

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying Form of Proxy to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws in any such jurisdictions.

---

**PuriCore**  
Pure Science. Pure Life.  
**PuriCore plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5789798)*

## **Proposed Disposal of PuriCore International Limited**

and

## **Notice of General Meeting**

---

Peel Hunt LLP (“Peel Hunt”) which is authorised and regulated in the United Kingdom by the Financial Conduct Authority is acting exclusively for the Company and for no-one else in connection with the Disposal and will not regard any other person as its client nor be responsible to anyone other than the Company for providing the protections afforded to the clients of Peel Hunt nor for providing advice in connection with the Disposal or any other matter referred to in this document.

**This document should be read as a whole. Your attention is drawn to the Letter of Recommendation from the Executive Chairman of the Company set out in Part I of this document. This document contains a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting referred to below. The Disposal will not take place unless the Resolution is passed.**

**Notice of a General Meeting of the Company to be held at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD at 10.00 a.m. on 20 June 2014 is set out in Part VIII of this document.** The Form of Proxy for use at the General Meeting accompanies this document and, to be valid, must be completed, signed and returned in accordance with the instructions printed thereon and either: (a) deposited at the Company’s registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; (b) lodged using the CREST Proxy Voting Service; or (c) lodged electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk), in each case so that it is received no later than **10.00 a.m. on 18 June 2014**. For further details please see the notes to the Notice of General Meeting set out at the end of this document. The appointment of a proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so (and you are so entitled).

**A summary of the action to be taken by Shareholders is set out on page 3 of this document and in the Notice of General Meeting set out in Part VIII of this document.**

## TABLE OF CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events and Action to be Taken .....	3
Part I Letter of Recommendation from the Executive Chairman of PuriCore .....	4
Part II Risk Factors.....	9
Part III Historical Financial Information on PuriCore International Limited .....	10
Part IV Unaudited Pro Forma Statement of Net Assets of the Continuing Group.....	12
Part V Summary of the Principal Terms and Conditions of the Disposal Agreement .....	16
Part VI Additional Information.....	18
Part VII Definitions .....	24
Part VIII Notice of General Meeting.....	26

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Action to be taken</i>	<i>Time and Date</i> <sup>(1)</sup>
Latest time and date for receipt by Equiniti of Forms of Proxy in respect of the General Meeting	10.00 a.m. on 18 June 2014 <sup>(2)</sup>
General Meeting	10.00 a.m. on 20 June 2014
Expected date of Completion	30 June 2014

**Notes:**

- (1) All references to times of day are to London time.
- (2) If the General Meeting is adjourned, the latest time and date for receipt by Equiniti of Forms of Proxy will be 48 hours before the time appointed for the adjourned General Meeting.

## ACTION TO BE TAKEN

### FORM OF PROXY

You will find enclosed with this document a Form of Proxy in respect of the General Meeting.

### COMPLETION AND RETURN OF FORM OF PROXY

Whether or not you plan to attend the General Meeting in person, please complete the enclosed Form of Proxy and return it in accordance with the instructions printed thereon. The Form of Proxy should either be: (a) deposited at the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; (b) lodged using the CREST Proxy Voting Service; or (c) lodged electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk), in each case so that it is received no later than 10.00 a.m. on 18 June 2014. For further details please see the notes to the Notice of General Meeting set out at the end of this document.

The completion and return or non-completion of a Form of Proxy will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person if you wish to do so.

If you have any questions relating to this document or the Form of Proxy, please call Equiniti on 0871 384 2030 (from inside the United Kingdom) or +44 121 415 7047 (from outside the United Kingdom). The above helplines are available from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except bank and other public holidays). Calls to the 0871 384 2030 number from inside the United Kingdom are charged at 8 pence per minute plus network extras. Calls to the +44 121 415 0259 number from outside the United Kingdom are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the above helplines are only able to provide information contained in this document and information relating to the Company's register of members and are unable to give advice on the merits of the Disposal or to provide legal, financial, tax or investment advice.

PART I

LETTER FROM THE EXECUTIVE CHAIRMAN OF PURICORE

**PuriCore**

Pure Science. Pure Life.

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5789798)*

*Registered Office:*

Wolseley Court  
Staffordshire Technology Park  
Stafford  
ST18 0GA

4 June 2014

Dear Shareholder,

**Proposed disposal of PuriCore International Limited and Notice of General Meeting**

**1. INTRODUCTION**

It was announced today that PuriCore has conditionally agreed to sell the entire issued share capital of its wholly-owned, indirect subsidiary, PuriCore International Limited (“PIL”), to the Purchaser, Medivators B.V., which is an indirect wholly-owned subsidiary of Cantel Medical Corp., for an aggregate consideration of \$26,892,000 on a cash-free-debt-free basis, subject to Adjustments and payable in cash on Completion.

Cantel Medical Corp. (NYSE: CMN) is a leading provider of infection prevention and control products and services in the healthcare market. Cantel Medical Corp. has a market capitalisation of approximately \$1.4 billion as at 2 June 2014 and net sales of \$425 million for the year ended 31 July 2013, approximately 37.7 per cent. of which was derived from the endoscopy segment.

In view of its size, the Disposal constitutes a Class 1 transaction for the purposes of the Listing Rules. Completion of the Disposal is therefore conditional, *inter alia*, on approval by Shareholders.

A General Meeting is being convened at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD at 10.00 a.m. on 20 June 2014 at which an ordinary resolution will be proposed to approve the Disposal. To pass the resolution, more than half of the votes cast must be in favour of the resolution. The Notice convening the General Meeting is set out at the end of this document.

The purpose of this document is:

- (a) to provide you with background to and reasons for the Disposal;
- (b) to describe the intended use of the proceeds of the Disposal;
- (c) to explain the principal terms of the Disposal;
- (d) to provide financial information on PIL and to illustrate the financial impact of the Disposal on the Group;
- (e) to communicate current Shareholder support for the transaction; and
- (f) to explain why the Board considers the Disposal to be in the best interests of Shareholders as a whole and why, therefore, the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Subject, *inter alia*, to Shareholders approving the Disposal at the General Meeting, it is currently anticipated that the Disposal will be completed on 30 June 2014. If the Resolution is not passed, the Disposal will not proceed.

Further information in relation to the Disposal Agreement is set out in paragraph 6 of this Part I and in Part V of this document.

## **2. BACKGROUND TO THE COMPANY**

PuriCore is an international company focused on safe and effective protection against the spread of infectious pathogens without causing harm to human or animal life or to the environment. PuriCore's antimicrobial technology and complementary products are used in both established core businesses and the emerging markets within Health Sciences and Food & Agriculture.

In the Health Sciences segment, PuriCore's UK-based Endoscopy business is a full provider of products and services required for safe, efficient and compliant endoscope decontamination in NHS hospitals. In addition, this business sells a catalogue of surgical consumables and manufactures and sells a line of laboratory clean-air and other scientific equipment.

Also part of the Health Sciences segment, PuriCore's US-based Wound Care and Dermatology business provides products that are used worldwide to treat chronic and acute wounds, including diabetic ulcers and burns in humans, for atopic dermatitis as private-labelled Dermatology treatments for humans, and to manage wounds in all species of companion and farm animals in the Animal Health segment.

In the US-based Food & Agriculture segment, PuriCore offers two products to US supermarket retailers for use in their fresh produce departments to improve food safety, quality, extend shelf life, and decrease food wastage. Additionally, PuriCore's products protect against fungal growth and extend the saleable life of cut flowers throughout the distribution chain with an initial focus on supermarket floral departments.

