

Yokogawa Electric Corporation (“**Bidder**”)
2-9-32
Nakacho
Musashino-shi
Tokyo
180-8750
Japan

17 February 2016

Dear Sirs

Proposed takeover - voting commitment

The Appendix to this document contains a draft of an announcement (the “**Firm Intention Announcement**”) about your proposed takeover (the “**Takeover**”) of KBC Advanced Technologies plc (“**Target**”) through a scheme of arrangement under the Companies Act 2006 (the “**Takeover Scheme**”) between Target and holders of Target ordinary shares (“**Ordinary Shares**”) that you intend to publish in accordance with Rule 2.7 of the City Code on Takeovers and Mergers (the “**Takeover Code**”).

In this document terms and phrases have the meanings that they have in the Takeover Code (where applicable), “**Scheme Circular**” means the formal scheme circular in respect of the Takeover Scheme required to be published in accordance with Rule 24.1 of the Takeover Code, “**Target Meeting**” means a general meeting of Target or a meeting of holders of Ordinary Shares that is convened by order of a competent Court or that is a class meeting for the purposes of applicable law, and each reference to the “**Takeover Scheme**” is a reference to it in any revised form on terms that are not less favourable to a holder of Ordinary Shares in any respect.

1. **Our undertakings**

- (a) We, solely in consideration for your agreement to pay us £1.00 (one pound only) if we ask you to do so, irrevocably agree with you in the terms of the remaining provisions of this document.
- (b) All our obligations under this document will lapse:
 - (i) at 11.59 p.m. on 19 February 2016 (or such later date as the Target and Bidder may agree but in any event by 29 February 2016) if by then you have not released your Firm Intention Announcement in accordance with the Takeover Code; or
 - (ii) if your Firm Intention Announcement does not state (in effect) that a cash consideration of not less than 210 pence is payable for an Ordinary Share under the Takeover; or





- (iii) if any of the other principal terms of the Takeover in the Firm Intention Announcement differ (in our opinion) to those in the Appendix to this document in a significant respect that is less favourable to us; or
 - (iv) if your Firm Intention Announcement does not state (in effect) that all the Target directors intend to recommend (without qualification) that holders of Ordinary Shares vote in favour of all relevant resolutions referred to in the Appendix to this document.
- (c) All our obligations under this document will lapse (without prejudice to your rights in respect of any previous breach of this document) on the earlier of:
- (i) the making of an announcement by you or on your behalf that the Takeover will not proceed;
 - (ii) the Takeover Panel announcing that it has released you from your obligation under the Takeover Code to make or proceed with the Takeover or it confirming to you or your financial advisers or us that it has released you from that obligation;
 - (iii) a majority of the Target directors ceasing to recommend on an unqualified basis that holders of Ordinary Shares vote in favour of all relevant resolutions set out in the notices of meeting in the Scheme Circular;
 - (iv) you ceasing to be permitted under the Takeover Code to proceed with the Takeover;
 - (v) the release of an announcement by any person of a firm intention to make a competing offer at a value that is (in our opinion) in excess of that set out in the Firm Intention Announcement; and
 - (vi) the Long Stop Date as set out in the Firm Intention Announcement.

2. Our Ordinary Shares

- (a) We have effective control over 13,006,871 Ordinary Shares (the “**Committed Shares**”) that confers on us the power to exercise or to procure the exercise of all voting rights which those shares carry.
- (b) The registered holders of the Committed Shares are:

Registered Holder	Beneficial Holder	Number of shares
Jim Nominees Ltd	Kestrel Discretionary Clients	1,289,321
BNY Mellon a/c (Butterfield Bank Guernsey Limited)	Kestrel Opportunities	10,857,550
The Bank of New York (Nominees) Ltd	Vanderbilt University	<u>860,000</u>
		13,006,871 (Total)



3. **Voting commitment**

We will cast, or will procure the casting of, all the votes attaching to the Committed Shares:

- (i) in favour of any resolution described in the Appendix to this document which is to be proposed at a Target Meeting (including any adjournment thereof) for the purpose of implementing or facilitating the Takeover and of which notice is given in the Scheme Circular; and
- (ii) against any motion or proposal put to a meeting at which any such resolution is to be proposed to the effect that (1) the text or terms of that resolution as proposed in the notice of meeting be amended before it is voted on in an amended form, (2) the meeting be adjourned, or (3) a poll be taken on that resolution after the close of that meeting, unless you direct us otherwise. If you do so, we will cast, or procure the casting of, those votes in accordance with your directions.

4. **Restrictions**

We will not (subject to the other provisions of this document), for so long as you are permitted under the Takeover Code to proceed with or complete the Takeover: sell, charge, transfer, encumber, grant any option over or otherwise dispose of any Committed Shares, other than in accordance with this document.

5. **General**

- (a) We acknowledge that, in accordance with Takeover Code, a copy of this document will be made available for viewing on a website and a summary of certain information in this document will be included in your Firm Intention Announcement and in the Scheme Circular and in certain other documents that may be issued in connection with the Takeover. We consent to the inclusion of information in accordance with the Takeover Code about us and our obligations under this document in any announcement or other document to be issued by you or by you with Target in accordance with the Takeover Code.
- (b) No person has the right to enforce any provision in this document under the Contracts (Rights of Third Parties) Act 1999.
- (c) This document is governed by and to be construed in accordance with English law. All obligations, claims and disputes arising out of it (whether of contractual or non-contractual nature) shall be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.

Yours faithfully

For and on behalf of Kestrel Partners LLP



Appendix

Firm Intention Announcement (draft)

Attached overleaf