 per cent.
Estimated net proceeds of the Placing to be received by the Company	£38,431,041.30

EXPECTED TIMETABLE OF KEY EVENTS

This document and the Form of Proxy posted to Shareholders	12 November 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 26 November 2015
General Meeting	30 November 2015
Admission and dealings to commence in the Placing Shares	1 December 2015
Placing Shares in uncertificated form to be credited to CREST accounts (CREST shareholders only)	by 1 December 2015
Definitive certificates for Placing Shares in certificated form to be dispatched (non-CREST shareholders only)	by 15 December 2015

Each of the times and dates in the above timetable is a reference to the time in London and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement by the Company on a regulatory information service.

LETTER FROM THE CHAIRMAN OF XEROS TECHNOLOGY GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with number 08684474)

Directors:

John Samuel
Mark Nichols
Steve Jenkins
Chris Hanson
Maciek Drozdz
Julian Viggars
Richard Ellis

12 November 2015

Registered Office:

Xeros Technology Group plc
Unit 2, Evolution
Advanced Manufacturing Park
Whittle Way
Catcliffe
Rotherham
South Yorkshire

Dear Shareholder,

PROPOSED PLACING OF 17,777,778 NEW ORDINARY SHARES AT 225 PENCE EACH

1. INTRODUCTION

Your Board today announced that the Company intends to raise approximately £40 million before fees and expenses by a Placing of 17,777,778 new Ordinary Shares with existing and new institutional investors at a Placing Price of 225 pence per Placing Share.

For the Placing of 17,777,778 new Ordinary Shares to proceed, the Company requires Shareholders' approval to authorise the Directors to allot the Placing Shares and to disapply pre-emption rights in relation to the issue of the Placing Shares on a non-pre-emptive basis. The purpose of this circular is to give you notice of the General Meeting to consider and, if thought fit, approve the Resolutions to grant these authorities. The General Meeting is to be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH at 10.00 a.m. on 30 November 2015. The formal notice of General Meeting is set out at the end of this document.

The Board believes that raising equity finance using the flexibility provided by a non-pre-emptive placing is the most appropriate and optimal structure for the Company at this time. This allows both existing institutional holders and new institutional investors the opportunity to participate in the Placing and avoids the requirement for a prospectus, which is a costly and time consuming process.

The net proceeds of the Placing are intended to be used for the acceleration of the Company's roll-out strategy in the Commercial Laundry business in the Americas and Europe; to continue the development of technologies for the domestic laundry and leather processing markets; to increase the scope and scale of XSG's polymer science and engineering platforms in order to capitalise on additional opportunities to apply its polymer bead innovations; and, to provide enhanced financial flexibility to support discussions with major commercial partners.

This document provides you with information about the Placing and explains why the Board considers it to be in the best interest of the Company and its Shareholders, and why the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

2. BACKGROUND TO THE PLACING

2.1. Information on XSG

XSG has developed a number of patented polymer bead systems for use in a range of commercial applications. The Group first targeted the commercial laundry market and has been supplying customers with 25kg (55lb) washing machines, employing XSG's patented polymer bead cleaning system, and long term service agreements, primarily in the US but also the UK and, more recently, in other countries.

In the commercial laundry market, the Xeros system has been shown to deliver superior cleaning performance whilst simultaneously achieving material reductions in water, energy, chemical usage and carbon footprint when compared to conventional laundry processes. Seven of the top ten largest hotel chains are now customers as are businesses in both the industrial and retail laundry industries.

In addition to the commercial laundry market, XSG's polymer bead technology has a range of further potential applications in other industries which are currently in various stages of development, and the most advanced of which are in leather processing and domestic laundry.

The Company's ordinary shares were admitted to trading on AIM on 25 March 2014, at which point the Company also raised £27.6 million of gross proceeds via the issue of new ordinary shares to investors. On 14 September 2015, Mark Nichols was appointed CEO and Bill Westwater left the Company. Mark has more than 20 years' experience of senior business development, operational and financial roles in both large multi-national businesses and technology start-ups in the chemical, energy and infrastructure sectors. He spent 18 years with The BOC Group plc, including three years as CEO of the East Asia division before becoming BOC's Group Director of Strategy and Business Development. Following completion of the Placing, XSG will be granting options over 1,000,000 Ordinary Shares at the Placing Price to Mark under the terms of XSG's existing share option schemes.

2.2. XSG strategy

XSG's strategy is to apply its owned and patented polymer bead technologies and systems across a number of industrial and domestic markets which face the challenges of water scarcity, effluent management and a rising cost of energy. XSG intends to have its polymer bead technologies broadly deployed across such markets, reducing operating costs whilst improving performance outcomes. XSG aims to derive long term, high margin revenues from the benefits it delivers.

