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If you have sold or otherwise transferred all of your ordinary shares in Accsys Technologies PLC (the "**Company**"), please forward this document and the accompanying form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Persons holding their ordinary shares in Accsys Technologies PLC through Euroclear Nederland B.V. ("**Euroclear**") via banks and brokers are not included in the Company's register of members - such ordinary shares are included in the register of members under the name of Euroclear. If anyone who holds their ordinary shares through Euroclear wishes to (i) attend the Annual General Meeting or (ii) to appoint a proxy to attend, speak and vote on their behalf or (iii) give voting instructions without attending the Annual General Meeting, they must instruct Euroclear accordingly. To do this, they are advised to contact their bank or broker as soon as possible and advise them which of the three options they prefer. In all cases, the validity of the instruction will be conditional upon ownership of the shares at 6.00pm (UK time) on 17 September 2013.

Anyone holding their shares through Euroclear attending the Annual General Meeting may be asked to identify themselves at the Annual General Meeting using a valid passport, identity card or driving licence.

ACCSYS

T E C H N O L O G I E S

ACCSYS TECHNOLOGIES PLC
(Incorporated in England and Wales with registered no. 5534340)

NOTICE OF 2013 ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held at its offices at Royal Albert House, Sheet Street, Windsor SL4 1BE, England on Thursday, 19 September 2013 at 2.00 p.m. (UK time), is set out on pages 4 and 5 of this document. A form of proxy is also attached at the end of this document for use at the Annual General Meeting. Forms of proxy should be completed, signed, dated and returned to the Company's Registrars, SLC Registrars, by post at Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or by sending a completed, signed and dated scanned version of the proxy form by email to accsysproxy@davidvenus.com as soon as possible and in any event so as to be received not later than 48 hours before (excluding days which are not working days) the time fixed for the Meeting, being 2.00 p.m. (UK time) on Tuesday, 17 September 2013.

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Letter from the Chairman of the Company

ACCSYS TECHNOLOGIES PLC
(Incorporated in England and Wales with registered no. 5534340)

Directors:

Gordon Campbell* (Chairman)
Paul Clegg (Chief Executive Officer)
Hans Pauli (Chief Operating Officer)
William Rudge (Finance Director)
Nick Meyer*
Patrick Shanley*

(* Non-Executive Director)

Registered Office:

Royal Albert House
Sheet Street
Windsor
SL4 1BE

27 August 2013

2013 ANNUAL GENERAL MEETING

DEAR SHAREHOLDER,

I am writing to give you details of the resolutions to be proposed at this year's Annual General Meeting to be held at 2.00 p.m. (UK time) on Thursday, 19 September 2013 at the Company's offices at Royal Albert House, Sheet Street, Windsor SL4 1BE, England. These resolutions are set out in the notice of Annual General Meeting on pages 4 and 5 of this document.

Shareholders should read the contents of this document in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2013, together with the reports of the Directors and auditors thereon (all together, the "2013 Financial Statements") enclosed with this document.

ANNUAL GENERAL MEETING

The resolutions set out below will be proposed at this year's Annual General Meeting. Resolutions 1 to 9 are to be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 and 11 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

RESOLUTIONS NOS. 1 - 9

Resolutions nos. 1 - 9 to be proposed at the Annual General Meeting will each be proposed as an ordinary resolution as follows:-

- (i) the receipt and adoption of the audited financial statements of the Company for the financial year ended 31 March 2013 (**resolution no. 1**);
- (ii) the approval of the Directors' Remuneration Report for the financial year ended 31 March 2013 (**resolution no. 2**);
- (iii) the re-election of Paul Clegg and Patrick Shanley, who each retire by rotation as Directors under article 88 of the Company's current articles of association and, being eligible, offer themselves for re-election each as a Director at the Annual General Meeting (**resolutions no. 3 and no.4**);
- (iv) the election of William Rudge who has been appointed by the Board since the last Annual General Meeting, and retires as a Director under article 94 of the Company's current articles of association and, being eligible, offers himself for election as a Director (**resolution no. 5**);
- (v) the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company (**resolution no. 6**);
- (vi) the authorisation of the Directors to determine the auditors' remuneration (**resolution no. 7**);
- (vii) the renewal of authority for Directors to allot shares generally (**resolution no. 8**); and
- (viii) the establishment of the Accsys Technologies PLC 2013 Long-Term Incentive Plan (**resolution no. 9**).

