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If you have sold or otherwise transferred all of your shares in Quoram Plc you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your holding of your shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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# QUORAM PLC

*(Incorporated and registered in England and Wales with registered number 03606195)*

## **Proposed Cancellation of Admission to Trading on AIM**

### **Proposed Share Capital Reorganisation**

### **Proposed Cancellation of Deferred Shares**

### **Proposed Cancellation of Share Premium Account**

**and**

### **Notice of Annual General Meeting**

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This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the Annual General Meeting of the Company to be held at 11.00 am on 3 December 2015 at the offices of WH Ireland Limited at 24 Martin Lane, London EC4R 0DR is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received at the office of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by not later than 11.00 am on 1 December 2015. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the Annual General Meeting.

Copies of this document will be available for collection, free of charge, for a period of one month from the date of this document, at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) and at the Company's website, [www.quoram.co.uk](http://www.quoram.co.uk).

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 and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. In particular, this document should not be distributed, forwarded to or transmitted in or into the United States, Canada, Japan, the Republic of South Africa, New Zealand or Australia.

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## **FORWARD LOOKING STATEMENTS**

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the AIM Cancellation, the Share Capital Reorganisation and the Capital Reduction, the expected timing and scope of the AIM Cancellation, the Share Capital Reorganisation and the Capital Reduction and other statements other than in relation to historical facts. Forward-looking statements are statements which contain, without limitation, words such as "intends," "anticipates," "targets," "estimates," "believes," "should," "plans," "will," "expects" and similar expressions or statements that are not historical facts. The statements are based on the assumptions and assessments by the Board and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, local and global political and economic conditions, future revenues of the Company being lower than expected, expected cost savings from the AIM Cancellation and the Share Capital Reorganisation or other future transactions not being realised fully or in line with expected timeframes, competitive pressures in the industry increasing, foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither the Company, nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority and the City Code on Takeovers and Mergers), the Company is not under any obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## KEY STATISTICS

### *Existing Ordinary Shares*

Number of Existing Ordinary Shares of 0.25 pence each in issue at the date of this document  
968,196,408

### *New Ordinary Shares*

Number of New Ordinary Shares of 0.1 pence each following completion of the Consolidation and Subdivision 96,819,641

### *Share Premium Account*

Amount standing to the credit of the Share Premium Account at the date of this document  
£3,813,000

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	5 November 2015
Latest time and date for receipt of Forms of Proxy for the Annual General Meeting	11.00 am on 1 December 2015
Annual General Meeting	11.00 am on 3 December 2015
Expected last day of dealings in Ordinary Shares on AIM	10 December 2015
Cancellation of admission to trading on AIM of the Ordinary Shares	11 December 2015
Record date for the proposed Consolidation and Subdivision	11 December 2015
Expected date for crediting CREST accounts	12 December 2015
Expected date for dispatch of certificates for New Ordinary Shares	19 December 2015
Expected date of High Court hearing to confirm the Capital Reduction	13 January 2016
Expected effective date for the Share Capital Reduction	20 January 2016

### **Notes:**

- (1) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company, in which event details of the new times and dates will be notified by an appropriate announcement to a Regulatory Information Service.
- (2) References to times in this document are to London times unless otherwise stated.
- (3) All events in the above timetable following the holding of the Annual General Meeting are conditional upon: (i) the passing of the Resolutions; (ii) approval of the Capital Reduction by the High Court; and (iii) registration of the High Court Order confirming the Capital Reduction with the UK Registrar of Companies.

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

<b>Act</b>	the Companies Act 2006, as amended
<b>Admission</b>	the admission to trading on AIM of the Ordinary Shares
<b>AIM</b>	AIM, a market operated by London Stock Exchange
<b>AIM Cancellation</b>	the proposed cancellation of Admission
<b>AIM Rules</b>	the London Stock Exchange AIM Rules for Companies
<b>Annual General Meeting or AGM</b>	the annual general meeting of the Company to be held at 11.00 am on 3 December 2015 (or any adjournment of it), notice of which is given in this document
<b>Articles or Articles of Association</b>	the articles of association of the Company in force at the date of this document
<b>Board or Directors</b>	the board of directors of the Company
<b>Business Day</b>	any day upon which the London Stock Exchange is open for business and any reference to business days shall be to clear business days
<b>Capital Reduction</b>	the proposed cancellation of the Deferred Shares and the Share Premium Account Cancellation
<b>City Code</b>	City Code on Takeovers and Mergers
<b>Company</b>	Quoram Plc (company number: 03606195)
<b>Consolidated Shares</b>	the new ordinary shares of 2.5 pence each in the capital of the Company arising on the consolidation of the Existing Ordinary Shares
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>Deferred Shares</b>	the new deferred shares of 2.4 pence each in the capital of the Company created pursuant to the Share Capital Reorganisation
<b>Existing Ordinary Shares</b>	the existing ordinary shares of 0.25 pence each in the capital of the Company
<b>High Court</b>	the Companies Court, the Chancery Division of the High Court of Justice of England and Wales
<b>London Stock Exchange</b>	London Stock Exchange plc