The markets chosen for the first points of entry by XSG were the hospitality and dry cleaning segments of OPL, primarily in the US. XSG established its Commercial Laundry business to penetrate these areas and is now gaining strong customer traction in both of them, having recruited a highly experienced management team and a significant number of FCPs. In combination, these resources are now providing customers with Xeros machines and high quality Xeros Sbeadycare® service. The Commercial Laundry business is currently also developing a 15kg (35lb) machine as a complement to its 25kg (55lb) machine in order to broaden its offering within its chosen OPL segments. This smaller machine size is also widely used in the US laundromat (launderette) market, which is larger than OPL. The Commercial Laundry business is evaluating the potential of this market.

In addition to commercial laundry, XSG has developed its polymer bead technology for use in other identified applications, the most advanced of which are in leather processing and domestic laundry, with other markets to be evaluated in the first half of 2016. XSG aims to sustain its leadership in polymer bead technology through continued development of its in-house polymer science and engineering capabilities to optimise the performance of XSG's beads and design solutions to be deployed within targeted applications. XSG is currently working with strategic commercial partners such as BASF and LANXESS, as well as with leading academic institutions, to assist in bringing new, disruptive polymer-based solutions to market.

XSG's proprietary technology is protected by a library of patents. In 2015, the core process patent was granted in the US, strengthening XSG's competitive position in this key geography and completing this protection in all its major geographies. Continued innovation and new patents will enable XSG to remain at the forefront of applied polymer bead science in its targeted markets. The XSG patent portfolio currently comprises 39 patent filings which cover polymer bead technologies in applications from commercial and domestic laundry through to leather, metal surface treatments and information/communications technology. XSG intends to safeguard its technological advantage by continuing to broadly file patents for its polymer bead inventions and their methods of use.

2.3. Progress since IPO in March 2014

2.3.1 Commercial laundry

XSG has initially targeted the hospitality and dry cleaning segments of OPL in the US. The business model designed by the Commercial Laundry business for this market is founded on offering customers an integrated washing machine and service package. The service component of the package, marketed as Xeros Sbeadycare®, is provided to customers under a multi-year contract encompassing detergent and bead supply and ongoing service and maintenance. To meet different customer preferences, Xeros machines can be purchased either under a lease arrangement, the "Complete" contract, or purchased outright, the "Perform" contract.

Experienced management team now in place to grow the Commercial Laundry business

In April 2015, the Group established its global Commercial Laundry business led by Jonathan Benjamin, based in the US, Jonathan has responsibility for product development, sales, marketing, and operations on a worldwide basis. Recent senior appointments include a General Manager for North America, a Vice President of Operational Excellence and a North American Director of Sales. These appointments, when combined with the balance of senior management, result in a leadership team with an average of 20 years of relevant experience with which to implement the Commercial Laundry business plan. In addition, the business has grown its sales team with the recruitment of regional sales heads for the West Coast, South East and Mid-Atlantic. A Senior Vice President of Information Technology has also joined to lead initiatives including the development and commercialisation of a remote monitoring system, Xeros Sbeadycare® Pulse. The Commercial Laundry business now has a total of 41 employees worldwide with 30 based in the US.

Strong customer traction and installations progress

XSG identified OPL as an attractive target market for a number of reasons, including: the maturity of the market, which meant only limited potential for incremental efficiency in the absence of a disruptive technology such as XSG's polymer bead cleaning system; the fragmented nature of the market, which represented an opportunity to more rapidly establish a market presence; the sensitivity of customers to the cost and availability of water, consumables and energy, all of which XSG's technology seeks to address; and, the nature of the market where customers typically source machines and consumables from different vendors. All of these, in combination, presented an attractive backdrop against which to market Xeros machines and the Xeros Sbeadycare® service package.

The Commercial Laundry business has shown strong momentum in installations since the IPO of XSG. When the Group announced its results for the year ended 31 July 2014, the Commercial Laundry business had 37 installed and committed machines in the US and counted four out of the five largest hotel groups as customers. In addition to hotel chains, the Commercial Laundry business had sold machines to customers in retail dry cleaning, fitness centres and the US military.

As at the end of September 2015, there were 103 machines installed at US customers' premises with commitments to install a further 39. In addition, there were a further 20 machines installed with European customers with a further 15 commitments to install. In the US, 46 per cent. of sales of

Xeros machines have been from repeat or affiliated buyers and seven out of the ten largest hotel groups are now customers. The current US customer base comprises Hotel and Lodging (59 per cent of sales), Retail Laundry (35 per cent.), Industrial Laundry (3 per cent) and others (3 per cent.).

Forward Channel Partners recruited to expand sales and service delivery in the US

Following XSG's participation in the biennial Clean Show in 2015, the Commercial Laundry business signed up 61 FCPs as the initial members of a North American network through which to sell and deliver the Xeros Sbeadycare® offering. The network, which comprises established laundry industry participants, greatly extends the Commercial Laundry business' sales and service capabilities in the US and is the principle means by which compound sales growth is intended to be achieved over time.