Election and Re-election of Directors

Paul Clegg acts as Chief Executive Officer of the Company pursuant to a service contract with the Company dated 2 September 2009.

Patrick Shanley acts as a Non-Executive Director of the Company pursuant to a letter of appointment with the Company dated 18 November 2010.

William Rudge acts as Finance Director of the Company pursuant to a service contract with the Company dated 1 October 2012.

Following formal performance evaluations, the performance of each of these directors continues to be effective and continues to demonstrate commitment to the role.

Letter from the Chairman of the Company continued

ACCSYS TECHNOLOGIES PLC

(Incorporated in England and Wales with registered no. 5534340)

Further information about these Directors may be found in my Chairman's Statement at pages 4 and 21 of the enclosed 2013 Financial Statements.

Renewal of Authority for Directors to allot shares generally

Resolution no. 8 will be proposed as an ordinary resolution to give the Directors a general authority, in accordance with section 551 of the Act, to allot shares. Paragraph (A) of this resolution would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to €1,461,450.36 (representing 146,145,036) ordinary shares of €0.01 each. This amount represents approximately one-third of the issued ordinary share capital of the Company as at the date of this document.

In line with guidance issued by the Association of British Insurers ("ABI"), paragraph (B) of this resolution would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to €2,922,900.73 (representing 292,290,073 ordinary shares of €0.01 each), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at the date of this document.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the conclusion of next year's Annual General Meeting or 15 months after the passing of the resolution (whichever is earlier).

This authority replaces the authority to allot shares generally as given to the Directors at last year's Annual General Meeting. The Directors have no present intention to exercise either of the authorities sought under this resolution, but it will give them flexibility should appropriate business opportunities arise.

Establishment of the Accsys Technologies PLC 2013 Long-Term Incentive Plan ("LTIP")

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 recognises the importance of putting in place a remuneration structure for the management team to retain, motivate and align their interests to shareholder interests and the future growth of the organisation.

In light of this, resolution no. 9 will be proposed as an ordinary resolution to approve the establishment of the LTIP, the background and principal terms of which are summarised in the Appendix to this Notice and shall be produced to the Annual General Meeting. The resolution shall also authorise the directors of the Company to do all acts and things necessary to establish and carry the LTIP into effect.

RESOLUTIONS NOS. 10 AND 11

Resolutions nos. 10 and 11 are to be proposed as special resolutions - as follows:-

Resolution no. 10 - Renewal of Authority for Directors to allot shares for cash disapplying statutory pre-emption rights

Resolution no. 10 will be proposed as a special resolution to authorise the Directors to allot ordinary shares for cash (otherwise than *pro rata* to existing shareholdings) in connection with a rights issue, open offer or any other pre-emptive offer in favour of the holders of ordinary shares which is made not strictly in accordance with section 561 of the Companies Act 2006 or otherwise up to a maximum aggregate nominal value of €438,435.11 (representing approximately 10% of the Company's issued ordinary share capital at the date prior to the printing of this document). This authority replaces the resolution passed at last year's Annual General Meeting and will expire at the conclusion of next year's Annual General Meeting or 15 months after the passing of the resolution (whichever is the earlier). The resolution will enable the Directors, at their discretion, to allot a limited number of equity securities for cash and also provide the Directors with greater flexibility to take advantage of business opportunities as they arise.