## **3. BACKGROUND TO AND REASONS FOR THE DISPOSAL**

Following an approach by Cantel Medical Corp. for the PIL business early in 2014, the Board conducted a strategic review of the position of PIL within the Group. The Board considers PIL as non-core because its business is no longer focused on the Group's core intellectual property in hypochlorous acid. Also, the Board sees the greatest prospects for growth of the Group and maximising shareholder value in expansion of the Supermarket Retail business and the Health Sciences segment. Accordingly, after consideration of alternatives and future goals, the Board concluded that a disposal of PIL to the Purchaser on the terms set out below was in the best interests of the Company and Shareholders as a whole.

## **4. INFORMATION ON PIL**

PIL is a UK-based business that primarily targets the UK endoscope decontamination market. With the acquisition of Labcaire Systems Limited in 2009, and the surgical endoscopy products business of Monmouth Scientific Limited in 2012, the Directors believe PIL is one of the largest providers of endoscope decontamination equipment and services in the UK.

PIL offers a product portfolio for both NHS and private hospitals that have endoscopic decontamination needs. The portfolio includes automated endoscope reprocessors, disinfectant chemistry (one of which is PuriCore's core hypochlorous acid technology) and drying cabinets, as well as consumables and services, including maintenance, training and validations. Approximately 310 UK hospitals with endoscopy suites (approximately 270 NHS hospitals and approximately 40 private hospitals) use PIL equipment.

PIL also targets the laboratory market with its Scientific (clean-air) Control of Substances Hazardous to Health (COSHH) equipment in the UK and internationally.

The business has diversified beyond the core disinfection chemistry technology (hypochlorous acid), which was the platform of the initial business and is the cornerstone of the Group's other businesses. Today, PIL offers a variety of decontamination chemistries, services and capital equipment. Whilst the Directors feel strongly that the new RapidAER, to be launched in 2014, and Endoscope Drying and Storage Cabinets, launched in 2013, create a strong platform for growth, the growth rate is not expected to be at the same pace as the Continuing Businesses given the Directors will give investment priority to those Continuing Businesses, if the Disposal is not completed.

During the three financial years ended 31 December 2013, PIL's results were as follows:

	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2013
	(audited) \$'000	(audited) \$'000	(audited) \$'000
Revenue	22,455	23,493	23,297
Operating profit/(loss)	(1,041)	729	2,134
Profit/(loss) before tax	(1,041)	729	2,134
Retained profit/(loss)	(1,041)	2,954	2,235

As at 31 December 2013, PIL had gross assets of approximately \$14 million.

Further financial information on PIL is set out in Part III of this document. Shareholders are advised to read the whole of this document and not solely rely on the summary financial information above.

## 5. USE OF PROCEEDS

The Company has initiated a comprehensive strategic review of the business to determine the best use of proceeds of the Disposal to create shareholder value. This includes enhanced investment in the Continuing Group's existing businesses, potential strategic acquisitions in complementary businesses, and/or a potential return to shareholders.

The Company will prioritise expansion of its US Supermarket Retail business, particularly into the Hospitality and Foodservice (i.e., food preparation) sector. The Company will drive adoption of its bottled concentrate products, ProduceFresh and FloraFresh, through investment in the sales and marketing team and the accelerated installation of concentrate-diluting systems at customer locations. The Directors believe that together this should increase recurring revenue, build market share, and mitigate competitive pressures.

The Company continues to expand its Wound Care and Dermatology business internationally. Opportunities to broaden product portfolio and geographic reach particularly in hospital and healthcare facilities in both existing and new platforms are being developed. These require investment in research and development to broaden the technology's application, develop new products, and achieve appropriate multinational regulatory approvals.

## 6. PRINCIPAL TERMS OF THE DISPOSAL AGREEMENT

Under the terms of the Disposal Agreement, the Purchaser has agreed to acquire the entire issued share capital of PIL. The consideration for the Disposal will be \$26,892,000 payable in cash at Completion.

The consideration of \$26,892,000, payable directly to PuriCore, Inc. at Completion, is subject to adjustment to the extent that the net working capital of PIL at Completion falls short of an agreed target and PIL has net cash or net debt at Completion, as well as adjustments related to the timing of revenue recognition and cash collection.

Completion of the Disposal Agreement is conditional, *inter alia*, on the Company obtaining the consent of Shareholders to the Disposal at the General Meeting.

Under the terms of the Disposal Agreement, at Completion, PuriCore, Inc. will make available to the Purchaser, under a royalty-free licence, certain intellectual property and Sterilox chemistry, insofar as it relates, *inter alia*, to the field of endoscope disinfection and the field of dental unit water line decontamination.

The Disposal Agreement contains certain warranties from PuriCore, Inc. in favour of the Purchaser. The aggregate amount recoverable under the warranties is limited to \$16,135,200.

Under the Disposal Agreement, the Company has agreed to guarantee the obligations of PuriCore, Inc.

The principal terms of the Disposal Agreement are described in more detail in Part V of this document.

## 7. FINANCIAL EFFECTS OF THE DISPOSAL

Pursuant to the Disposal, the Continuing Group will receive net proceeds of approximately \$25.3 million. This represents gross proceeds of \$26,892,000 less costs relating to the Disposal of approximately \$1.6 million, including a management bonus (which is not payable to any Director).

The Disposal will result in PIL no longer contributing to the financial performance of the Continuing Group. On the basis of the audited income statement of PIL for the financial year ended 31 December 2013, the Disposal would have a negative impact on Group profitability in the short-term given the loss of the profit generated by PIL but a positive impact on the Continuing Group's cash flows in the short-term as a result of the Disposal proceeds.

As at 31 December 2013, PIL had unaudited net liabilities of \$7.1 million (including intercompany liabilities of \$12.8 million, which will be forgiven by the Group at Completion).

Had the Disposal taken place on 31 December 2013, the pro forma net assets of the Continuing Group would have increased by approximately \$19.6 million. A pro forma statement of net assets, illustrating the effect of the Disposal on the Group's net asset position, is set out in Part IV of this document.

## **8. CURRENT TRADING AND PROSPECTS OF THE GROUP**

The Company announced on 14 May 2014 the following unaudited Interim Management Statement.

“Revenue for the Group decreased 2.9 per cent. to \$10.6 million (6.4 per cent. at constant currency) in the first quarter of 2014 (Q1 2013: \$10.9 million), as higher recurring revenues were offset by delays in capital orders. Cash and cash equivalents were \$3.9 million as at 31 March 2014 (as at 31 December 2013: \$3.4 million).

### **Food & Agriculture**

In the Supermarket Retail business, revenue increased 17.8 per cent. to \$4.3 million (Q1 2013: \$3.6 million) due to growth in the Company's newly launched concentrate product. During the period, this business completed all remaining Sterilox Fresh System installations for the \$14.0 million agreement with a top-five US supermarket retailer announced in April last year as well as continued shipments of FloraFresh and ProduceFresh bottled concentrate products under the three major multi-year contracts with leading US retailers. For the full year, the Supermarket Retail business plans to invest in sales and marketing to drive growth in product usage of FloraFresh and ProduceFresh as well as expand the Floral business target market to florists and into the floral supply chain.

### **Health Sciences**

During the first quarter of 2014, Endoscopy revenue decreased 6.0 per cent. (12.0 per cent. at constant currency) to \$5.9 million (Q1 2013: \$6.2 million). The decrease was due to delays in fulfilment of capital orders and planned heavier sales in the second half of the year in anticipation of the launch of the new state-of-the-art endoscope washer disinfectant, RapidAER®. During the quarter, the Endoscopy business completed final testing of and received CE marking for the new product. Market acceptance of RapidAER has been most favourable, and sales orders are already in hand to commence shipment in June.