As part of the FCP programme, partners are accredited based upon certified levels of capability, with the Blue level covering sales lead generation and participation in machine installation only; Silver covering machine sales and basic monthly servicing under the Xeros Sbeadycare® package; Gold covering machine sales, routine servicing and repair capabilities under the Xeros Sbeadycare® package; and, Black covering machine sales, advanced servicing and repair under the Xeros Sbeadycare® package as well as, into the future, the commissioning of Xeros machines and training of customer operatives. The first wave of FCPs are progressing through accreditation. Once these FCPs are certified to their appropriate level and consistently delivering assured levels of customer service, additional FCPs will be progressively recruited and put through the same development and accreditation process, thereby further increasing the ability to grow the Commercial Laundry business.

As at 30 September, the Commercial Laundry business has 48 FCP's accredited in the US to sell Xeros machines: 18 FCP's are certified Gold (5) or Silver (13), and are able to provide servicing capabilities under the Xeros Sbeadycare® package, with a further 30 certified as Blue.

The graphic below shows the geographic locations of the FCPs across the Americas.



Development of simplified contracts and pricing to suit customers' requirements

The Commercial Laundry business has structured its offering such that its US customers subscribe to the Xeros Sbeadycare® service covering consumables and maintenance once a Xeros machine has been purchased, installed and commissioned. In order to meet customer preferences, Xeros machines can now be purchased either under a lease arrangement (Complete) or purchased outright (Perform).

Xeros Sbeadycare® contracts are typically for a five year term. Whilst on a cumulative basis, customers taking up the Perform contract comprise 37 per cent. of all US agreements with Complete customers comprising the remaining 63%, Perform is growing in popularity with 50 per cent. of all new agreements in the last 6 months ended September 2015 now taking up this type of agreement.

Xeros machines are sold at prices equivalent to conventional machines of the same load size. The current cost to XSG on a machine sale of the increased functionality in a Xeros machine over and above that within a conventional machine is \$7,500. This increased functionality includes the machine management, monitoring and communication systems, the Xeros polymer beads and their management systems. This additional functionality enables the c. 80 per cent. reduction in water consumption and effluent volumes and the c.50 per cent. reductions in energy and detergent/chemical consumption over the lifetime of the machine. The Xeros Sbeadycare® service contract includes all service, repairs, beads and detergent/chemical requirements and is priced at \$975 per month, a level substantially below the actual savings experienced by customers. In addition to these savings, customers benefit from significantly enhanced wash outcomes. The Company's net target margin, including the straight line amortisation over the life of the Xeros Sbeadycare® contract of the \$7,500 for increased machine functionality, is c. 25%.

US utility company incentives providing a helpful backdrop in the US

Water scarcity and energy conservation are an increasing focus for government, municipal authorities and utility companies in the US. As a result, a number of utility companies are currently offering financial incentives to install washing machines that reduce utilities consumption. The Commercial Laundry business in the US supports customers in their applications for such incentives and to date has seen an attachment rate of c.30 per cent. to its installations. The sharing of the financial incentive between the Commercial Laundry business and its customers is determined on a case-by-case basis dependent upon a number of factors including the quantum of incentive and the cost of installation. As of the Company's Interim Results on 28 April 2015, the number of utility companies offering incentives for XSG machines had reached 13. Currently, 19 utility companies offer incentives to customers in 24 states and one province in Canada.

Development of Xeros' machine technology and its supply chain

In June 2013, the Group signed an OEM agreement with Jiangsu Sea-lion Machinery Group (“**Sea-lion**”) in China for the manufacture of a 25kg (55lb) Xeros commercial laundry washing machine. In June 2015, Sea-lion opened a new 300,000 sq. ft. facility, in Zhangjiagang City which is being used to manufacture the increasing machine numbers required by the Commercial Laundry business. XSG maintains its own on-site engineering and inspection presence within Sea-lion's operations to undertake quality assurance procedures.

The Commercial Laundry business signed a further JDA with Sea-lion in September 2015 to develop, and then, produce a 15kg (35lb) commercial laundry machine, subject to satisfactory commercial agreement being reached. This machine, which is based on the design for the existing Xeros 25kg (55lb) machine plus planned enhancements thereto, will be used to supplement the range on offer to the Commercial Laundry business' focus areas in OPL. This smaller machine size is also widely used in the US laundromat market, which is larger than OPL. The Commercial Laundry business is evaluating the potential for it to access this market.

As part of its risk management approach, the Group contracted with Image Laundry Systems of Thailand, in August 2015, to also supply machines to provide XSG with dual-supply capacity.

The Commercial Laundry business has continued to develop its “**Global Controller**” washing machine control and operating system, installed within Xeros machines, in conjunction with its signal processing and transmission technology, Xeros Sbeadycare® Pulse. The two technologies,

which work together in an integrated manner, enable remote monitoring, analysis and diagnostics with the resultant information used to improve the customer's laundry performance as well as to schedule maintenance and validate savings.

