



**Xaar plc 2017 Year End financial report clarification:**

Lily Liu joined Xaar plc (Xaar) as the Chief Financial Officer from Smiths Group plc (Smiths) on May 2nd 2017 with the financial year at Smiths ending on July 31st.

By joining Xaar at the start of May, Lily lost her entitlement to a bonus for the period starting August 1st 2016.

In order to address the buyout of her Smiths bonus and the fact that she was unable to fully assess the likelihood of achieving the Xaar 2017 bonus goals or influence the targets, the Remuneration Committee exercised its discretion in providing a minimum pro rata bonus at 50% entitlement (the target level) for 2017 only.

Therefore the bonus Lily received in 2017 was a buyout. We of course hoped that this level of performance would be achieved and indeed exceeded for all employees.

A handwritten signature in black ink, appearing to read "M Rice-Jones".

**Margaret Rice-Jones**

**Chair of the Remuneration Committee**

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