Global Wound Care and Dermatology revenue decreased 55.8 per cent. to \$0.5 million (Q1 2013: \$1.1 million) primarily due to milestone payments of approximately \$0.8 million received in the first quarter of 2013 compared with nil in 2014. In February 2014, PuriCore signed a marketing and distribution agreement with Ueno Corporation for Vashe in 15 Middle East and North African countries. Initial shipments commenced in the first quarter of 2014. In April 2014, PuriCore launched a complementary product for the Animal Health market, NovaZo Wound Hydrogel Dressing.”

## **9. GENERAL MEETING**

A Notice convening the General Meeting to be held at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD at 10.00 a.m. on 20 June 2014 is set out at the end of this document.

The Resolution, which is set out in full in the Notice convening the General Meeting, will be proposed at the General Meeting in order to approve the Disposal. The Resolution will be proposed as an ordinary resolution and will be passed if more than 50 per cent. of those voting (in person or by proxy) vote in favour.

## **10. ACTION TO BE TAKEN**

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon and either: (a) deposited at the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; (b) lodged using the CREST Proxy Voting Service; or

(c) lodged electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk), in each case so that it is received no later than 10.00 a.m. on 18 June 2014. For further details please see the notes to the Notice of General Meeting set out at the end of this document. The appointment of a proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

If you have any questions relating to this document or the Form of Proxy, please call Equiniti on 0871 84 2030 (from inside the United Kingdom) or +44 121 415 7047 (from outside the United Kingdom). The above helplines are available from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except bank and other public holidays). Calls to the 0871 384 2030 number from inside the United Kingdom are charged at 8 pence per minute plus network extras. Calls to the +44 121 415 0259 number from outside the United Kingdom are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the above helplines are only able to provide information contained in this document and information relating to the Company's register of members and are unable to give advice on the merits of the Disposal or to provide legal, financial, tax or investment advice.

## **11. FURTHER INFORMATION**

Your attention is drawn to the further information set out in this document. You are advised to read the whole of this document and not just rely on the summary information presented above.

## **12. RECOMMENDATION**

**The Board considers the Disposal to be in the best interests of Shareholders as a whole and accordingly recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.**

## **13. VOTING**

**It is noted that, whilst Non-Executive Director Daniel Hegglin believes the sale of PIL is in the best interests of Shareholders as a whole, he also believes that the Disposal consideration undervalues the business. Hence, Mr. Hegglin has stated that he intends to vote against the Resolution in respect of his own beneficial holding amounting to 4,909,091 Ordinary Shares representing approximately 9.79 per cent. of the Issued Ordinary Share Capital.**

**All other Directors with beneficial interests in the Issued Ordinary Share Capital have irrevocably undertaken to vote in favour of the Resolution in respect of their own beneficial holdings, amounting to an aggregate of 136,426 Ordinary Shares representing approximately 0.27 per cent. of the Issued Ordinary Share Capital. Including the Directors, Shareholders, who in aggregate own 14,155,362 Ordinary Shares representing approximately 28.23 per cent. of the Issued Ordinary Share Capital, have irrevocably undertaken to vote in favour of the Resolution. The Company has also received a non-binding letter of intent to vote in favour of the Resolution in respect of 14,747,027 Ordinary Shares representing 29.41 per cent. of the Issued Ordinary Share Capital. Therefore, in aggregate, irrevocable undertakings and a non-binding letter of intent have been received in respect of 28,902,389 Ordinary Shares representing 57.65 per cent. of the Issued Ordinary Share Capital.**

Yours faithfully

**Michael Ashton**  
*Executive Chairman*

## PART II

### RISK FACTORS

*Shareholders should carefully consider all the information in this document including the risks described below. The Directors have identified these risks as the material risks relating to the Disposal, the new material risks to the Group as a result of the Disposal and the existing material risks to the Group which may be impacted by the Disposal. Additional risks and uncertainties not presently known to the Directors, or that the Board considers immaterial, or that the Board considers material to the Group but will not be impacted by the Disposal, may also adversely affect the Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Group's business, financial condition, operational performance and share price could be materially adversely affected. In such circumstances, the market price of the Ordinary Shares could decline and you may lose all or part of your investment.*

#### 1. RISKS RELATING TO THE DISPOSAL

(a) **The Group may not realise a greater return on re-investing the proceeds of the Disposal than it would have realised if the Company were not sold**

Although the Directors believe that the Group will achieve greater long-term return and shareholder value through the investment of the proceeds from the Disposal into the continuing and future Group businesses and other future investments, there can be no certainty that PuriCore would not achieve greater return without the Disposal.

(b) **The Group's operations after the Disposal will be less diversified**

Following the Disposal, the Continuing Group's business will be less diversified both commercially and geographically and will focus on core technology within its Health Sciences segment, comprising principally Wound Care and Dermatology, and its Food & Agriculture segment, currently comprising principally Supermarket Retail, all of which are operated from the US. Weak performance in these businesses, or in any particular part of these businesses, may have a proportionally greater adverse impact on the financial condition of the Continuing Group. The Continuing Group will seek to expand its geographic reach and product portfolio to enhance diversification.

(c) **Obligations under the Disposal Agreement and ancillary sale documents with negative financial consequences may arise**

The Disposal Agreement and ancillary sale documents contain certain warranties, undertakings and indemnities given in favour of the Purchaser, which could cause the Continuing Group to incur liabilities and obligations to make payments that would not have arisen had the Disposal not taken place. The liability of the Continuing Group, in respect of any future claims brought against it by the Purchaser pursuant to the Disposal Agreement and ancillary sale documents, is limited in accordance with normal commercial practice. Further details of warranties, undertakings and indemnities that have been given are set out in Part V of this document.

#### 2. RISK RELATING TO THE DISPOSAL NOT PROCEEDING

**The Disposal fails to complete and fees will be incurred without proceeds**

The Disposal Agreement is conditional on various matters, including the passing of the Resolution at the General Meeting, consent being received from the NHS in England and Scotland to the change of control of PIL and on there having been no Material Adverse Change (as defined in the Disposal Agreement) prior to Completion. In the event that the Purchaser terminates the Disposal Agreement, or in various other circumstances, the Disposal will not be completed. In addition, if the Resolution is not passed, the Disposal will not be completed. Should the Disposal fail to complete, PuriCore would be obliged to pay out-of-pocket fees incurred related to the transaction without the offset of corresponding proceeds.

## PART III

# HISTORICAL FINANCIAL INFORMATION ON PURICORE INTERNATIONAL LIMITED

### 1. NATURE OF FINANCIAL INFORMATION

A financial information table of PIL is included below for the three years ended 31 December 2013.

The information has been extracted without material adjustment from the consolidation schedules underlying the Company's audited consolidated accounts for the three years ended 31 December 2013 all of which have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial information contained in this Part III does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006. The consolidated statutory accounts of the Company for the three years ended 31 December 2011, 2012 and 2013 have been delivered to the Registrar of Companies.

The auditor's reports in respect of the statutory accounts for 2011 and 2012 were unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006. The auditor's report in respect of the statutory accounts for 2013 was: (a) unqualified; (b) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (c) did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

KPMG Audit Plc was the auditor for the Group, including PIL, in respect of the three years ended 31 December 2013.