2.3.2 Domestic laundry

XSG continues to review its strategic options for entering the domestic laundry market. In preparation, XSG has developed a beta prototype "matched pair" laundry washer and separate drying machine suitable for the US domestic laundry market. It has also carried out its own independent research amongst US consumers nationwide, yielding positive results when comparing the Xeros machine and technology to a leading US brand of conventional washing machines.

In the US, the Commercial Laundry business is also currently in the process of developing a laundromat concept store, expected to be launched in Boston in mid-2016, which is being specifically designed to help stimulate demand in the significant laundromat market as well as to demonstrate how the Xeros system can function in a domestic laundry environment.

Discussions continue with major domestic machine manufacturers in the US, Asia and Europe. XSG intends to determine a suitable business model through which to generate an appropriate return on its intellectual property.

2.3.3 Leather processing

Since the establishment by XSG of a facility at The Institute of Creative Leather Technologies ("ICLT") at The University of Northampton in November 2013, XSG has successfully completed a number of feasibility studies using polymer bead technology instead of conventional processes in the preparation, tanning and dyeing of leather. These tests demonstrated that XSG's polymer bead technology could produce a more intense colouring for bovine hide, using less dye, in a shorter time, and using up to 60 per cent. less water than the conventional process. XSG has filed six patents covering the use of its polymer bead technology in leather processing; a market estimated to have an annual chemical demand in the region of \$2.5 billion.

On 28 April 2015, XSG entered into a multi-phase JDA with LANXESS which aimed to demonstrate that the Group's patented technology could be viably deployed in large scale tanneries. LANXESS is a DAX listed specialty chemicals business headquartered in Germany with sales of €8.3bn and is a leading supplier of specialty chemicals to the leather industry on worldwide basis. Smaller scale trials were successfully completed under Phase 1 of the JDA one month ahead of schedule in July 2015. The Phase 2 scale-up validation stage of the JDA was signed in September 2015, covering progressive scale production trials in a tannery with completion planned for the end of the first half of 2016.

2.3.4 Polymer bead development

XSG continues to develop and enhance its polymer bead technology for use across a range of applications. The physical design of "Gen 1" beads (i.e. their shape, size and density) for application in laundry has enabled excellent cleaning outcomes and a very high bead recovery rate. Further development work on "Gen 2" beads is being undertaken pursuant to XSG's ongoing JDA with BASF as well as research conducted independently within XSG or in collaboration with academic institutions. The physical design of "Gen 2" beads is intended to enable very near full bead recovery whilst permitting the incorporation of chemistry to further improve laundry outcomes.

In conjunction with ICLT, XSG has finalised the physical design of a bead for application in leather processing. The Phase 2 scale-up validation stage of the JDA with LANXESS will allow the testing of the bead design within a scale production environment.

2.3.5 Intellectual property protection

XSG's proprietary technologies are protected by a library of patents, which in aggregate, form a comprehensive intellectual property portfolio and present a substantial barrier to entry for potential competitors. As at 31 January 2014, ahead of the Company's IPO, the patent portfolio comprised 27 patent families 'pending' and 'granted'. XSG has since expanded its patent portfolio and it now comprises 39 patent families 'pending' and 'granted', whose coverage includes bead technologies in commercial and domestic laundry, leather processing, metal surface treatment and garment finishing. The grant of two patents in the US covering XSG's core process in March/April 2015 now means that coverage has been achieved for the core process in each of XSG's currently targeted major geographies. Furthermore, XSG has also expanded its brand protection through trademark registration, with the Xeros name now trademarked in 11 countries including the US, UK and China, as well as registration of the Xeros logo, Xeros Sbeadycare® logo, and "Xeros The Power of Polymer Cleaning" slogan in a number of jurisdictions.

2.3.6 Further applications development

In addition to laundry and leather processing, XSG sees further significant opportunities for the beneficial application of its technology within other industrial and domestic aqueous processes. XSG plans to carry out a full review of all potential polymer bead applications in the first half of 2016 and select particularly attractive applications for further development, such as garment finishing, which have physical production processes analogous with those found in commercial laundry.

XSG continues to develop its polymer science and engineering capabilities, with these teams growing, in aggregate, from 18 at the time of the IPO to 29 today. These teams are now housed in the Xeros Technology Centre, a specially designed 11,000 sq.ft. facility in the Advanced Manufacturing Park in Sheffield in the UK, opened in August 2015.