<b>New Ordinary Shares</b>	the new ordinary shares of 0.1 pence each in the capital of the Company to be created pursuant to the Share Capital Reorganisation
<b>Notice</b>	the notice convening the Annual General Meeting which accompanies this document
<b>Ordinary Shares</b>	the Existing Ordinary Shares or the New Ordinary Shares, as appropriate
<b>Record Date</b>	3 November 2015, or such later date as the Directors may determine, being the date by reference to which the number of Existing Ordinary Shares held by Shareholders are calculated
<b>Resolutions</b>	the resolutions set out in the Notice and “ <b>Resolution</b> ” shall mean any of them
<b>Share Capital Reorganisation</b>	the proposed share consolidation and subsequent subdivision and conversion, details of which are set out in this document and in Resolution 8
<b>Share Premium Account</b>	the share premium account of the Company
<b>Share Premium Account Cancellation</b>	the cancellation of the entire amount standing to the credit of the Share Premium Account
<b>Shareholders</b>	the holders of Ordinary Shares
<b>Shares</b>	shares in the capital of the Company
<b>Subdivision</b>	the subdivision of the Consolidated Shares into 96,819,641 New Ordinary Shares and 96,819,641 Deferred Shares

## PART I

### LETTER FROM THE CHAIRMAN OF QUORAM PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 03606195)*

*Registered office:*  
c/o DWF LLP  
Bridgewater Place  
Water Lane  
Leeds  
LS11 5DY

*Directors:*

James Ede-Golightly (*Chairman*)  
Gordon Hall (*Non-executive director*)  
Christopher Hill (*Non-executive director*)

5 November 2015

#### **To the holders of Ordinary Shares**

Dear Shareholder

#### **Proposed AIM Cancellation, Share Capital Reorganisation and Capital Reduction and Annual General Meeting**

##### **1. Introduction**

The purpose of this letter is to provide you with information on the proposals to be put to the Annual General Meeting, to explain why your Board considers them to be in the best interests of the Company and Shareholders as a whole, and to recommend that you vote in favour of the Resolutions to be proposed at the Annual General Meeting.

Your specific attention is drawn to Resolutions 7 to 11, which relate to the proposals to:

- (i) cancel the trading of the Ordinary Shares on AIM;
- (ii) restructure the share capital of the Company to create the New Ordinary Shares and the Deferred Shares;
- (iii) cancel the Deferred Shares created pursuant to the Share Capital Reorganisation; and
- (iv) cancel the Company's Share Premium Account.

##### **2. Background**

The Company has been quoted on AIM since July 2011. The Company completed a partial distribution of its holding in Wessex Exploration Plc in June 2012 and adopted a revised investment strategy in April 2013. During 2014 the Company completed the closure of the Company's US subsidiary companies (being Osceola Royalties LLC and Osceola Production LLC) that previously held certain oil and gas royalty and licence interests.

Having reviewed a number of strategic options and in progression of the Company's investment strategy, the Board has now concluded that it is in the best interests of the Company to seek the cancellation of trading in the Company's Ordinary Shares on AIM and, following a restructuring of the Company's Existing Ordinary Shares (as proposed in this circular), to seek High Court approval for cancellation of the Deferred Shares and the amount standing to the credit of the Share Premium Account.

These measures will further reduce costs of the Company and provide the Board with maximum flexibility either to progress the Company's strategy as a private company limited by shares or alternatively return capital to Shareholders. Trading in the Company's Ordinary Shares have remained sporadic and the Ordinary Shares have traded at a significant discount to the net assets of the Company.