Resolution no. 11 - Authority to purchase own ordinary shares

It is proposed by a special resolution (no. 11) that the Company be authorised to purchase up to 43,843,511 of its own ordinary shares in the market, representing approximately 10% of the current issued ordinary share capital of the Company, at a price at not less than the nominal value of the ordinary shares and not more than the highest of (i) 5% above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the 5 business days before the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out. The authority would be given for the period ending on the date of next year's Annual General Meeting or 15 months after the passing of the resolution (whichever is the earlier) and it is anticipated that a resolution for the renewal of such authority will be proposed at each future Annual General Meeting.

Whilst the Directors have no present intention of making such purchases, it is considered prudent to have this authority so as to be able to act at short notice if circumstances change. The authority would however only be exercised if the Directors believe that to do so would result in an increase in earnings per share (or reduce loss per share) and would be in the best interests of shareholders generally.

Options over an aggregate of 25,441,291 ordinary shares in the Company under the Company's existing Share Option Scheme were outstanding as at the date of this document representing approximately 5.80% of the Company's issued share capital at that date and which would represent 6.45% of the Company's issued share capital if the proposed authority being sought at the 2013 Annual General Meeting to buy back 43,843,511 ordinary shares was exercised in full.

The resolution will also permit the Company to purchase its own shares to hold as 'treasury shares'. As at the date of this document the Company did not hold any of its ordinary shares as treasury shares.

The Directors would consider holding as treasury shares any shares which the Company purchases pursuant to the authority proposed to be granted by resolution no. 11.

ACTION TO BE TAKEN IN RESPECT OF ANNUAL GENERAL MEETING

Shareholders will find enclosed with this document a form of proxy for use at the Annual General Meeting. Whether or not you intend to be present at the Meeting, you are requested to complete, sign, date and return the form of proxy so as to reach the Company's Registrars, SLC Registrars, by post at Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or by sending a completed, signed and dated scanned version of the proxy form by email to accsysproxy@davidvenus.com as soon as possible and in any event not later than 48 hours before the time appointed for the Annual General Meeting (excluding days which are not working days), being 2.00 p.m. (UK time) on Tuesday, 17 September 2013.

Completion and return of a form of proxy will not however prevent you from attending at the Annual General Meeting and voting in person if you should wish to do so.

RECOMMENDATION

Your Directors are unanimously in favour of resolutions nos. 1 - 11 (inclusive) to be proposed at this year's Annual General Meeting, which they consider to be in the best interests of the shareholders of the Company as a whole. Accordingly, your Directors unanimously recommend shareholders to vote in favour of those resolutions at the Annual General Meeting, as they intend to do in respect of their own beneficial holdings of ordinary shares.

Yours faithfully



GORDON CAMPBELL
Chairman

NOTICE OF ANNUAL GENERAL MEETING

ACCSYS TECHNOLOGIES PLC

(registered in England and Wales with registered no: 5534340)

NOTICE IS HEREBY GIVEN that the seventh **ANNUAL GENERAL MEETING** of the Company will be held at the Company's offices at Royal Albert House, Sheet Street, Windsor SL4 1BE, England on Thursday, 19 September 2013 at 2.00 p.m. (UK time) at which the following resolutions will be proposed, in the case of resolutions nos. 1 - 9 (inclusive) as ordinary resolutions and, in the case of resolutions nos. 10 and 11, as special resolutions:-

ORDINARY RESOLUTIONS

1. **THAT** the audited financial statements of the Company for the financial year ended 31 March 2013 together with the reports of the Directors and auditors thereon be received and adopted.
2. **THAT** the Directors' Remuneration Report for the financial year ended 31 March 2013 be approved.
3. **THAT** Paul Clegg be re-elected as a Director.
4. **THAT** Patrick Shanley be re-elected as a Director.
5. **THAT** William Rudge be elected as a Director.
6. **THAT** PricewaterhouseCoopers LLP be re-appointed as independent auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company before which accounts of the Company are laid.
7. **THAT** the Directors be authorised to determine the remuneration of the independent auditors.
8. **THAT** the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (A) up to a nominal amount of €1,461,450.36 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and
 - (B) comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of €2,922,900.73 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,provided that this authority shall expire on the date of the Annual General Meeting of the Company to be held in 2014 or, if earlier, the date being 15 months after the passing of this resolution (unless and to the extent that such authority is renewed or extended prior to such date) but so that the Company may before the expiry of such period make an offer or agreement which would or might require equity securities to be allotted or rights to subscribe for or convert securities into shares to be granted after the expiry of such period and the Directors may allot equity securities or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if the authority conferred hereby had not expired. This authority shall be in substitution for any existing or previous authorities granted in this regard by the Company.
9. **THAT** the establishment of the Accsys Technologies PLC 2013 Long-Term Incentive Plan ("LTIP") be approved; and that the Directors be authorised to do all acts and things necessary to establish and carry the LTIP into effect.