2.4 Growing the Company

2.4.1 Commercial laundry

As at 30 September 2015, the Commercial Laundry business had 123 machines installed with OPL customers in the US and Europe. The progress to date in the US is against a potential addressable replacement market of circa 10,000 machines per annum with an estimated useful machine life of 10 years. In the US, Xeros machines are installed with customers in 26 of the 50 states with multiple installations in a number of states including Georgia, Rhode Island, Missouri and California. The Commercial Laundry business strategy is now underpinned by an experienced management team and infrastructure that leaves it well-placed to accelerate the roll-out of Xeros machines and Xeros Sbeadycare® packages with customers via direct sales and the growing FCP network. By way of example, one of the Commercial Laundry business' areas of focus is California; a high opportunity area in which the business is running targeted promotions, marketing campaigns and direct selling efforts that demonstrate the Xeros machine's ability to help address the water scarcity and energy concerns in that State. As a consequence, eight of the Commercial Laundry business' US FCPs are based there and four utility companies now offer incentives for the use of XSG's technology.

Following the announcement in August 2015 of the recruitment of FCPs serving Canada, Mexico and the Caribbean, the Commercial Laundry business intends to extend its model into additional countries during 2016 focusing on those with market structures and requirements which make entry attractive.

As previously stated, XSG is broadening its machine size range with the 25kg (55lb) machine to be supplemented in 2016 by a 15kg (35lb) machine. This smaller size is widely used within the laundromat market, which is the largest commercial laundry segment in the US. It is intended that this addition, combined with Xeros-branded dryers added to the range during 2015, will position the Commercial Laundry business to be capable of addressing a larger share of the commercial laundry

market as a whole. This extension to the Company's market reach will be supported by the opening of a Xeros-branded laundromat concept store in Boston planned for mid-2016. In addition, XSG anticipates that the development and introduction of beads with active chemistry for enhanced effects will further increase the appeal and demand for XSG's technology.

XSG also sees further opportunities in the development and commercialisation of its remote monitoring technology, Xeros Sbeadycare® Pulse. A key benefit of this system is that it monitors water, chemical and energy consumption and the operating costs of XSG's customers. The information received is used, amongst other things, to demonstrate the savings achieved through operating a Xeros machine compared to a conventional type. The ability to provide this evidence of cost savings to customers is expected to further enhance adoption rates.

2.4.2 Domestic laundry

XSG intends to engage more widely with major global domestic washing machine manufacturers, detergent suppliers and large national appliance retailers to develop options for the adoption of XSG's technology in the domestic laundry market. The laundromat concept store in the US, noted above, will allow XSG to carry out consumer trials on its smaller size commercial machines and latest domestic prototypes and to receive feedback on the Xeros machines, their performance, control systems and operability. The Commercial Laundry business also intends to use the store as a marketing tool to broaden consumer awareness and generate interest in XSG's polymer bead cleaning technology for washing machines generally. This direct consumer exposure is expected to help facilitate discussions with machine manufacturers, retailers and distributors, as well as inform other stakeholders such as regional and national governments.

2.4.3 Leather processing

With the finished leather samples having achieved the requisite Phase 1 technical validation criteria under the JDA with LANXESS in July 2015, the Phase 2 scale-up trials are planned to be completed by the end of the first half of 2016. XSG intends to expand its engineering capabilities to support the changes required to incorporate its beads into pre-existing tannery batch processes. In addition, the Company is in the process of hiring a commercial leader for its leather processing business as part of its implementation of a commercial strategy that allows XSG to benefit from the value its technology is expected to create.

2.4.4 Applications development

Investment in XSG's polymer science and applications engineering teams will help to finalise the current commercial laundry product range, support potential entry into the domestic laundry market and to accelerate the commercialisation of the technology in leather processing. The assessment and determination of additional potential applications in water-intensive domestic and industrial processes, such as garment finishing, will also be undertaken in the first half of 2016 with the resultant choices then being developed towards commercialisation.

3. CURRENT TRADING AND OUTLOOK

The Company has today separately published its audited results for the year ended 31 July 2015. XSG achieved earned income of £480k for the year, which represents an increase of 52%. This income growth came mainly from the US business where 36 machines were installed and commissioned during the year. As at 31 July 2015, contracted future revenues amounted to £1.6m (2014: £0.8m) and the average remaining contract length was 74 months (2014: 76 months).

The Group's loss after tax for the year was £10.2m (2014: £6.4m). As noted below, the Group expects cash utilisation to increase over the coming years as it continues to invest in the development of the XSG polymer science platform and resultant applications alongside the roll-out in the

Commercial Laundry business. The increase in net cash outflow from operations to £11.8m (2014: £7.2m) for the 12 months to 31 July 2015 reflects these activities and was in line with the Board's expectations. The Group had existing cash resources as at 31 July 2015 of £17.4 million (2014: £29.5m).