### **3. Rationale for the AIM Cancellation, Share Capital Reorganisation and Capital Reduction**

The Directors have concluded that a resolution should be put to Shareholders to approve the AIM Cancellation, the Share Capital Reorganisation and the Capital Reduction for the following reasons:

- the costs associated with maintaining a listing on AIM (including professional legal, accounting, broking and nominated advisory costs and the costs and fees of the London Stock Exchange) are now disproportionate to the value provided by the listing. Management of the Company expects that the savings arising from the AIM Cancellation will amount to approximately £50,000 per annum;
- the disproportionate length of time spent by senior management to ensure compliance with the AIM Rules and other related regulatory requirements including corporate governance, reporting and disclosure obligations;
- there is a clear lack of liquidity in the Ordinary Shares of the Company;
- the AIM Cancellation and the Capital Reduction will provide the board with significant flexibility either to progress the investment strategy or alternatively return capital to shareholders;
- the Capital Reduction will eliminate the deficit on the Company's profit and loss account and create distributable reserves in the Company to facilitate the future consideration of payment of dividends to Shareholders.

### **4. Process for and principal effects of the AIM Cancellation**

The Directors are aware that certain Shareholders may be unable or unwilling to hold Shares in the event that the AIM Cancellation is approved and becomes effective. To the extent that Shareholders are unable or unwilling to hold Shares in the Company following the AIM Cancellation becoming effective, such Shareholders should consider selling their interests in the Company in the market prior to the AIM Cancellation becoming effective.

Under the AIM Rules the Company is required to give at least 20 clear Business Days' notice of intended cancellation to trading on AIM. Additionally, cancellation of trading on AIM will not take effect until at least 5 clear Business Days have passed following the passing of the relevant Resolution and the issue of a cancellation of dealing notice by the London Stock Exchange. If the Resolution is passed at the Annual General Meeting, it is proposed that the AIM Cancellation will take effect on 11 December 2015.

In the event that the AIM Cancellation proceeds, there will be no market facility for dealing in the Shares and no price will be publicly quoted for Shares as from close of business on 10 December 2015. As such, interests in Shares are unlikely to be readily capable of sale and where a buyer of any Shares is identified, it may be difficult to place a fair value on any such sale.

It is the Board's current intention to assess at the time of any future annual general meetings whether the Company's financial position will enable it to propose a further buy back of Shares and if any such buy back is proposed, this may provide a further opportunity for Shareholders to realise their investment. However, any such future buy back will depend on the financial position of the Company and may also be subject to such approvals by Shareholders as shall be required so as to ensure that no obligation arises for any Shareholder to make a mandatory offer under Rule



9 of the City Code. There can be no certainty that any buy back of Shares by the Company will be made and the Board makes no commitment in this respect.

While there can be no guarantee that Shareholders will be able to sell any Shares, any Shareholder seeking to do so following the AIM Cancellation should contact the Company. The Company will then be able to advise as to whether the Directors are aware of any prospective buyers for any Shares which the holder thereof wishes to sell at that time.

The Company will continue to post information on its website ([www.quoram.co.uk](http://www.quoram.co.uk)) and will continue to send its Annual Report and Accounts to Shareholders and to hold general meetings in accordance with the applicable statutory requirements and the Articles of Association.

## **5. Risks associated with retaining an interest in the Company following the AIM Cancellation**

The Directors draw to the attention of Shareholders the following factors which should be taken into account in assessing whether or not to retain their interests in Shares in the event that the AIM Cancellation is approved by the Shareholders and becomes effective:

- as indicated in paragraph 4 above, there will be no market facility for dealing in the Shares and no price will be publicly quoted for the Shares. As such, interests in Shares are unlikely to be readily capable of sale and where a buyer is identified, it may be difficult to place a fair value on any such sale;
- as an unquoted company, it will no longer be subject to the AIM Rules and Shareholders will only be able to rely on the protections afforded to shareholders under applicable English law and, for a period of 10 years following AIM Cancellation, the City Code;
- the Company will no longer be subject to the rules relating to disclosure of interests in Shares set out in the Disclosure and Transparency Rules, such that it may be difficult to ascertain the ownership of Shares from time to time;
- the levels of transparency and corporate governance within the Company are unlikely to be as stringent as for a company quoted on AIM;
- certain existing or prospective customers and suppliers may be unwilling to trade or continue to trade with the Company on terms which the Company has become accustomed to trade in the event that the Shares are no longer traded on AIM;
- the Company's bankers may not be prepared to deal with the Company on terms to which the Company has become accustomed in the event that the Company's Shares are no longer traded on AIM.

The above considerations are non-exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the AIM Cancellation on them.

