

26 April 2012

Dear Shareholder

DISCLOSURE TO SHAREHOLDERS OF FINANCIAL ASSISTANCE RELATING TO EMPLOYEE SHARE PURCHASE SCHEME

The Scheme

1. Scott Technology Limited (the Company) is implementing a share incentive scheme called the Employee Share Purchase Scheme (the Scheme) in which certain employees of the Company and its subsidiaries will be entitled to participate.
2. Under the Scheme, interest free loans are to be advanced to eligible employees to assist such eligible employees to subscribe for shares in the Company which shares shall be held on trust by Stuart James McLauchlan and Christopher Charles Hopkins ("the Trustees") for such eligible employees for a restricted period of three years or until such time as the employee has repaid such advances in full, whichever is the longer. The maximum purchase value of shares allowed under Inland Revenue rules is \$2,340.00 per eligible employee.
3. The purpose of the Scheme is to motivate and incentivise participating employees to improve the performance of the Company for the benefit of all shareholders and to help align the interests of participating employees with the interests of the Company and all its shareholders.
4. Certain expenditure by the Company in relation to the Scheme will constitute financial assistance (as defined in the Companies Act 1993) to participants under the Scheme.

Financial assistance under the Scheme

5. The financial assistance under the Scheme will take the form of interest free loans by the Company to eligible employees (for the purchase price of the shares to be subscribed) of up to a maximum aggregate amount of \$585,000.00 (representing a maximum loan of up to \$2,340.00 over three years to each eligible employee electing to participate in the Scheme) for the purpose of the acquisition of shares in the Company, which shares will be issued to the Trustees upon subscription by those eligible employees electing to participate. The Trustees will hold these shares on trust for eligible employees of the Company or its subsidiaries who elect to participate in the Scheme.
6. To initiate the financial assistance under the Scheme, the Board of the Company resolved on 26th April 2012 as follows:
 1. The Scheme is approved.
 2. The Company will provide the financial assistance contemplated by the Scheme.
 3. Giving the financial assistance contemplated by the Scheme is in the best interests of the Company and is of benefit to those shareholders not receiving the financial assistance contemplated by the Scheme.
 4. The terms and conditions under which the financial assistance is to be given are fair and reasonable to the Company and to those shareholders not receiving the financial assistance contemplated by the Scheme.
 5. The Company will perform its obligations in respect of the Scheme.
 6. The Company will do all things and sign all documents required to give effect or are otherwise incidental to the Scheme.
 7. The Board is satisfied for the reasons set out below that the Company will, immediately after the giving of the financial assistance, satisfy the solvency test:
 - 7.1 The Company:
 - (a) is able to pay its due debts;
 - (b) is not engaged or about to engage in business for which its financial resources are unreasonably small;
 - (c) will be able to perform its obligations in respect of the Scheme when required to do so; and
 - (d) will not become unable to pay its due debts as a result of the Scheme
7. This disclosure document is given to you pursuant to section 78(5) of the Companies Act 1993 and complies with section 79 of the Companies Act 1993.

Yours faithfully



Greg Chiles
Chief Financial Officer