SPECIAL RESOLUTIONS

10. **THAT** the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the general authority conferred on the Directors pursuant to resolution no. 8 of the notice of Annual General Meeting of which this resolution forms part and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of that Act did not apply to such allotment and/or sale, provided that this power shall be limited to the allotment of equity securities and/or sale of treasury shares:-

- (a) in connection with or pursuant to a rights issue, open offer or any other pre-emptive offer in favour of the holders of ordinary shares and other persons entitled to participate therein in proportion (as nearly as may be) to their respective holdings of ordinary shares (or, as appropriate, the number of ordinary shares which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with record dates, fractional entitlements or legal, regulatory or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or any stock exchange in any territory; - and
- (b) (other than pursuant to sub-paragraph 10(a) above) up to an aggregate nominal amount of €438,435.11;

and such power shall expire on the date of the Annual General Meeting of the Company to be held in 2014 or, if earlier, the date being 15 months after the passing of this resolution, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted and/or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such offer or agreement as if the power conferred hereby had not expired. This power shall be in substitution for any previous powers granted in this regard by the Company.

11. **THAT** the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Act to make one or more market purchases (as defined by section 693(4) of the Act) of ordinary shares of €0.01 each in the capital of the Company ("**ordinary shares**") provided that:-

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 43,843,511 ordinary shares;
- (b) the minimum price which shall be paid for the ordinary shares is €0.01 for each share, and the maximum price (exclusive of expenses) which may be paid for such shares is the highest of (i) an amount equal to 5 per cent above the average of the middle market quotations derived from the London Stock Exchange Daily Official List for the 5 business days before the purchase is made and (ii) the higher of the price paid of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out;
- (c) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or 15 months after the date of passing of this resolution (whichever is the earlier); and

the Company may, before such expiry, make a contract to purchase its own shares under the authority hereby conferred which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of such a contract as if the power had not ended.

By Order of the Board:

ANGUS DODWELL
Company Secretary

Registered Office:
Royal Albert House
Sheet Street
Windsor
SL4 1BE

Registered in England and Wales No. 5534340

27 August 2013

Notes

1. Any member of the Company entitled to attend and vote at this Annual General Meeting may appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the meeting. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
2. For the convenience of members who may be unable to attend the Annual General Meeting, a form of proxy is enclosed which to be valid should be completed, signed, dated and returned, along with any power of attorney or other authority under which it is signed, to the Company's Registrars, SLC Registrars, by post at Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or by sending a completed, signed and dated scanned version of the proxy form by email to accsysproxy@davidvenus.com by 2.00 p.m. (UK time) on Tuesday, 17 September 2013, being 48 hours (excluding days which are not working days) before the time fixed for the Meeting, or if the Meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting excluding days which are not working days. The fact that members may have completed forms of proxy will not prevent them from attending and voting at the Annual General Meeting in person should they afterwards decide to do so.
3. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
4. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1 and 2 does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
5. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, only those members who have been entered on the Company's register of members by 6.00pm (UK time) on 17 September 2013, or, if the meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting excluding days which are not working days, shall be entitled to attend and vote at the Annual General Meeting and only in respect of the number of ordinary shares in the Company registered in their name at that time. Changes to entries on the Company's register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
6. As at the close of business on the date of this document, the Company's issued ordinary share capital comprised 438,435,109 ordinary shares of €0.01 each. Each ordinary share carries the right to one 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 438,435,109.
7. Persons holding their ordinary shares of €0.01 each in the Company through Euroclear Nederland B.V. ("**Euroclear**") via banks and brokers are not included in the Company's register of members - such ordinary shares are included in the register of members under the name of Euroclear. If anyone who holds their ordinary shares through Euroclear wishes to (i) attend the Annual General Meeting or (ii) to appoint one or more proxies to attend, speak and vote on their behalf or (iii) give voting instructions without attending the Meeting, they must instruct Euroclear accordingly. To do this, they are advised to contact their bank or broker as soon as possible and advise them which of the three options they prefer. In all cases, the validity of the instruction will be conditional upon ownership of the shares at 6.00pm (UK time) on 17 September 2013.
8. Copies of the service contracts, consultancy deeds and engagement letters of all the Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until the close of the Annual General Meeting, and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.
9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
10. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
11. Any member attending the meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
12. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.accsysplc.com.
13. You may not use any electronic address provided in either this notice of Annual General Meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
14. Members attending the meeting in person are requested to arrive in reasonable time. Any member arriving after the time the meeting commences may be refused admission.

Appendix

Accsys Technologies PLC 2013 Long-Term Incentive Plan Background and Summary

INTRODUCTION

This appendix sets out the details and context for Resolution 9 set out in the notice convening the Annual General Meeting of the Company. This resolution proposes the introduction of Accsys Technologies Long-Term Incentive Plan ("LTIP").

Notwithstanding the reduced corporate governance requirements imposed on the Company through its AIM listing, the Company is committed to being transparent and offering shareholders the opportunity to approve this LTIP.

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 recognises 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 proposal has been developed having taken into account the key issues of:-

- retention and motivation concerns around the current management team who are critical to the success of the Company;
- the current share option plan which is not providing a leveraged incentive to the management team and the structure of which is increasingly becoming out of line with market practice for executive remuneration design. The Committee therefore recognises that the current structure is not having a positive impact on the motivation and retention of the management team; and
- the existing level of potential dilution from the outstanding share awards is high, impacting the ability for the Company to make future equity awards. The Committee recognises that putting in place a new incentive plan to motivate the management team more effectively than the existing plan will require action to reduce the current level of outstanding dilution.

OUR NEW LONG-TERM INCENTIVE POLICY

The continued development of the Company and the successful execution of the business strategy will depend on the retention, motivation and potential recruitment of top talent into the organisation. This requires the development of an appropriate long-term incentive policy that can support the current and future business strategy.

In developing the proposed new LTIP, the Committee's guiding principles were:-

- being forward looking and developing a incentive structure which will support the Company's strategy over the next phase of its development;
- key members of the management team are participants in the plan, ensuring their interests are aligned to that of shareholders; and
- provide market competitive levels of awards to participants with the opportunity to earn higher levels of awards for the achievement of stretching performance targets.

The Committee fully supports remuneration design best practice guidelines which state the remuneration policies should be clearly aligned with a company's strategy. The Committee have tried to ensure this alignment through the structure of the proposed new plan, the performance measures and targets adopted.

THE CANCELLATION OF THE OUTSTANDING SHARE OPTIONS

In developing the proposals for the new LTIP, the Committee have considered the Company's level of dilution which is currently at the agreed 10% in any rolling 10 year limit. Therefore before awards can be made under the proposed new LTIP, a recirculation of the existing share capital tied up by the outstanding options is required.

After careful consideration and having taken external expert advice, the Committee has decided that a prerequisite of participation in the new LTIP would be 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 would focus the management team on the new LTIP and not on historical awards or arrangements.

Appendix continued

Accsys Technologies PLC 2013 Long-Term Incentive Plan Background and Summary

THE NEW LTIP OVERVIEW

The Committee is proposing the adoption of the LTIP under which awards can be granted on a discretionary basis to key members of the management team. The proposal is for an initial 'one off' grant, focussing the management team on the growth of the Company over the next three year period.