## **Taxation**

If you are in any doubt about your tax position, and/or are subject to tax in a jurisdiction other than the UK, you should consult an appropriate independent professional adviser. You should note that following AIM Cancellation the Company's shares will no longer be quoted on AIM or any other public market.

## **6. Capital Reductions**

The purpose of the Capital Reduction is to eliminate the deficit on the Company's profit and loss account and to create distributable reserves in the Company to facilitate the future consideration of payment of dividends to Shareholders, where justified by the profits of the Company, or to allow the redemption or buy back of the Company's shares. As the Company currently has negative

distributable reserves, it is prohibited from returning money to its Shareholders including by way of dividends or carrying out buy backs of the Company's shares (if considered appropriate). The proposed Capital Reduction will create distributable reserves to enable such distributions or buy-backs (if considered appropriate) to be made.

The total sum of approximately £6,136,671 (of which approximately £2,323,671 is anticipated to be the sum that is released by the cancellation of the Deferred Shares and £3,813,000 is anticipated to be the sum that is released by the Share Premium Account Cancellation) shall be credited to a reserve account which will be used to reduce the existing retained earnings deficit on the accumulated profit and loss account (and to eliminate future losses (if any) arising on the Company's profit and loss account).

If the cancellation of the Deferred Shares and Share Premium Account is approved by the Shareholders at the Annual General Meeting, it will be subject to the scrutiny of, and confirmation by, the High Court to ensure that the interests of existing creditors are protected and, subject to that confirmation and registration by the Registrar of Companies of the order of the High Court, is expected to take effect in January 2016. Assuming that there is no material change in the financial position or prospects of the Company, and subject to any undertakings which the Company may be required to offer the High Court for the protection of creditors, the Board anticipates that the Capital Reduction will result in the creation of distributable reserves of approximately £2,448,671 once the retained earnings deficit, of £3,688,000 as at 30 June 2015, is extinguished.

## **7. Resolutions**

We will be seeking your approval of the AIM Cancellation, the Share Capital Reorganisation, cancellation of the Deferred Shares and the Share Premium Account Cancellation at the forthcoming Annual General Meeting. Details of all the Resolutions to be proposed at the Annual General Meeting, including routine business, are set out below. Resolution numbers 1-4 (inclusive) will be proposed as ordinary resolutions and resolution numbers 5-11 (inclusive) will be proposed as special resolutions.

### **Resolution 1 – Report and accounts**

The Directors are required to lay the audited accounts for the year ended 30 June 2015 before a general meeting. Copies will be available at the Annual General Meeting.

### **Resolution 2 – Re-appointment of a director**

The Articles of Association require directors to retire by rotation and if eligible offer themselves for re-election. James Ede-Golightly offers himself for re-election.

### **Resolution 3 – Re-appointment of Auditors**

The Company is required to appoint auditors at each Annual General Meeting to hold office until the conclusion of the next general meeting at which accounts are presented. It is proposed that the Company's current auditors, Nexia Smith & Williamson, be re-appointed.

### **Resolution 4 – Authority to allot shares**

The Company requires the flexibility to allot equity securities from time to time. Accordingly, this Resolution seeks to grant the Directors authority to allot equity securities up to an aggregate nominal amount of (a) £2,079,008.98 or (b) if Resolutions 8, 9 and 10 (below) are passed, £83,177.23. If granted, such authority would expire at the end of the annual general meeting of the Company in 2016 unless, and to the extent that, such authority is revoked, varied, renewed or extended prior to such date. The Directors currently have no plans to allot relevant securities but the Directors believe it to be in the interests of the Company for the Board to be granted this authority to enable the Board to take advantage of appropriate opportunities which may arise in the future.

### **Resolution 5 – Authority to disapply pre-emption rights**

This resolution seeks to disapply the pre-emption rights provisions of section 561 of the Act in respect of (a) the allotment of equity securities pursuant to rights issues and other pre-emptive issues and (b) other issues of equity securities for cash up to an aggregate nominal value of (i) £2,079,008.98 or (ii) if Resolutions 8, 9 and 10 are passed, £83,177.23. If given, this power will expire at the same time as the authority referred to in Resolution 4 unless, and to the extent that, such authority is revoked, varied, renewed or extended prior to such date. The Directors consider this power desirable due to the flexibility afforded by it. They have no present intention of issuing any equity securities pursuant to this disapplication.

Resolutions 4 and 5 would, if passed, give the directors the power to take advantage of funding and/or acquisition opportunities as and when they arise, without the need to refer to Shareholders. Although no such transactions are currently in contemplation, the Directors consider it important, and in the best interests of the Company, that they have the ability to move quickly if the need, or the opportunity, should arise.