### 2. INCOME STATEMENTS OF PIL

	Year ended 31 December 2011 \$'000	Year ended 31 December 2012 \$'000	Year ended 31 December 2013 \$'000
<b>Continuing operations</b>			
Revenue	22,455	23,493	23,297
Cost of sales	(16,299)	(15,839)	(15,324)
<b>Gross Profit</b>	<b>6,156</b>	<b>7,654</b>	<b>7,973</b>
Sales and marketing expenses	(1,568)	(1,823)	(2,066)
General and administrative expenses	(3,951)	(3,495)	(2,995)
Research and development expenses	(1,678)	(1,607)	(778)
<b>Operating profit/(loss)</b>	<b>(1,041)</b>	<b>729</b>	<b>2,134</b>
<b>Profit/(loss) before taxation</b>	<b>(1,041)</b>	<b>729</b>	<b>2,134</b>
Taxation	–	2,225	101
Retained profit/(loss)	(1,041)	2,954	2,235
Depreciation and amortisation	2,155	1,472	801
<b>Profit/(loss) before interest, tax, depreciation and amortisation</b>	<b>1,114</b>	<b>2,201</b>	<b>2,935</b>

### 3. BALANCE SHEET OF PIL

	As at 31 December 2012 \$'000	As at 31 December 2013 \$'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Intangible assets	3,101	3,390
Property, plant and equipment	853	588
Deferred tax asset	1,971	1,951
<b>Total Non-Current Assets</b>	<u>5,925</u>	<u>5,929</u>
<b>Current Assets</b>		
Inventories	2,552	2,019
Trade and other receivables	4,897	4,398
Cash and cash equivalents	1,697	1,867
<b>Total Current Assets</b>	<u>9,146</u>	<u>8,284</u>
<b>Total Assets</b>	<u>15,071</u>	<u>14,213</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	(8,561)	(8,327)
Loans and borrowings	(315)	–
Provisions	(76)	(149)
<b>Total Current Liabilities</b>	<u>(8,952)</u>	<u>(8,476)</u>
<b>Non-Current Liabilities</b>		
Loans and borrowings	(16,591)	(12,821)
<b>Total Non-Current Liabilities</b>	<u>(16,591)</u>	<u>(12,821)</u>
<b>Total Liabilities</b>	<u>(25,543)</u>	<u>(21,297)</u>
<b>Net Liabilities</b>	<u>(10,472)</u>	<u>(7,084)</u>
<b>EQUITY</b>		
Share premium account	14,134	14,134
Retained earnings	(24,045)	(21,872)
Cumulative translation adjustment	(561)	654
<b>Total equity</b>	<u>(10,472)</u>	<u>(7,084)</u>

PART IV

**UNAUDITED PRO FORMA STATEMENT OF NET ASSETS  
OF THE CONTINUING GROUP**

**1. UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP**

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effect of the Disposal on the consolidated net assets of the Company at 31 December 2013 as if the Disposal had taken place on 31 December 2013. The information, which is produced for illustrative purposes only, by its nature addresses a hypothetical situation and therefore does not represent the actual financial position of the Group. The unaudited pro forma net assets statement is compiled on the basis set out in the notes below. The unaudited pro forma statement of net assets does not take into account any trading of either the PuriCore Group or PIL subsequent to 31 December 2013.

	PuriCore Group as at 31 December 2013 Note (i) \$'000	PIL as at 31 December 2013 Note (ii) \$'000	Adjustment		Unaudited Pro forma Continuing Group as at 31 December 2013 Note (v) \$'000
			Write-off Inter-company balances Note (iii) \$'000	Disposal Note (iv) \$'000s	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Intangible assets	5,079	(3,390)	–	–	1,689
Property, plant and equipment	2,336	(588)	–	–	1,748
Deferred tax assets	1,951	(1,951)	–	–	–
Non-current lease and other receivables	3,048	–	–	–	3,048
<b>Total Non-Current Assets</b>	<b>12,414</b>	<b>(5,929)</b>	<b>–</b>	<b>–</b>	<b>6,485</b>
<b>Current Assets</b>					
Inventories	3,124	(2,019)	–	–	1,105
Trade and other receivables	7,089	(4,398)	–	–	2,691
Cash and cash equivalents	3,439	(1,867)	–	26,892	28,464
<b>Total Current Assets</b>	<b>13,652</b>	<b>(8,284)</b>	<b>–</b>	<b>26,892</b>	<b>32,260</b>
<b>Total Assets</b>	<b>26,066</b>	<b>(14,213)</b>	<b>–</b>	<b>26,892</b>	<b>38,745</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	(12,637)	8,327	–	–	(4,310)
Other creditors (deal costs)	–	–	–	(1,592)	(1,592)
Loans and borrowings	–	–	–	–	–
Provisions	(149)	149	–	–	–
<b>Total Current Liabilities</b>	<b>(12,786)</b>	<b>8,476</b>	<b>–</b>	<b>(1,592)</b>	<b>(5,902)</b>
<b>Non-Current Liabilities</b>					
Loans and borrowings	–	12,821	(12,821)	–	–
<b>Total Non-Current Liabilities</b>	<b>–</b>	<b>12,821</b>	<b>(12,821)</b>	<b>–</b>	<b>–</b>
<b>Total Liabilities</b>	<b>(12,786)</b>	<b>21,297</b>	<b>(12,821)</b>	<b>(1,592)</b>	<b>(5,902)</b>
<b>Net Assets</b>	<b>13,280</b>	<b>7,084</b>	<b>(12,821)</b>	<b>25,300</b>	<b>32,843</b>

**Notes:**

The unaudited pro forma statement of net assets as at 31 December 2013 has been compiled on the following basis:

- (i) The net assets of the PuriCore Group at 31 December 2013 have been extracted without material adjustment from the audited consolidated balance sheet of the PuriCore Group included in the financial statements for the period to, and as at 31 December 2013.
- (ii) The net assets of PIL at 31 December 2013 are extracted without material adjustment from the audited consolidation schedules supporting the consolidated balance sheet of the PuriCore Group as at 31 December 2013 which are set out in Part III of this document.
- (iii) Reflecting the expected forgiveness, cancellation and release, by the Company and PuriCore, Inc., of PIL from all outstanding inter-company debt immediately prior to Completion.
- (iv) The Disposal adjustments represent the expected gross Disposal proceeds of \$26,892,000 less transaction costs and a management bonus payable totalling approximately \$1.6 million. In addition, any outstanding third-party borrowings of PIL (which are estimated to be nil) are expected to be repaid in full and the remaining cash balance will be retained in the Continuing Group.

	<b>\$'000</b>
Gross Disposal proceeds*	26,892
Approximate transaction costs and management bonus	(1,592)
Approximate net Disposal proceeds	<u>25,300</u>

\* Pursuant to the Disposal Agreement, the gross consideration payable by the Purchaser will be adjusted on a dollar-for-dollar basis to the extent that PIL has net debt (resulting in a reduction in consideration) or net cash (resulting in an increase in consideration) to the extent that net working capital at Completion deviates from a target amount and will be reduced by an adjustment related to revenue recognition and cash receipts at Completion. Further details of this adjustment are set out in paragraph 2 of Part V of this document.

- (v) No adjustments have been made to reflect the trading or other transactions of the Group since 31 December 2013.

The unaudited pro forma statement of net assets does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

## 2. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP



**KPMG LLP**  
**Transaction Services**  
St James' Square  
Manchester M2 6DS  
United Kingdom

Tel +44 (0) 161 246 4000  
Fax +44 (0) 161 246 4040  
DX 724620 Manchester 42

The Directors  
PuriCore plc  
Wolseley Court  
Staffordshire Technology Park  
Stafford  
ST18 0GA

4 June 2014

Dear Sirs

### **PuriCore plc**

We report on the pro forma financial information (the 'Pro forma financial information') set out in Part IV of the Class 1 circular dated 4 June 2014, which has been prepared on the basis described in the notes thereto, for illustrative purposes only, to provide information about how the disposal might have affected the financial information presented on the basis of the accounting policies adopted by PuriCore plc in preparing the financial statements for the year ended 31 December 2013. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Responsibilities**

It is the responsibility of the directors of PuriCore plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

#### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents,



**KPMG LLP**  
*PuriCore plc*  
4 June 2014

considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of PuriCore plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of PuriCore plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion**

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of PuriCore plc.