By 30 September 2015, XSG had 123 machines installed with commercial laundry customers in the Americas and Europe with 54 further commitments for installations in the coming months. 103 installations were in the US where it is XSG's ambition for the Commercial Laundry business to achieve a c.20 per cent. market share by 2020 in its areas of focus within the US OPL machine replacement market. XSG anticipates taking measured growth steps towards this target which, whilst stretching, are predicated on the requirement to continually deliver high levels of customer service. The resultant customer satisfaction should help to broaden and deepen market acceptance as customers' positive experiences endorse the cost and performance benefits of the Commercial Laundry business' full service offering. The next phase of growth over the coming 12 months will be enabled by the continued training and accreditation of the first wave of FCPs, following their recruitment in April 2015. Over this period, an installation run rate of between 20 and 35 machines a month is being targeted. Once this step increase in installation rate has been achieved, alongside maintained customer service levels, the Commercial Laundry business will then seek to progressively recruit and train additional FCPs thereby enabling XSG to grow further.

The Company expects a modest contribution to gross profit from the Commercial Laundry business in the year ahead, with the net investment made by XSG on a machine sale in the increased functionality, as noted previously being amortised over the life of the Xeros Sbeadycare® contract. With customers now able to sign up to either the Perform or Complete contracts, the Company anticipates demand will be split broadly equally between the two forms of contract, with Complete requiring XSG to carry lease balances within its receivables until fully repaid by the customer. In due course, based on a longer customer history, it is anticipated that asset finance will be sought to enable cashflows to be spread more evenly over the term of the contract.

The step increase in the rate of installations, both over the last six months and anticipated in the year ahead, has been facilitated by ongoing investment in SG&A to develop direct sales and complementary service capabilities, whilst simultaneously signing up, training and certifying the first wave of FCPs, who will also increasingly fulfil these sales and service functions.

4. REASONS FOR THE PLACING AND USE OF PROCEEDS

4.1 Reasons for the Placing

The Directors are of the view, given the opportunities available to the Group and its limited current cash resources, that this is the appropriate time for the Company to request shareholder approval in order to raise further funds through the Placing. The Placing will enable the Company to maintain the momentum seen since the Company's IPO in March 2014 over, approximately, the next two and half years as it seeks to build on its progress within the Commercial Laundry business as well as capitalise on opportunities for XSG's polymer bead innovation in other applications, including in the leather processing and domestic laundry markets.

4.2 Use of proceeds

As at 30 September 2015, the Company had existing cash resources of £14.9 million, which together with the gross proceeds of the Placing would result in a pro forma cash balance of £54.9 million.

The Company currently envisages applying its pro forma cash resources in the following areas:

Commercial laundry

- to fund the working capital required to successfully meet the growing demand for machine installations in the Americas and Europe;
- to invest in the design and procurement of new machine sizes to extend XSG's addressable

- market and to design and deliver product and service enhancements that accelerate the growth of the installed base; and
- to invest in the Commercial Laundry business to enable it to address new segments of the commercial laundry market and additional international markets.

Domestic laundry

- to fund the continued development of prototypes, initially to meet US market needs;
- to develop bead solutions and detergents suitable for the domestic market; and
- to provide the financial strength to support continued discussions with potential machine and detergent partners.

Leather processing

- to provide resources as XSG continues the JDA with LANXESS towards commercialisation;
- to enable delivery of accelerated deployment; and
- to enable XSG to expand its management and engineering capabilities in preparation for commercialisation in leather processing

New business development

- to enable the prioritisation of opportunities available from XSG's platform technology and to expand its science and engineering capabilities to deliver those opportunities; and
- to provide the financial flexibility to facilitate partnership discussions with major corporations.

The Company intends to deploy approximately half of the total pro-forma cash available to it following the Placing within the Commercial Laundry business, allocating funds to meet incremental working capital requirements and to invest in SG&A supporting the growth of the business towards the Company's targets.

The balance of the Company's cash resources is to be applied to increasing the level and speed of development towards commercialisation of the domestic laundry and leather processing applications as well as the identification and development of further applications of XSG's polymer bead science.

The current levels of expenditure on applications development and SG&A run at the rate of approximately £1.1m per month. Following the Placing and application of proceeds described above, it is anticipated that this rate will increase to approximately £1.5m per month.

5. CHANGE OF ACCOUNTING REFERENCE DATE

The Group also announced today that it will change its accounting reference date from 31 July to 31 December.

The effect of the change to the accounting reference date is to extend the Company's next accounting period to 31 December 2016, a period of more than 15 months. In accordance with Rule 18 of the AIM Rules, therefore, the Company will prepare and notify a second half-yearly report and will have the following reporting dates:

- Unaudited results for the five months to 31 December 2015 – to be announced by 31 March 2016;
- Unaudited results for the six months to 30 June 2016 – to be announced by 30 September 2016;

- Audited results for the 17 month period to 31 December 2016 – to be announced no later than 18 May 2017.

6. DETAILS OF THE PLACING

The Company is proposing to raise approximately £ 40 million (before fees and expenses) by way of a conditional, non-pre-emptive placing of 17,777,778 new Ordinary Shares at the Placing Price. The Placing Price represents a discount of approximately 1.1 per cent. from the closing mid-market price on 11 November 2015, being the latest practicable date prior to the announcement of the Placing. The Placing Shares will represent approximately 21.3 per cent. of the Enlarged Share Capital following Admission. In order to broaden the Company's institutional shareholder base and to minimise the time and transaction costs of the Placing, the Placing Shares are only being placed by Jefferies with a limited number of existing and new institutional shareholders. The Placing Shares are not being made available to the public.