### **Resolution 6 – Authority to buy back its own shares**

The Articles of Association provide that the Company may from time to time purchase its own shares subject to any conditions imposed by law. Such purchases must be authorised by the shareholders at a general meeting. This resolution seeks to grant the Directors authority to purchase the Company's own shares up to a maximum of (a) 14.99% of the current issued share capital on the Record Date (the last practicable date prior to the publication of this document) or (b) if Resolutions 8, 9 and 10 are passed 14.99% of the Company's share capital following the Share Capital Reorganisation and cancellation of the Deferred Shares. If given, this power will expire on the conclusion of the annual general meeting of the Company in 2016 unless, and to the extent that, such authority is revoked, varied, renewed or extended prior to such date. In proposing this resolution, the Directors consider that it is in the best interests of the Company and its shareholders that the Directors should maintain the ability to make market purchases of the Company's own shares.

### **Resolution 7 – Cancellation of Admission to trading on AIM**

Following careful consideration at a meeting of the Board held on 28 October 2015, the Directors concluded that it is no longer in the best interests of the Company to maintain the Admission and so resolved to notify the London Stock Exchange pursuant to Rule 41 of the AIM Rules of their intention to cancel (subject to the passing of the Resolution at the Annual General Meeting) the Admission of the Company's securities.

As set out at paragraph 3 above, the Company would benefit from substantial costs savings as a result of the AIM Cancellation. After careful consideration, the Board believes it is in the best interests of the Company and Shareholders generally to seek the AIM Cancellation at the earliest opportunity.

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the Cancellation. The Cancellation is conditional upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by Form of Proxy) at the Annual General Meeting. Accordingly, Resolution 7 seeks the Shareholders' approval to the AIM Cancellation. The Resolution approving the AIM Cancellation is not conditional on the passing of any other Resolution. Subject to the Resolution approving the AIM Cancellation being passed at the Annual General Meeting, it is anticipated that trading in the Ordinary Shares on AIM will cease at close of business on 10 December 2015 with the AIM Cancellation expecting to take effect on 11 December 2015. As a result, the Company will no longer be required to comply with the AIM Rules and will not be required to retain a nominated adviser.

Although the Company's CREST facility will be cancelled upon the AIM Cancellation becoming effective, those Shareholders who hold Ordinary Shares in uncertificated form prior to AIM Cancellation will receive share certificates.

Shareholders should note however that the Company will nevertheless remain subject to the provisions of the City Code for a period of 10 years from the AIM Cancellation.

### **Resolution 8 – Consolidation and subdivision of the Company's share capital**

The Company's share price has been below the nominal value of its Existing Ordinary Shares for some time. Company law prohibits companies from issuing new shares at less than the nominal value, therefore at present the Company is restricted as to how it can use its shares: for example, it would currently be unable to raise new share capital from investors.

The Board also believes that, due to their small holdings, many Shareholders may have considered selling their Existing Ordinary Shares but have decided not to do so in the light of the disproportionate dealing and administration costs relating to such a sale. The Board is therefore proposing a restructuring of the Existing Ordinary Shares, the aim of which is to reduce the number of Shares thereby achieving cost savings for the Company, whilst at the same time returning some of the value to Shareholders with smaller interests.

Resolution 8 of the Notice sets out the proposed steps in the Share Capital Reorganisation.

The effect of the Share Capital Reorganisation will be that:

- every 10 Existing Ordinary Shares shall be consolidated into one Consolidated Share; and then
- each Consolidated Share shall be subdivided and reclassified into 1 New Ordinary Share and 1 Deferred Share.

There are currently 968,196,408 Existing Ordinary Shares in issue. In order to facilitate the Share Capital Reorganisation, the Board intends, as a preliminary step, to allot and issue a further 2 Existing Ordinary Shares to Neville Registrars Limited (a/c SUSPENSE), to ensure that, immediately preceding the Share Capital Reorganisation, the number of Existing Ordinary Shares would be exactly divisible by 10.

Following the completion of the Share Capital Reorganisation, the Company's issued share capital will comprise 96,819,641 New Ordinary Shares and 96,819,641 Deferred Shares.

#### *New Ordinary Shares*

The rights attaching to the New Ordinary Shares will be the same as those attaching to the Existing Ordinary Shares including, without limitation, the same voting, dividend and other rights.