Yours faithfully

**KPMG LLP**

## PART V

# SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL AGREEMENT

The following is a summary of the material terms of the Disposal Agreement. The Disposal Agreement is available for inspection by Shareholders at the place and at the times specified in paragraph 12 of Part VI of this document.

### 1. INTRODUCTION

The Disposal Agreement between: (i) the Company; (ii) PuriCore, Inc.; (iii) the Purchaser, Medivators B.V.; and (iv) Medivators Inc. (which is one of the principal operating subsidiaries owned by Cantel Medical Corp.), was entered into on 3 June 2014. Under the terms of the Disposal Agreement, PuriCore, Inc. has conditionally agreed to sell the entire issued share capital of PIL to the Purchaser. The Company has agreed to guarantee all of the obligations of PuriCore, Inc. and Medivators Inc. has agreed to guarantee all of the obligations of the Purchaser.

### 2. CONSIDERATION

The consideration for the Disposal will be a cash payment of \$26,892,000 payable on Completion.

The consideration of \$26,892,000, payable directly to PuriCore, Inc. at Completion, is subject to adjustment, on a US dollar-for-US dollar basis, in the event that PIL has either a net cash or net debt position at Completion. If PIL is in a net cash position at Completion, the consideration payable to PuriCore, Inc. will be increased by the same figure. If PIL is in a net debt position at Completion, the consideration payable to PuriCore, Inc. will be decreased by the same figure.

In addition, the consideration of \$26,892,000, payable directly to PuriCore, Inc. at Completion, is also subject to adjustment, on a US dollar-for-US dollar basis, to the extent that the net working capital of PIL at the date of Completion is less than a target amount set out in the Disposal Agreement and adjustments related to timing of revenue recognition and cash collection for longer-term contracts.

Intercompany liabilities (which, as at 31 December 2013, amounted to \$12.8 million) will be forgiven by the Group at Completion, save for those intercompany liabilities which relate to normal trading activities, which will be settled as part of the net working capital adjustment.

### 3. CONDITIONS

Completion of the Disposal Agreement is conditional upon:

- (a) the approval of the Resolution at the General Meeting;
- (b) the approval of the NHS in England and Scotland to the change in control of PIL; and
- (c) no Material Adverse Change (as defined in the Disposal Agreement) having occurred prior to Completion.

In the event that a Material Adverse Change occurs or is reasonably likely to occur, either PuriCore, Inc. or the Purchaser may rescind the Disposal Agreement or enter into good faith negotiations in order to determine whether the consideration for the Disposal should be adjusted and/or to agree such other steps as may reasonably be required to remedy the Material Adverse Change and proceed to Completion. If PuriCore, Inc. and the Purchaser cannot reach agreement, either PuriCore, Inc. or the Purchaser may elect to rescind the Disposal Agreement. If PuriCore, Inc. and the Purchaser proceed to Completion, the Purchaser shall maintain its rights and remedies in respect of a breach of warranty and/or a breach of the Disposal Agreement with respect to the Material Adverse Change notwithstanding Completion, save where such matter, event or circumstance is taken into account in any adjustment to the consideration for the Disposal. In the event that PuriCore, Inc. or the Purchaser exercises its right to rescind the Disposal Agreement, neither PuriCore, Inc. nor the Purchaser shall have any claim against the other in relation to the Disposal Agreement.

The condition described in (c) above will be deemed to have been fulfilled immediately prior to Completion, provided that the Purchaser has not elected to terminate the Disposal Agreement prior to that

time in accordance with the provisions described above as a result of the occurrence of a Material Adverse Change.

#### **4. OPERATION OF THE PIL BUSINESS PRIOR TO COMPLETION**

PuriCore, Inc. has agreed to use all reasonable endeavours to ensure that between the date of the Disposal Agreement and Completion, the business of PIL will be carried on in all material respects in the ordinary course and, in addition, PuriCore, Inc. has agreed to comply with certain specific obligations as set out in the Disposal Agreement.

#### **5. WARRANTIES**

The Disposal Agreement contains customary warranties given by PuriCore, Inc. in favour of the Purchaser, including in relation to organisation, capacity and authority, financial statements and accounting records, events since the date of the last financial statements, contracts, assets, intellectual property, computer technology, real property, employees, pensions, litigation, compliance with laws and taxation.

The aggregate amount recoverable under the warranties is limited to \$16,135,200. Claims notified under the warranties (other than those that relate to taxation) may not be made more than 18 months after the date of Completion. Claims made in relation to the taxation warranties may be notified for a period of up to four years from the date of the Disposal Agreement.

#### **6. RESTRICTIVE COVENANTS**

For a period of three years from the date of Completion (except in the case of paragraph (e) below when the relevant time period is two years), PuriCore, Inc. has agreed that neither it nor any member of the Continuing Group will, *inter alia*:

- (a) carry on within the United Kingdom any Competing Business (as defined in the Disposal Agreement);
- (b) carry on within the United Kingdom any Competing Dental Business (as defined in the Disposal Agreement);
- (c) solicit or approach in relation to a Competing Business PIL's clients or customers;
- (d) sell anywhere in the world in relation to the Endoscopy Field of Use (as defined in the Disposal Agreement) the Sterilox chemistry which is the subject of the licence referred to in section 7 below; or
- (e) offer employment to employees of PIL holding managerial, sales, research and development (subject to limited exceptions) or other technical posts.

#### **7. INTELLECTUAL PROPERTY**

Under the terms of the Disposal Agreement, at Completion, PuriCore, Inc. will make available to the Purchaser, under a royalty-free licence, certain intellectual property and Sterilox chemistry, insofar as it relates, *inter alia*, to the field of endoscope disinfection and the field of dental unit water line decontamination.

#### **8. TAXATION COVENANT**

Under the terms of the Disposal Agreement, at Completion, PuriCore, Inc. and the Purchaser will enter into a deed of tax covenant in a customary form for a transaction of this nature, pursuant to which PuriCore Inc. will covenant to pay to the Purchaser any pre-Completion taxation liabilities of PIL, subject to certain customary limitations.

## PART VI

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

The Company and the Directors, whose names appear in paragraph 2 of this Part VI, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. DIRECTORS

The names of the Directors and their principal functions are as follows:

Michael Ashton	<i>Executive Chairman</i>
William Birkett	<i>Non-Executive Director</i>
Matthew Hammond	<i>Non-Executive Director</i>
Daniel Hegglin	<i>Non-Executive Director</i>
Peter Larkin	<i>Non-Executive Director</i>
Charles Spicer	<i>Non-Executive Director</i>
Marella Thorell	<i>Finance Director</i>

The Company is a public company limited by shares operating under the laws of England and Wales, which was incorporated and registered in England and Wales on 21 April 2006 under registered number 5789798.

The principal legislation under which the Company operates is the Companies Act 2006 and the regulations made under it.

The registered office of the Company, and the business address of the Directors, is Wolseley Court, Staffordshire Technology Park, Stafford, ST18 0GA. The corporate headquarters and principal place of business of the Company is 508 Lapp Road, Malvern, Pennsylvania 19355, USA. The Company's telephone number at its corporate headquarters is +1 484 321 2700 and at its registered office is +44 1785 782 420.