Awards will be granted in the form of nil-cost options and will consist of the following 'elements':-

Element	Objective	Description
A	Retention based award to lock-in executives who have contributed to the turnaround	<p>Subject to agreeing to the cancellation of the participant's existing options, a proportion of the new share award* will vest on continuity of employment over the next three years.</p> <p>To ensure there is no value shift to the participants via the cancellation, this element will require an additional three years of services from the participant and will be forfeited if the share price at the end of the performance period is below €0.13.</p>
B	Performance based share award	This element of the award aligns the executive to the future success of the Company by linking the level of vesting to EBITDA and share price growth against the constituents of the MSCI Europe Index (or another other broad based European index as deemed appropriate by the Committee).
C	Exceptional performance multiplier	This element ensures that if significant value is created for shareholders then executives will be entitled to receive an appropriate proportion of this value.

* Element A is designed to recognise the contribution made by individuals to the turnaround of the Company and the cancellation of the existing options which is a prerequisite for participation in the proposed new plan. The quantum of this Element for each participant is linked to the expected value of the existing options they hold where there is a reasonable probability of payout.

THE PERFORMANCE CONDITIONS

Awards granted under the proposed LTIP will be subject to continued employment, satisfaction of the performance conditions and any other terms or conditions determined at grant. Performance will be measured at the end of a three year performance period for each Element.

The measures have been selected as a transparent assessment of the successful execution of the business strategy, returns created for shareholders and metrics which are recognised as key drivers for the Company.

Element A (retention based award)

- Vesting contingent upon continued employment for three years and share price not falling below €0.13 at the end of the performance period.

Element B (performance based award)

- Measured against two equally weighted performance conditions:

	Threshold	Target	Maximum
EBITDA (50% of award)	€0m	€1.6m	€4.0m
Share price growth (50% of award)	Median of the constituents of the MSCI Europe Index ¹	60th percentile of the constituents of the MSCI Europe Index	Upper quartile of the constituents of the MSCI Europe Index
Vesting level²	25%	60%	100%

Notes:

1. Or another other broad based European index as deemed appropriate by the Committee.
2. Vesting will be on a straight line basis between the respective EBITDA and share price targets.

The Committee believes that using two performance metrics represents a good balance between the delivery of earnings and external market performance, both of which are key measures of success for the Company.

Share price growth will be measured against the constituents of the MSCI Europe Index (or another board based European Index). An index which contains European companies (rather than a domestically focussed index) has been chosen by the Committee through consideration of the Company's Netherlands listing and the shareholder base which includes European investors.

Element C (exceptional performance multiplier)

- This element will vest in full when the share price is at or above €0.26 at the end of the performance period.

Please refer to the section entitled 'summary of terms for the new LTIP' for further details of the plan.

MANAGING OUR DILUTION LIMITS

Over the past year, our continued focus on cost control and working capital management has contributed to the on-going development of the Company. The conservation of cash in the business remains critical for the Company to continue to expand licensing, production and strategic partnership opportunities.

For this reason, our annual bonus for the management team is currently awarded primarily as shares which vest after one year from the date of grant rather than cash. We believe that remuneration linked to the short-term business performance is critical in retaining and motivating the management team, and necessary to ensure the Company pays market competitive levels of compensation.

The Company's intention is to provide annual bonuses entirely as cash as soon as the business sustains a constant and steady level of working capital to support our continued growth strategy. Over the short-term, to help conserve cash and to manage the Company's employee share plans within the agreed 10% limit, the Committee proposes to discount any shares awarded for annual bonus from the overall dilution calculations. The dilution from the annual bonus awards made between 2011 and 2013 is c.2.6%.

The Company commits to managing the proposed new LTIP and all other employee share schemes within the agreed 10% limits and will regularly monitor the overall dilution against these limits.

RECOMMENDATION FROM THE BOARD

The Directors consider the proposed arrangements to be in the best interests of the Company and its shareholders as a whole and recommends that you vote in favour of Resolution 9.

