

Regulatory Announcement

Company Accsys Technologies PLC
TIDM AXS
Headline Long Term Incentive Plan
Released 20 September 2013
Number 5676O16



AIM: AXS
NYSE Euronext Amsterdam: AXS

20 September 2013

ACCSYS TECHNOLOGIES PLC (“Accsys” or “the Company”)

Award of Options under Long Term Incentive Plan

Accsys, the environmental science and technology company whose primary focus is on the production and technology licensing of Accoya[®] wood and Tricoya[®] wood elements, previously announced on 27 August 2013, in its Notice of 2013 Annual General Meeting (the ‘Notice’), the proposal to establish the Accsys Technologies PLC 2013 Long Term Incentive Plan (‘LTIP’).

Details concerning the background to and summary of the LTIP were set out in the Notice, however are also summarised below, together with awards which have been made to the executive directors as a result of the resolution to approve the LTIP having been approved by shareholders at the Annual General Meeting held on 19 September 2013.

Background

As a result of the achievements of the current management team to turn around the Company since 2009, Accsys is now at a stage where it is geared for future growth and its next phase of development.

To support this development, the Company recognised the importance of putting in place a remuneration structure for the management team to retain, motivate and align their interests to the future growth of the organisation.

The remuneration committee (the ‘Committee’) of the Company, the members of which are non-executive directors, have therefore undertaken a comprehensive review of the existing remuneration structure in place. Following the review of the respective components of the management team’s remuneration package (base salary, annual bonus, long-term incentive), the Committee identified that a new long-term incentive plan was critical in providing market competitive levels of total remuneration to executives, aligning their interests to the business strategy and future development of the Company.

The new LTIP has been developed having taken into account the key issues of retention and motivation, alignment of interests with those of shareholders and the provision of competitive levels of awards to participants.

Cancellation of outstanding options

In developing the proposals for the new LTIP, the Committee considered the Company’s level of dilution which is currently 10% in any rolling 10 year limit. After careful consideration and having taken external expert advice, the Committee decided that a prerequisite of participation in the new LTIP is for the management team to agree to the cancellation of all their outstanding share options,

providing the Company with a 5% reduction in the level of dilution to make the proposed new awards. A cancellation was agreed by the Committee as the most appropriate action as it will focus the management team on the new LTIP.

Awards

Accsys now announces that the following awards under the LTIP have been granted in respect of executive directors in accordance with the terms of the LTIP Plan Rules. The awards, which are nil priced options over ordinary shares in the capital of the Company, have been granted subject to the condition that all of the recipients existing share options, as also set out below, will be cancelled:

Name	Total Award under LTIP	Element A Retention Based Award	Element B Performance Based Award	Element C Exceptional Performance Multiplier	Existing Share Options to be cancelled
Paul Clegg	10,900,000	3,500,000	5,200,000	2,200,000	10,853,082
Hans Pauli	2,200,000	1,000,000	800,000	400,000	2,453,700
William Rudge	1,300,000	500,000	550,000	250,000	912,488

The vesting of the Awards will be subject to the terms of the LTIP Plan Rules, including continued employment of the executive directors by the Company and satisfaction of certain performance conditions, further details of which are set out in the Notice.

Ends

For further information, please contact:

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Notes to editors:

Accsys Technologies PLC (www.accsysplc.com) is an environmental science and technology company whose primary focus is on the production of Accoya® wood and technology licensing via its subsidiary, Titan Wood Limited, which has manufacturing operations in Arnhem, the Netherlands (through its subsidiary Titan Wood B.V.), a European office in Windsor, United Kingdom, and an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc). All group subsidiaries are ultimately 100% owned by Accsys and trade as Accsys Technologies. Any references in this announcement to agreements with Accsys shall mean agreements with either Accsys or its subsidiary entities unless otherwise specified. Accsys Technologies PLC is listed on the London Stock Exchange AIM market and on Euronext Amsterdam by NYSE Euronext, under the symbols 'AXS'. Accsys' operations comprise three principal business units: (i) Accoya® wood production; (ii) technology development, focused on a programme of continuous development of and improvements to the process engineering and operating protocols

for the acetylation of solid wood and the development of technology for the acetylation of wood elements; and (iii) the licensing of technology for the production of Accoya® wood and Tricoya® wood elements across the globe.

Accoya® wood (www.accoya.com) is produced using Accsys' proprietary patented acetylation technology, that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "high technology wood". Distinguished by its durability, dimensional stability and, perhaps most importantly of all, its reliability (in terms of consistency of both supply and quality), Accoya® wood is particularly suited to exterior applications where performance and appearance are valued. Unlike most tropical and European hardwoods, its colour does not degrade when exposed to ultraviolet light. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. For marine uses where weight is also important, Accoya® wood for the first time provides boat builders with a wood that is strong, lightweight, durable and retains its natural beauty for far longer. For a full archive of Accoya® news, visit www.accoya.com/news.asp.

Tricoya® Wood Elements (www.tricoya.com) are produced using Accsys' proprietary technology for the acetylation of wood chips, and particles for use in the fabrication of wood based composites, including panel products. These composites demonstrate enhanced durability and dimensional stability which allow them to be used in a variety of applications that were once limited to solid wood or man-made products. Exploitation of Accsys' proprietary technology relating to Tricoya® Wood Elements is carried out through Tricoya Technologies Limited, a joint venture between Accsys and INEOS Industries Holdings Limited. Tricoya® Wood Elements are lauded as the first major innovation in the wood composites industry in more than 30 years.

Wood Acetylation is a process which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. When carried out to a sufficient level throughout the wood, this process protects wood from rot by making it "inedible" to most micro-organisms and fungi, without - unlike conventional treatments - making it toxic. It also greatly reduces the wood's tendency to swell and shrink, making it less prone to cracking and ensuring that, when painted, it requires dramatically reduced maintenance.

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