#### 3. MAJOR SHAREHOLDERS

As at 2 June 2014 (being the latest practicable date prior to the publication of this document), the Company had been notified of the following voting interests of three per cent. or more in the Issued Ordinary Share Capital:

Name	Number of existing Ordinary Shares	Percentage of Issued Ordinary Share Capital
Invesco Asset Management, as agent for and on behalf of its discretionary managed clients	14,747,027	29.41%
Daniel Hegglin	4,909,091	9.79%
Kanton Services Limited	4,629,196	9.23%
Mr. Stewart Newton	3,444,197	6.87%
Oracle Management Limited	2,914,407	5.81%

#### 4. DIRECTORS' AND SENIOR MANAGERS' INTERESTS

##### (a) Interests in Ordinary Shares

Set out below are the interests of the Directors and the Senior Managers in the Issued Ordinary Share Capital as at 2 June 2014 (being the latest practicable date prior to the publication of this document):

	Number of Ordinary Shares	Percentage of Issued Ordinary Share Capital
<b>Directors</b>		
Michael Ashton	19,350	0.04%
William Birkett	92,686	0.18%
Matthew Hammond	–	–
Daniel Hegglin	4,909,091	9.79%
Peter Larkin	–	–
Charles Spicer	24,390	0.04%
Marella Thorell	–	–
<b>Senior Managers</b>		
Neil Blewitt	193,433	0.39%
Tom Daniel	–	–
Geoff Koontz	–	–
Mark Sampson	–	–

(b) **Interests under the Share Schemes**

The Directors and the Senior Managers have the following options over Ordinary Shares under the Share Schemes as at 2 June 2014 (being the latest practicable date prior to the publication of this document):

	Number of Ordinary Shares under option	Exercise price (£)	Number of Options exercisable	Expiry date
<b>Directors</b>				
Michael Ashton	200,000	0.54	–	7 August 2019
	35,000	0.6143	35,000	2 February 2017
William Birkett	5,000	3.05	5,000	20 February 2018
	70,000	0.6143	70,000	2 February 2017
Matthew Hammond	35,000	0.6143	35,000	2 February 2017
Daniel Hegglin	35,000	0.40	17,500	8 February 2018
Peter Larkin	35,000	0.475	17,500	1 May 2018
Charles Spicer	35,000	0.41	–	9 August 2018
Marella Thorell	7,500	3.05	7,500	20 February 2018
	80,000	0.245	53,335	22 September 2016
	20,000	0.55	20,000	9 November 2015
<b>Senior Managers</b>				
Neil Blewitt	100,000	0.245	66,666	22 September 2016
	25,000	1.80	25,000	6 August 2014
Tom Daniel	28,000	3.05	28,000	20 February 2018
	20,000	0.545	20,000	2 February 2016
	100,000	0.245	66,666	22 September 2016
Geoff Koontz	9,000	3.05	9,000	20 February 2018
	90,000	0.245	60,000	22 September 2016
	10,000	0.525	10,000	5 August 2015
Mark Sampson	14,000	3.05	14,000	20 February 2018
	75,000	0.245	50,000	22 September 2016

(c) **Interests under the PuriCore plc Value Creation Plan (VCP)**

In September 2013, Mr. Ashton, Mr. Daniel, Mr. Koontz, Dr. Sampson and Ms. Thorell were granted awards under the VCP. Allocations of the VCP's performance units, which create the opportunity for future conditional share awards based upon the achievement of performance criteria, including minimum level of shareholder return measured by reference to share price growth, to participants is as follows:

Michael Ashton	30 per cent.
Tom Daniel	12 per cent.
Geoff Koontz	12 per cent.
Mark Sampson	12 per cent.
Marella Thorell	15 per cent.

The first measurement date for the VCP was the 30 days following the release of the Company's 2013 results (which was 24 April 2014). The average share price during this period must exceed 48 pence in order for any value to be realised for participants. No payment or award of shares was made under the VCP in 2013 or to-date in 2014.

## 5. SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Set out below is a summary of the terms of the service agreements or letters of appointment (as applicable) of the Directors:

### (a) Executive Directors' service agreements

#### *Mr. Ashton*

With effect from 1 June 2012, Mr. Ashton was appointed Executive Chairman of PuriCore. His annual salary is \$425,000. Mr. Ashton participates in an annual bonus scheme with a target bonus of up to 62.5 per cent. of his annual salary. This bonus is payable upon the achievement of performance conditions, which are tied to PuriCore's financial results and condition and his individual performance objectives approved by the Remuneration Committee.

Mr. Ashton receives a monthly car allowance of \$1,500 and is eligible to participate in certain health and welfare programmes or receive equivalent contributions to his own health and welfare programmes. He is entitled to five weeks' paid holiday leave and all US public holidays recognised by the Company. He is also entitled to receive compensation for a reasonable amount of time off taken due to illness, at the discretion of the Board. He is reimbursed for all reasonably incurred business expenses. Mr. Ashton received a contribution to a 401(k) (retirement) plan of \$7,650 for the year ended 31 December 2013. This contribution is in line with Internal Revenue Service limits for such a retirement plan.

Additionally, Mr. Ashton is eligible to participate in any of the Share Schemes or other equity-based incentive schemes. Mr. Ashton was granted 35,000 share options in February 2012 upon his appointment as a Non-Executive Director, without attaching performance conditions, at an exercise price of 61.43 pence, which vest in equal tranches on each of the two anniversaries following the date of grant. As at 2 June 2014, all of these options were fully vested and the share price was less than the exercise price. He received another share option award in August 2012 as part of his Executive Chairman remuneration package. These options have an exercise price of 54 pence and vest on the achievement of performance conditions with measurement dates on the second and third anniversaries of the date of grant.

In September 2013, Mr. Ashton was granted awards under the VCP. Mr. Ashton was allocated 30 per cent. of the VCP's performance units. No payment or award of shares was made under the VCP in 2013 or to-date in 2014.

Mr. Ashton's appointment may be terminated by either himself or the Company giving 12 months' written notice.

#### *Ms. Thorell*

With effect from 1 March 2013, Marella Thorell was appointed Finance Director of PuriCore. Her annual salary is \$250,000. Ms. Thorell participates in a bonus scheme with a target bonus of up to 62.5 per cent. of her annual salary. This bonus is payable upon the achievement of performance conditions, which are tied to PuriCore's financial results and condition and her individual performance objectives approved by the Remuneration Committee.

Ms. Thorell receives a monthly car allowance of \$1,000 and is eligible to participate in certain health and welfare programmes. She is entitled to four weeks' paid holiday leave and all US public holidays recognised by the Company. She is also entitled to receive compensation for a reasonable amount of time off taken due to illness, at the discretion of the Board. She is reimbursed for all reasonably incurred business expenses. Ms. Thorell received a contribution to a 401(k) (retirement) plan of

\$7,650 for the year ended 31 December 2013. This contribution is in line with Internal Revenue Service limits for such a retirement plan.

Additionally, Ms. Thorell is eligible to participate in any of the Share Schemes or other equity-based incentive schemes operated by the Company. Ms. Thorell was granted share options in respect of her service as an employee of the Company prior to her appointment as an Executive Director, in the period between February 2008 and September 2011. The options have exercise prices between 24.5 pence and £3.05, and they vest on various anniversaries of the respective dates of grant. As at 2 June 2014, 80,835 options were vested and the exercise price of 53,335 of the options was lower than the share price.

In September 2013, Ms. Thorell was granted awards under the VCP. Ms. Thorell was allocated 15 per cent. of the VCP's performance units. No payment or award of shares was made under the VCP in 2013 or to-date in 2014.

Ms. Thorell's appointment may be terminated by the Company giving twelve months' written notice or by Ms. Thorell giving three months' written notice.

**(b) Non-Executive Directors' letters of appointment**

William Birkett entered into a letter of appointment with the Company with effect from 30 June 2006 that was amended on 7 June 2012. Matthew Hammond entered into a letter of appointment with the Company with effect from 1 July 2010 that was amended on 7 June 2012. Daniel Hegglin entered into a letter of appointment with the Company with effect from 11 January 2013. Peter Larkin entered into a letter of appointment with the Company with effect from 1 April 2013. Charles Spicer entered into a letter of appointment with the Company with effect from 1 June 2013.