The Placing Shares will be issued credited as fully paid and will be identical to and rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all future distributions, declared, paid or made in respect of the Ordinary Shares following the date of Admission.

In connection with the Placing, the Company has entered into the Placing Agreement pursuant to which Jefferies has agreed, in accordance with its terms, to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing is not underwritten. In accordance with the terms of the Placing Agreement, the Placing is conditional upon, amongst other things, the passing of the Resolutions, the conditions in the Placing Agreement relating to the Placing being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission and Admission occurring on or before 1 December (or such later date as the Company and Jefferies may agree, not being later than 15 December 2015).

The Placing Agreement contains certain warranties given by the Company concerning the accuracy of information given in this circular and the announcement made by the Company in respect of the Placing as well as other matters relating to the Group and its business. The Placing Agreement is terminable by Jefferies in certain circumstances up until the time of Admission, including, *inter alia*, should there be a breach of a warranty contained in the Placing Agreement or a force majeure event takes place or a material adverse change occurs to the business of the Company or the Group. The Company has also agreed to indemnify Jefferies against all losses, costs, charges and expenses which Jefferies may suffer or incur as a result of, occasioned by or attributable to the carrying out of its duties under the Placing Agreement.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Subject, *inter alia*, to the passing of the Resolutions at the General Meeting it is expected that admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares, on or around 1 December 2015.

It is expected that CREST accounts of the investors in the Placing Shares who hold their Ordinary Shares in CREST will be credited with their Placing Shares on 1 December 2015. In the case of investors in the Placing Shares holding their Ordinary Shares in certificated form, it is expected that certificates will be dispatched by 15 December 2015. Pending dispatch of the share certificates or the crediting of CREST accounts, the Registrar will certify any instruments of transfer against the register.

John Samuel, the Chairman of XSG, will be participating in the Placing. He intends to purchase approximately £50,000 worth of shares. At the Placing Price of 225p this would be 22,222 Placing Shares, which would increase his holding to 1,477,188 shares.

7. RELATED PARTY TRANSACTIONS

The following Related Parties (as defined by the AIM Rules for Companies) will be participating in the Placing:

	Current Holding	% of existing Ordinary Shares	Subscription	Holding post subscription	% of Enlarged Share Capital
Invesco Asset Management Limited*	17,620,365	26.9%	4,758,225	22,378,590	26.8%

** acting as agent for and on behalf of its discretionary managed clients*

The Directors, consider, having consulted with the Company's nominated adviser, Jefferies, that the terms of Invesco Asset Management Limited's participation in the Placing are fair and reasonable insofar as the Company's Shareholders are concerned.

8. GENERAL MEETING

A notice convening a General Meeting, to be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH at 10.00 a.m. on 30 November 2015, is set out at the end of this document. At this meeting an ordinary resolution will be proposed to authorise the Directors under section 551 of the Act to allot 17,777,778 Ordinary Shares and a special resolution will be proposed to authorise the Directors under section 571 of the Act, to allot 17,777,778 Ordinary Shares pursuant to the Placing on a non-pre-emptive basis and to renew the Company's existing general authorities to allot Ordinary Shares in accordance with applicable guidelines, as set out in the Notice of General Meeting.

In the event that the Resolutions are not passed, the Company, in consultation with Jefferies, may elect to proceed with the Placing of a smaller number of Ordinary Shares on the basis of the authority to allot Ordinary Shares and disapplication of pre-emption rights granted at the last annual general meeting of the Company.

The Directors do not, at present, intend to issue any share capital other than in connection with the Placing and, for the purposes of the share option schemes, the issue of Ordinary Shares to holders of options.

9. ACTION TO BE TAKEN

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Whether you are going to attend the meeting or not, please complete the Form of Proxy, following the instructions, and return it to the Neville Registrars Limited, Neville House, 19 Laurel Lane, Halesowen B63 3DA as soon as possible, to arrive by 10.00 a.m. on 26 November 2015 or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day) at the latest. Returning the form will not stop you from attending the meeting and voting if you wish to do so.

10. RECOMMENDATION AND IRREVOCABLE UNDERTAKINGS

The Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings amounting to 1,798,965 Ordinary Shares representing approximately 2.7 per cent. of the existing issued ordinary share capital of the Company.

In addition to the Directors, certain other Shareholders have undertaken to vote in favour of the Resolutions in respect of the Ordinary Shares in which they are interested, amounting, in aggregate

to 47,634,379 Ordinary Shares (of which the undertakings in respect of 30,014,014 Ordinary Shares have been given irrevocably), representing 72.6 per cent. (45.7 per cent. in respect of the irrevocable undertakings) of the existing issued ordinary share capital of the Company.