The effect of the Share Capital Reorganisation will mean that each New Ordinary Share held by Shareholders will have a nominal value of 0.1 pence and each Shareholder's proportionate interest in the Company's issued ordinary share capital will remain materially the same. However, the market price of a New Ordinary Share immediately after completion of the Share Capital Reorganisation is expected to be approximately 10 times greater than the market price of an Existing Ordinary Share immediately prior to the Share Capital Reorganisation.

Following the Share Capital Reorganisation, the Existing Ordinary Shares will no longer be in issue. New share certificates in respect of New Ordinary Shares are expected to be posted, at the risk of Shareholders, on 19 December 2015 to those Shareholders who currently hold their Existing Ordinary Shares in certificated form. These will replace existing certificates which should be destroyed. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company. The New

Ordinary Shares have been allocated new stock identification codes as follows: SEDOL code BYZ2CX5 and ISIN code GB00BYZ2CX59.

In the case of Shareholders who hold their shares through the CREST system, the New Ordinary Shares will be credited to CREST accounts on 12 December 2015.

#### *Deferred Shares*

The Deferred Shares created on the Share Capital Reorganisation becoming effective will not confer on their holders any right to receive notice of any general meeting of the Company nor any right to attend, speak or vote at any such meeting. The Deferred Shares will not entitle their holders to receive any dividend or other distribution and shall on a return of assets in a winding up of the Company entitle the holders only to the repayment of the amounts paid up on such shares after the amount paid to holders of the New Ordinary Shares exceeds £1,000,000 per New Ordinary Share. The Deferred Shares will also be incapable of transfer. They will, in effect, be valueless.

No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares. No application will be made for Deferred Shares to be admitted to trading on AIM or any other investment exchange. It is the Board's intention, at an appropriate time in the future, to cancel the Deferred Shares.

#### *Disposal of fractional entitlements*

The Consolidation will give rise to fractional entitlements to a Consolidated Share where any holding is not precisely divisible by 10. On the Subdivision of any such Consolidated Share which occurs immediately thereafter, the same fractional entitlement will apply to each New Ordinary Share and each Deferred Share then arising.

As regards the New Ordinary Shares, no certificates regarding fractional entitlements will be issued. Instead, any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions (the "**Fractional Shareholders**").

The Company will distribute the proceeds of sale in due proportion to any such Fractional Shareholders in accordance with article 13 of the Articles. In the event that the net proceeds of sale of any fraction in question exceed £3.00, such proceeds shall be paid to the relevant Fractional Shareholders in the appropriate proportions. Where the net proceeds of sale amount to £3.00 or less, as a result of the disproportionate costs, it would not be in the Company's best interests to distribute such proceeds of sale, which will instead be retained for the benefit of the Company in accordance with article 13.

#### **Resolution 9 – Amendment to the Company's articles of association**

The Share Capital Reorganisation and the creation of the Deferred Shares requires that the Company amend its existing Articles of Association. The amendments to the Articles of Association will provide for the rights attaching to the Deferred Shares, the details of which are described above and in the Notice.

#### **Resolution 10 – Cancellation of the Deferred Shares**

It is proposed that the Deferred Shares, which will be created as a result of the Consolidation and Subdivision as discussed under the *Resolution 8* heading above, be cancelled and extinguished.

The rights attached to the Deferred Shares (as set out above) effectively make the Deferred Shares worthless in the hands of their holders and they are perceived to have no economic value. The Board therefore proposes that they be cancelled and extinguished. As explained in paragraph 3 above, the sum created by the cancellation of the Deferred Shares will be used to reduce the

accrued deficit (or eliminate future losses (if any) arising) on the Company's profit and loss account as set out in paragraph 6 above.

Upon conclusion of the Consolidation and Sub-Division, it is anticipated that the paid up capital relating to the Deferred Shares, and therefore the total sum released in respect of the cancellation of the Deferred Shares, will be approximately £2,323,671.

### **Resolution 11 – Share Premium Account Cancellation**

The Board considers it highly desirable that the Company has the maximum flexibility to consider the payment of dividends and otherwise return value to its shareholders. However, the Company is generally precluded from the payment of any dividends or other distributions or the redemption or buy back of its shares in the absence of sufficient distributable reserves.

The Company's Share Premium Account currently stands at approximately £3,813,000. As at 30 June 2015, the Company had a retained earnings deficit of approximately £3,688,000. It is proposed that all of the Share Premium Account be cancelled. Once the retained earnings deficit is extinguished, the sum of up to £125,000 will be potentially available for the purposes set out in paragraph 6 above.