The Non-Executive Directors receive fixed annual fees which are determined having regard to the time commitment required and the level of fees paid by similar companies.

Mr. Hegglin has chosen not to receive any fees for serving as a Non-Executive Director. Non-Executive Directors are not eligible to participate in the Group's benefit plans save for the Share Schemes, as disclosed in paragraph 4(b) of this Part VI.

Where Non-Executive Directors spend more than 24 days per annum discharging their duties, an additional fee of £1,000 per such day spent is payable (subject to prior authorisation of the Chairman, but no such additional payment has been made).

Each Non-Executive Director is appointed for an initial period of one year, after which their appointment may be terminated by either party on the giving of six months' written notice. In addition, the Non-Executive Directors are subject to retirement by rotation pursuant to the Articles and annual re-election after nine years on the Board, in accordance with the UK Corporate Governance Code. Termination under, *inter alia*, the provisions of the Companies Act 2006 or the Articles, or disqualification from acting as a Director for incompetency, gross misconduct, serious or persistent negligence or misconduct and failure to carry out duties reasonably required after a written warning, is with no compensation. Non-Executive Director performance is evaluated annually. There is discretion for the Company to make a payment of six months' fees in lieu of notice. Non-Executive Directors are bound by obligations of confidentiality. Non-Executive Directors are entitled to consult with the Company's professional advisers in the performance of their duties at the Company's expense.

The Non-Executive Directors are expected to properly discharge their fiduciary duties, exercise proper skill and care, and devote sufficient time to their duties commensurate with a non-executive directorship of a listed company, including preparation for and attendance at Board meetings and meetings of any committee to which they may be appointed, as well as for all general meetings of the Company. Non-Executive Directors must also bring independent judgement to bear on strategy, performance, resources and standards of conduct and good corporate governance, satisfying themselves as to the integrity of financial information and that financial controls and risk management are robust and defensible, sharing responsibility for the control of the Company and its subsidiaries and for superintendence of the Executive Directors.

**6. LITIGATION**

**(a) The Continuing Group**

There are no, nor have there been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the

12 months preceding the date of this document, which may have, or have had in the recent past, a significant effect on the Company and/or the Continuing Group's financial position or profitability.

(b) **PIL**

There are no, nor have there been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document, which may have, or have had in the recent past, a significant effect on PIL's financial position or profitability.

**7. MATERIAL CONTRACTS**

(a) **The Continuing Group**

Save for the Disposal Agreement, a summary of the principal terms of which is set out in Part V of this document, set out below are summaries of the principal terms of all contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Continuing Group: (1) within the two years preceding the date of this document and which are or may be material; or (2) at any time and contain an obligation or entitlement of any member of the Continuing Group which is material to the Continuing Group at the date of this document:

***Revolving Credit Agreement***

On 4 December 2013, PuriCore, Inc. entered into a secured revolving credit agreement with Square 1 Bank. The revolving credit limit is the lesser of \$5 million or 80 per cent. of the Group's eligible accounts receivable domiciled in the US and the UK. The revolving credit agreement bears interest at prime rate plus 1.5 per cent. per annum with a minimum rate of 5.5 per cent. and is effective for two years. The revolving credit agreement is secured by the Group's accounts receivable, inventory, equipment, general intangibles, intellectual property and other personal property assets. In addition, the Group is required to maintain certain covenants. As at the date of this document, borrowings against this line of credit were approximately \$1.7 million. In conjunction with the revolving credit agreement, the Company issued to Square 1 Bank warrants to subscribe for 154,229 Ordinary Shares. The warrants are immediately exercisable at 49.43 pence per Ordinary Share and have an exercise period of five years.

***Irrevocable Undertakings***

Irrevocable undertakings were entered into during April and May 2014 between the Company and certain Shareholders as well as each Director who has a beneficial interest in the Issued Ordinary Share Capital pursuant to which each such person has agreed to vote in favour of the Resolution in respect of their own beneficial holdings amounting to an aggregate of 14,291,788 Ordinary Shares.

***Sponsor Agreement***

The Company and Peel Hunt entered into a sponsor agreement on 3 June 2014. Under the agreement, Peel Hunt was appointed to act as sponsor in relation to the Disposal. The Company gave certain customary warranties and undertakings regarding, amongst other things, the accuracy of information contained in this document, working capital, the Group and its businesses. The Company also agreed to indemnify Peel Hunt against losses incurred in connection with the Disposal.

(b) **PIL**

There have been no contracts (not being contracts entered into in the ordinary course of business) entered into by PIL: (1) within the two years preceding the date of this document and which are or may be material; or (2) at any time and contain an obligation or entitlement of PIL which is material to PIL at the date of this document.

**8. RELATED PARTY TRANSACTIONS**

Save as disclosed in note 25 to the Company's 2011 annual report and accounts, note 25 to the Company's 2012 annual report and accounts and note 25 to the Company's 2013 annual report and accounts, (which have been incorporated into this document by reference pursuant to paragraph 13 of this Part VI), there have been no related party transactions during the period covered by the historical financial information in Part III of this document up to 2 June 2014 (being the latest practicable date prior to the publication of this document).

## **9. SIGNIFICANT CHANGE**

### **(a) The Continuing Group**

There has been no significant change in the financial or trading position of the Continuing Group since 31 December 2013, being the date to which the last consolidated accounts of the Company were prepared.

### **(b) PIL**

There has been no significant change in the financial or trading position of PIL since 31 December 2013, being the date to which the last consolidated accounts of the Company were prepared.

## **10. WORKING CAPITAL**

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Disposal, the Continuing Group has sufficient working capital for its present requirements, that is, for at least 12 months following the publication of this document.

## **11. CONSENTS**

Peel Hunt LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

KPMG LLP has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Section B of Part IV of this document in the form and context in which it appears.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company and at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the General Meeting:

- (i) the Articles;
- (ii) the annual report and accounts of the Company for the years ended 31 December 2011, 31 December 2012 and 31 December 2013;
- (iii) the report on the unaudited pro forma financial information of PIL from KPMG LLP as set out in Section B of Part IV of this document;
- (iv) the written consents referred to in paragraph 11 above;
- (v) the Disposal Agreement; and
- (vi) this document and the Form of Proxy.

## **13. INFORMATION INCORPORATED BY REFERENCE**

The information set out in the following table has been incorporated by reference into this document:

<b>Nature of information</b>	<b>Source</b>	<b>Page number</b>
Note 25 to the accounts	The annual report and accounts of the Company for the year ended 31 December 2011	64
Note 25 to the accounts	The annual report and accounts of the Company for the year ended 31 December 2012	60
Note 25 to the accounts	The annual report and accounts of the Company for the year ended 31 December 2013	84

The information detailed above, has been made public and is available for inspection in accordance with paragraph 12 of this Part VI and is also available online at [www.puricore.com](http://www.puricore.com) (although none of the other information on such website is incorporated by reference in this document or should be relied upon in making any investment decision).