Summary of terms for the new LTIP

Operation	The Committee will supervise the operation of the LTIP in respect of the employees of the Company, including the Executive Directors.
Eligible employees	Management and key employees who are seen as driving the value of the business. Non-Executive Directors are not eligible to participate in the LTIP.
Grant type	Awards, in the form of nil-cost options will normally be granted to each participant. No awards will be granted during a close period.
Award levels	On the grant of the awards, the Committee will determine the maximum value of the awards (either as a percentage of the Company's issued share capital or face value of the awards as a percentage of salary) that can be granted to the participant in any calendar year.
Performance conditions	The vesting of the awards will be subject to continued employment with the Company, satisfaction of the performance targets and any other terms or conditions determined at the grant stage.
Clawback and malus	The Committee may, at the time of vesting or at any time before, reduce the vesting level of awards in special circumstances and general malus principles will be applicable upon the discovery of deficient performance. Claw-back will apply on share awards in the event of mis-booking of reserves, a misstatement of earnings, censure by a regulatory authority or any other serious damage to the Company reputation.
Limits	The Company may issue 10% of its shares within a ten year period to satisfy awards to participants in the LTIP and other share plans operated by the Company under which shares are issued, excluding shares awarded to employees as part of the annual bonus arrangements. The Committee will be monitoring the issue of shares during the ten year period. It should be noted that where the Company uses treasury shares to satisfy its obligations under share arrangements, they shall be added to the number of shares issued for the purposes of this limit.
Taxation	Awards that vest and where applicable, are exercised (in the case of nil-cost options) will be conditional upon the participant paying any taxes due.
Cessation of employment	On termination of employment, a good leaver (someone whose employment is terminated by reason of death, ill health, disability, redundancy, retirement, certain corporate events or such other reason as the Committee may determine) does not lose vested awards. Unvested awards will vest on the usual vesting date but will be pro-rated for time served and the achievement of the performance conditions. The Committee has discretion to accelerate the vesting date and to take into account time served. The entitlement to all unvested awards will lapse, should a participant be a bad leaver, subject to the Committee determining otherwise.
Change of control	In the event of a change of control, the performance period will end at the date of the change of control. At the discretion of the Committee, awards which have been granted will vest taking into consideration the satisfaction of the performance conditions and (save in respect of Element A) the time served by the participant.
Variation of share capital	On a variation of the capital of the Company, the number of shares subject to awards and their terms and conditions may be adjusted in such manner as the Committee determines to be fair and reasonable.
Duration	The LTIP rules will expire after ten years from the date of approval by shareholders. The Committee may not grant awards under the LTIP after this date.
Amendments	Without the prior approval of the Company in general meeting, an amendment to the LTIP may not be made for the benefit of existing or future LTIP holders. Provisions governing eligibility requirements, equity dilution, share utilisation and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of shares that may be issued, cannot be altered to the advantage of Participants without prior shareholder approval, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants. However, Participants should be notified of any amendment which would materially detrimentally affect their existing rights, and such amendments must be approved by the majority of Participants notified. In addition, the Committee may add to, vary, or amend the rules of the Plan by way of a separate schedule in order that the Plan operates to take account of local legislative and regulatory treatment for Participants or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than the rules of the Plan as summarised above.
General	Awards and any other rights granted pursuant to the Plan are non-pensionable.
Non-transferability of awards	Awards are not transferable, except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant or by will or the laws of descent and distribution.

Note: This summary outlines the main features of the LTIP rules, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. The rules governing the LTIP are available for inspection at the Company's registered address of Royal Albert House, Sheet Street, Windsor, SL4 1BE during the usual office hours (Saturdays, Sundays and statutory holidays excepted) from the date of the despatch of the Chairman's letter up to and including the date of the Annual General Meeting of the Company, and at the meeting itself. The directors reserve the right, up to the time of the meeting, to make such amendments and additions to the rules of the LTIP as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this document.