### **8. Annual General Meeting**

As explained above, the Resolutions are subject to the approval of Shareholders in a general meeting. A notice convening the Annual General Meeting of the Company to be held on 3 December 2015 at 11.00 am at the offices of WH Ireland Limited at 24 Martin Lane, London EC4R 0DR is set out at the end of this document.

### **9. Action to be taken**

You will find a Form of Proxy for use in connection with the Annual General Meeting enclosed with this document. The Form of Proxy should be completed in accordance with the instructions printed thereon, whether or not you intend to be present at the Annual General Meeting, and returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA, as soon as possible and in any event, to be valid, so as to be received no later than 11.00 am on 1 December 2015. Completion and return of the Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person, if you so wish.

### **10. Recommendation**

Your Board considers that all the Resolutions proposed at the Annual General Meeting are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of all the Resolutions as the Directors intend to do in respect of their own beneficial holdings in respect of which they have the power to exercise or direct the exercise of voting rights amounting in aggregate to 10,130,746 Ordinary Shares, representing approximately 1.05 per cent of the current issued ordinary share capital of the Company.

Yours faithfully

James Ede-Golightly  
**Chairman**

## PART II

### QUORAM PLC

*(Registered in England and Wales No. 03606195)*

#### NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of Quoram Plc (the "**Company**") will be held at 11.00 am on 3 December 2015 at the offices of WH Ireland Limited at 24 Martin Lane, London EC4R 0DR to transact the following business:

To consider and, if thought fit, to pass the following resolutions, of which resolution numbers 1-4 (inclusive) will be proposed as ordinary resolutions and resolution numbers 5-11 (inclusive) will be proposed as special resolutions.

#### Ordinary Resolutions

1. To receive and adopt the Directors' Report, the Audited Statement of Accounts and Auditors' Report for the year ended 30 June 2015.
2. To re-elect James Ede-Golightly as a director of the company, who stands for re-election pursuant to the Articles of Association of the Company.
3. To re-appoint Nexia Smith & Williamson as auditors of the Company and to authorise the Directors to determine their remuneration.
4. Allotment of shares

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and are generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act):

- (a) up to an aggregate nominal amount of £2,079,008.98; or
- (b) if Resolutions 8, 9 and 10 are passed, up to an aggregate nominal amount of £83,177.23.

provided that this authority shall (unless renewed, varied or extended by the Company in general meeting) expire on the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors may allot such equity securities in pursuance of such offer or agreement as if this authority had not expired.

#### Special Resolutions

5. Disapplication of pre-emption rights

That, subject to the passing of resolution 4, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 4 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:

- (a) be limited to the allotment of equity securities pursuant to the authority granted under Resolution 4(a) or 4(b), as the case may be, up to an aggregate nominal amount of £2,079,008.98 in the case of Resolution 4(a) or £83,177.23 in the case of Resolution 4(b); and

- (b) unless renewed, varied or extended by the Company in general meeting, expire on the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors may allot such equity securities in pursuance of such offer or agreement as if this authority had not expired.

6. Authority to buy back its own shares

That, the Company be and is hereby generally authorised pursuant to section 701 of the Act to make market purchases (as defined in section 693 of the 2006 Act) of its ordinary shares provided that:

- (a) the Company does not purchase more than (i) 145,132,641 ordinary shares (approximately 14.99% of the Company's issued share capital at the date of this notice) or (ii) if Resolutions 8, 9 and 10 are passed 14,513,264 New Ordinary Shares (as defined below) (approximately 14.99% of the Company's issued share capital at the date of this notice)
- (b) the Company does not pay for any such ordinary share or New Ordinary Share less than its nominal value at the time of the purchase; and
- (c) the Company does not pay for any such ordinary share or New Ordinary Share more than 5% above the average of the closing mid-market price for the ordinary shares for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, based on the share prices published in the Daily Official List of the London Stock Exchange or the AIM supplement thereto or such other trading platform as may be applicable to the shares.

The authority conferred by this resolution shall (unless previously revoked, varied or renewed) expire on the earlier of the date of the next Annual General Meeting of the Company and 31 December 2016, save the Company may before such expiry make a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry date.

7. Cancellation of Admission to Trading on AIM

That, the admission of the ordinary shares of the Company to trading on the AIM market of the London Stock Exchange be cancelled and that the Directors be and are hereby authorised to take all steps which are necessary or desirable in order to effect the cancellation.