4 June 2014

## PART VII

### DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy, unless the context requires otherwise:

“Adjustments”	means the adjustments to the consideration to be made pursuant to the Disposal Agreement, which may be positive or negative, as described in greater detail in Part V of this document
“Articles”	means the articles of association of the Company
“Board”	means the board of directors of PuriCore plc
“Company” or “PuriCore”	means PuriCore plc, registered in England and Wales with registered number 5789798
“Completion”	means the completion of the Disposal in accordance with the Disposal Agreement
“Continuing Businesses”	means the Supermarket Retail business, the Wound Care and Dermatology (and associated Animal Health and Dental) businesses and any other new business development initiatives that may be undertaken by the Continuing Group
“Continuing Group”	means the Group, with effect from Completion
“CREST”	means the system for the paperless settlement of trades in securities, of which Euroclear is the operator
“CREST Manual”	means the manual produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants of that system
“CREST member”	means a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Directors”	means the directors of the Company, being Michael Ashton, William Birkett, Matthew Hammond, Daniel Hegglin, Peter Larkin, Charles Spicer and Marella Thorell
“Disposal”	means the proposed disposal by the Company of the entire issued share capital of PIL, which constitutes a class 1 transaction under the Listing Rules
“Disposal Agreement”	means the conditional sale and purchase agreement dated 3 June 2014 between, the Company, PuriCore, Inc., the Purchaser and Medivators Inc., further details of which are set out in Part V of this document
“Equiniti” or “Registrars”	means Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
“Euroclear”	means Euroclear UK & Ireland Limited
“Form of Proxy”	means the enclosed form of proxy for use by Shareholders in connection with the General Meeting
“FCA”	means the Financial Conduct Authority
“FSMA”	means the Financial Services and Markets Act 2000, as amended
“General Meeting”	means the general meeting of the Company to be held at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD on 20 June 2014, notice of which is set out in Part VIII of this document, or any reconvened meeting following any adjournment thereof

<b>“Group” or “PuriCore Group”</b>	means the Company and its subsidiary undertakings as at the date of this document
<b>“Issued Ordinary Share Capital”</b>	means the issued Ordinary Shares of the Company
<b>“Listing Rules”</b>	means the listing rules of the UKLA made under Part VI of the FSMA
<b>“Non-Executive Directors”</b>	means the non-executive directors of the Company, being William Birkett, Matthew Hammond, Daniel Heggin, Peter Larkin and Charles Spicer
<b>“NHS”</b>	means the National Health Service
<b>“Official List”</b>	means the Official List of the UKLA
<b>“Ordinary Shares”</b>	means the ordinary shares of 10 pence each in the capital of PuriCore
<b>“Peel Hunt”</b>	means Peel Hunt LLP, acting as sponsor to the Company
<b>“Prospectus Rules”</b>	means the rules made for the purposes of Part VI of the FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
<b>“PIL”</b>	means PuriCore International Limited, being the company that is the subject of the Disposal
<b>“Purchaser”</b>	means Medivators B.V., a company incorporated in the Netherlands
<b>“Resolution”</b>	means the ordinary resolution to be proposed at the General Meeting to approve the Disposal, as set out in the Notice of General Meeting forming part of this document
<b>“Senior Managers”</b>	means those members of the senior management bodies of PuriCore and its subsidiaries who are relevant to establishing that PuriCore has the appropriate expertise and experience for the management of its business for the purposes of the Prospectus Rules, being Neil Blewitt, Tom Daniel, Geoff Koontz and Mark Sampson
<b>“Shareholders”</b>	means shareholders of PuriCore
<b>“Share Schemes”</b>	means the Sterilox Technologies, Inc. Share Option Scheme 2004, the PuriCore plc Executive Omnibus Incentive Plan, the VCP and individual arrangements for Non-Executive Directors
<b>“Sterilox”</b>	means a hypochlorous acid solution produced in PuriCore’s Sterilox Systems from water, electricity and common salt as a disinfectant or sanitising solution
<b>“Sterilox Systems”</b>	means the branded systems marketed by PuriCore which produce a hypochlorous acid solution from water, electricity and common salt
<b>“UK”</b>	means the United Kingdom of Great Britain and Northern Ireland
<b>“UKLA”</b>	means the Financial Conduct Authority in its capacity as the competent authority under FSMA
<b>“US”, “United States” or “USA”</b>	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>“VCP”</b>	means the PuriCore plc Value Creation Plan
<b>“\$”</b>	means the lawful currency of the United States
<b>“£” or “pence”</b>	means the lawful currency of the United Kingdom

## PART VIII

# NOTICE OF GENERAL MEETING

# PuriCore plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5789798)*

NOTICE IS HEREBY GIVEN that a General Meeting (the “**General Meeting**”) of PuriCore plc (the “**Company**”) will be held at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD at 10.00 a.m. on 20 June 2014, for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as an ordinary resolution:

### ORDINARY RESOLUTION

THAT the proposed disposal by PuriCore, Inc., a wholly owned subsidiary of the Company, of the entire issued share capital of PuriCore International Limited pursuant to the Disposal Agreement (as defined in the circular to the shareholders of the Company dated 4 June 2014, of which this notice forms part (the “**Circular**”)) on and subject to the terms and conditions of the Disposal Agreement and which, as described in the Circular, comprises a class 1 transaction under the Listing Rules of the United Kingdom Listing Authority, be and is hereby approved and that the Directors of the Company (or a duly authorised committee of the Directors) be and are hereby authorised to conclude and implement the same in accordance with such terms and conditions and to take all such steps as may be necessary or desirable in relation thereto and to agree such amendments and variations to and waivers of such terms and conditions (provided such amendments, variations or waivers are not material in nature) as they may in their absolute discretion think fit.

By order of the Board

**Marella Thorell**  
*Company Secretary*

4 June 2014

*Registered Office:*  
Wolseley Court  
Staffordshire Technology Park  
Stafford  
ST18 0GA

### Notes:

- (1) A Shareholder who is an individual is entitled to attend, speak and vote at the General Meeting or to appoint one or more other persons as his/her proxy to exercise all or any of his/her rights on his/her behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A Shareholder that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the General Meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf.
- (2) The Form of Proxy which may be used to make such appointment is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the General Meeting in person.
- (3) To be effective, the instrument appointing a proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be either: (a) deposited at the Company’s registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; (b) lodged using the CREST Proxy Voting Service – see Note (8) below; or (c) lodged electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) – see Note (11) below, in each case so that it is received by no later than 10.00 a.m. on 18 June 2014.
- (4) Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the “**Act**”) 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 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.
- (5) The statement of the rights of Shareholders in relation to the appointment of proxies does not apply to Nominated Persons. The rights described can only be exercised by Shareholders of the Company.
- (6) Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares in the Company on 2 June 2014, which is the latest practicable date before the publication of this document is 50,135,432. On a vote by show of hands every Shareholder who is present in person or by proxy shall have one vote. On a

poll vote every Shareholder who is present in person or by proxy shall have one vote for every Ordinary Share of which he/she is the holder.

- (7) Entitlement to attend and vote at the General Meeting, and the number of votes which may be cast at the General Meeting will be determined by reference to the Company's Register of Members at 6.00 p.m. on 18 June 2014 or, if the General Meeting is adjourned, at 6.00 p.m. on the date which is two days prior to the reconvened General Meeting, (as the case may be). In each case, changes to the Register of Members after such time will be disregarded.
- (8) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment thereof by using the procedures described in the CREST Manual (available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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.
- (9) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited ("**Euroclear**") 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, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in Note (3) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.
- (10) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy 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 CREST sponsor or voting service provider(s) takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In 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 as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (11) You may, if you wish, register the appointment of a proxy electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). To use this service you will need your Voting ID, Task ID and Shareholder Reference Number printed on the accompanying Form of Proxy. Full details of the procedure are given on the website at [www.sharevote.co.uk](http://www.sharevote.co.uk).
- (12) Any Shareholder attending the General 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 General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General 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 General Meeting that the question be answered.
- (13) A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at [www.puricore.com](http://www.puricore.com).
- (14) You may not use any electronic address provided in this Notice, or any related documents, including the Executive Chairman's Letter of Recommendation and Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.