Yours sincerely,

John Samuel

Chairman

Xeros Technology Group plc

DEFINITIONS

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

“Admission”	the admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange
“Commercial Laundry”	the operational division of the Group focused on the commercial laundry market
“Company”	Xeros Technology Group plc
“CREST”	the relevant system (as defined in the Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the Regulations)
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Directors” or “Board”	the board of directors of the Company
“EU”	the European Union
“Enlarged Share Capital”	the number of ordinary shares in issue assuming completion of the Placing
“FCP”	Forward Channel Partner
“Form of Proxy”	the form of proxy for use in connection with the General Meeting accompanying this document
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 30 November 2015 to approve the Resolutions, or any adjournment thereof, notice of which is set out at the end of this document
“Group” or “XSG”	the Company and its subsidiaries Xeros Limited and Xeros Inc.
“JDA”	Joint Development Agreement
“Jefferies”	Jefferies International Limited, the Company’s nominated adviser and broker
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of the General Meeting set out at the end of this document
“OPL”	the on-premise laundry market
“Ordinary Shares”	ordinary shares of 0.15 pence each in the capital of the Company

“Placing”	the proposed placing by Jefferies, as agent to the Company, of the Placing Shares at the Placing Price on a non-pre-emptive basis, on the terms and conditions set out in the Placing Agreement
“Placing Agreement”	the agreement between the Company and Jefferies dated 12 November 2015 in connection with the Placing
“Placing Price”	225 pence per Placing Share
“Placing Shares”	the 17,777,778 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting at the end of this document
“SG&A”	selling, general and administrative expenses
“Shareholders”	holders of Ordinary Shares
“UK”	United Kingdom
“US” or “United States”	United States of America

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom, all references to “US\$” or “\$” are to the lawful currency of the United States

XEROS TECHNOLOGY GROUP PLC

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of Xeros Technology Group plc (“**Company**”) will be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH at 10.00 a.m. on 30 November 2015 for the purposes of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution. Unless the context otherwise requires, words and expressions used in this notice (the “**Notice**”) have the meanings given to them in the circular to shareholders dated 12 November 2015 (the “**Circular**”), of which this Notice forms part.

ORDINARY RESOLUTION

1. That pursuant to section 551 of the Companies Act 2006 (“**Act**”), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities;
 - 1.1 comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £26,667 pursuant to the Placing; and
 - 1.2 comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £83,000 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph 1.3 of this resolution) in connection with a rights issue:
 - 1.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - 1.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 1.3 otherwise than pursuant to paragraphs 1.1 and 1.2 of this resolution, up to an aggregate nominal amount of £41,500 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph 1.2 of this resolution in excess of £41,500),

provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 February 2016 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution “**Relevant Securities**” means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

SPECIAL RESOLUTION

2. That, subject to the passing of resolution 1 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities as defined in section 560 of the Act) for cash pursuant to the authorities granted by resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

2.1 the allotment of equity securities in connection with the Placing; and

2.2 the allotment of equity securities in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph 1.2 of resolution 1, such power shall be limited to the allotment of equity securities in connection with a rights issue):

2.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

2.2.2 to holders of other equity securities in the capital of the Company as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

2.3 the allotment of equity securities pursuant to the authority granted by paragraph 1.3 of resolution 1 (otherwise than pursuant to paragraphs 2.2.1 and 2.2.2 of this resolution) up to an aggregate nominal amount of £6,250

provided that (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 February 2016 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

By order of the board

David Christopher Hanson

12 November 2015

Registered office: Unit 2, Evolution, Advanced Manufacturing Park, Whittle Way, Catcliffe, Rotherham, South Yorkshire S60 5BL

Registered in England and Wales No. 08684474

Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 26 November 2015 (or, if the meeting is adjourned, 6.00 p.m. on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 and 4 below and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting. If a shareholder has appointed a proxy and attends the meeting in person, such proxy appointment will automatically be terminated.

If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA and in the case of a member which is a corporation, the revocation notice must be executed in accordance with note 5 below. 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 and must be received by the Company's registrars not less than 48 hours before the time fixed for the holding of the meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day. 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.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0121 585 1131 or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA no later than 10.00 a.m. on 26 November 2015 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting) (excluding any part of a day that is not a business day).

Any power of attorney or any other authority under which the form of proxy is signed (or duly certified copy of such power or authority) must be included with the form of proxy.

4. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Neville Registrars (ID 7RA11) no later than 10.00 a.m. on 26 November 2015 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting) (excluding any part of a day that is not a business day). 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 Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Certificated Securities Regulations 2001.

Corporate representatives

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

A corporation's form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.

Share capital

6. As at the date of this document, the Company's issued share capital comprised 65,626,212 ordinary shares of 0.15 pence each ("Ordinary Share"). Each Ordinary Share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this document is 65,626,212.