8. Share Capital Reorganisation

That subject to and conditional on the passing of Resolution 9:

- (a) first, every 10 issued ordinary shares of 0.25 pence each in the capital of the Company (the "**Existing Ordinary Shares**") be, at the close of business on the date of the passing of this Resolution, consolidated into one ordinary share of 2.5 pence each (a "**Consolidated Ordinary Share**") provided that no member shall be entitled to a fraction of a share and the directors shall be and are hereby authorised to arrange for the aggregation and sale of such fractional entitlement at a price reasonably obtainable to any person, to distribute the net proceeds to such Shareholders (subject to a minimum entitlement of £3.00) and to retain the balance of the net proceeds of sale for the benefit of the Company; and
- (b) second, each Consolidated Ordinary Share shall be subdivided and reclassified into 1 ordinary share of 0.1 pence in the capital of the Company (a "**New Ordinary Share**") and 1 deferred share of 2.4 pence in the capital of the Company (a "**Deferred Share**").



9. That, subject to and conditional upon the passing of Resolution 8, the articles of association of the Company be amended by the insertion of a new Article 8.1A as follows:

**"8.1A Rights Attaching to the Deferred Shares**

**(a) *Income***

Holders of deferred shares of 2.4 pence in the capital of the Company (the "**Deferred Shares**") are not entitled to receive any dividend or other distribution.

**(b) *Capital***

On a return of capital on a winding up, each holder of a Deferred Share is entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the sum of £1,000,000 per ordinary share has been distributed among the holders of the ordinary shares and the holders of the Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

**(c) *Voting and General Meetings***

The holders of the Deferred Shares have no right to receive notice of any general meeting of the Company nor any right to attend, speak or vote at any such general meeting.

**(d) *Reduction of Capital***

Neither the passing by the Company of any special resolution for the cancellation of Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court, nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital, nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares. Accordingly, the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the statutes without sanction on the part of the holders of the Deferred Shares.

**(e) *Certificates***

No share certificates will be issued in respect of the Deferred Shares.

**(f) *Transfer***

The Deferred Shares shall not be capable of transfer by the holder of any Deferred Shares. The Company shall have the irrevocable authority at any time after the creation or issue of Deferred Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act (as amended), to purchase such Deferred Shares without making any payment to or obtaining the sanction of the holders thereof and pending such transfer and/or purchase provided also that the Company may, in accordance with the provisions of the Act, purchase all but not some only of the Deferred Shares then in issue at a price not exceeding 1 pence for all the Deferred Shares so purchased.

**(g) Further rights**

The rights attaching to the Deferred Shares shall not be, or deemed to be, varied, modified or abrogated by the creation, allotment or issue of any shares in the capital of the Company of any class (whether ranking pari passu with or in priority to them) or anything done pursuant to or any other act, matter or thing whatsoever save for any proposal to vary (otherwise than to the advantage of the holders of the Deferred Shares) the rights of the holders of the Deferred Shares to participate in a return of capital."

**10. Cancellation of Deferred Shares**

That, subject to the confirmation of the court and conditional upon the passing of Resolutions 8 and 9, all Deferred Shares (as created pursuant to Resolution 8 of this Notice) be cancelled and extinguished.

**11. Share Premium Account Cancellation**

That, subject to the confirmation of the court, the entire amount standing to the credit of the Company's share premium account be cancelled.

By order of the Board

**Christopher Hill**  
Company Secretary

5 November 2015

**Registered Office:**

c/o DWF LLP  
Bridgewater Place  
Water Lane  
Leeds  
S11 5DY

Registered in England and Wales No. 03606195

**Notes:**

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, vote and speak at the meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf. A Form of Proxy is enclosed with this notice.
2. The Resolutions are proposed as Special Resolutions and Ordinary Resolutions. This means that for the Resolutions to be passed, at least three-quarters of the votes cast on such Resolutions must be in favour of such Resolutions for Special Resolutions and a majority of the votes cast must be in favour of such Resolutions for Ordinary Resolutions.
3. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Neville Registrars Limited.

4. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the office of the Company's registrars no later than 48 hours before the time appointed for holding the meeting.
5. The return of a complete proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 8 below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
6. To be entitled to attend and vote at the meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company 48 hours (excluding non-working days) before the time appointed for holding the meeting or adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. 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.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy 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 7RA11) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. 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 Application 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 proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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) take(s) 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.
10. 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. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

