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If you have sold or otherwise transferred all of your ordinary shares of 2 and 6/91 pence each ("Ordinary Shares") in Randall & Quilter Investment Holdings plc (the "Company") please send this document, together with the accompanying Form of Proxy, 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, these documents should not be forwarded or sent in, into or from the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan or any other state or jurisdiction in which release, publication or distribution would be unlawful, and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, Placing Shares or an invitation to buy, acquire or subscribe for the Placing Shares. This document has not been examined or approved by the FCA or the London Stock Exchange or any other regulatory authority.



# Randall & Quilter Investment Holdings plc

*(Registered in England and Wales with the company number 03671097)*

## Proposed Placing to raise £25 million and Notice of General Meeting

*Nominated Adviser and Joint Broker*

 Numis

**Numis Securities Limited**

*Joint Broker*



**SHORE CAPITAL**

**Shore Capital Stockbrokers Limited**

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This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Group Chairman and Chief Executive of the Company which contains the unanimous recommendation of the Directors to Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting.

A General Meeting to consider the proposals described in this document will be held at 10 am on 10 May 2013 at the registered office of the Company at 110 Fenchurch Street, London, EC3M 5JT. The notice convening the General Meeting is set out at the end of this document and a Form of Proxy for use at the General Meeting is enclosed. The action to be taken in respect of the General Meeting is set out in the letter from the Group Chairman and Chief Executive of the Company contained in this document. **Shareholders are requested to complete, sign and return the Form of Proxy whether or not they intend to be present at the General Meeting. To be valid, Forms of Proxy should be completed, signed and returned, in accordance with the instructions printed thereon, as soon as possible but, in any event, so as to be received by the Registrars (the address for whom can be found on page 5 of this document) by not later than 10 am on 8 May 2013.** Completion and return of a Form of Proxy or the electronic appointment of a proxy will not preclude a Shareholder from attending and voting at the meeting should they so wish.

Application will be made for the Placing Shares to be admitted to trading on AIM. Subject to such admission becoming effective, it is expected that dealings in the Placing Shares will commence on AIM on 13 May 2013. The Placing Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares including the right to receive any dividend or other distribution declared, paid or made in respect of the Ordinary Shares after Admission.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting as nominated adviser and joint broker to the Company. Numis Securities Limited is not acting for any other person in connection with the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities Limited or for giving advice in relation to the matters referred to in this document. Numis is not making any representation or warranty, express or implied, as to the contents of this document, including the accuracy, verification or completeness of any information contained in this document or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by them or on their behalf, and nothing in this document shall be relied upon as a promise or representation in this respect, whether as to the past or future. The responsibilities of Numis as the Company's nominated adviser and joint broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

Numis has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document or for the omission of any information from this document, and accordingly disclaims to the fullest extent permitted by law all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person in respect of this document or any such statement.

Shore Capital Stockbrokers Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as joint broker in connection with arrangements described in this document and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Shore Capital or for advising any other person in connection with the arrangements described in this document. Shore Capital is not making any representation or warranty, express or implied, as to the contents of this document, including the accuracy, verification or completeness of any information contained in this document or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by them or on their behalf, and nothing in this document shall be relied upon as a promise or representation in this respect, whether as to the past or future. Shore Capital has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Shore Capital for the accuracy of any information or opinions contained in this document or for the omission of any information from this document, and accordingly disclaims to the fullest extent permitted by law all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person in respect of this document or any such statement.

In accordance with the AIM Rules, this document is available to Shareholders on the Company's website: [www.rqih.com](http://www.rqih.com)

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## **IMPORTANT NOTICE**

### **NOTICE IN RELATION TO OVERSEAS PERSONS**

The distribution of this document and the accompanying Form of Proxy in or into jurisdictions other than the UK may be restricted by law and therefore any person into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any jurisdiction where to do so might constitute a violation of local securities laws or regulations. This document does not constitute an offer to buy or subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares or any Placing Shares in any jurisdiction in which such offer or solicitation is unlawful.

The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States. In addition, the Placing Shares do not qualify for distribution nor have they been registered under any of the relevant securities laws of Australia, Canada, Japan, New Zealand or the Republic of South Africa.

The Placing Shares are being offered outside of the United States pursuant to Regulation S of the Securities Act and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Placing Shares in the United States. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. In addition, offers, sales or transfers of the Placing Shares in or into the United States for a period of time following completion of the Placing by a person (whether or not participating in the Placing) may violate the registration requirement of the Securities Act.

### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This document contains a number of forward looking statements relating to the Group including with respect to the trading prospects of the Group. The Company considers any statements that are not historical facts as “forward looking statements”. They relate to events and trends that are subject to risks, uncertainties and assumptions that could cause the actual results and financial position of the Group to differ materially from the information presented in the relevant forward looking statement. When used in this document the words “estimate”, “project”, “intend”, “aim”, “anticipate”, “believe”, “expect”, “should”, and similar expressions, as they relate to the Group or management of it, are intended to identify such forward looking statements. Shareholders are cautioned not to place undue reliance on these forward looking statements which speak only as at the date of this document. Neither the Company nor any member of the Group nor Numis nor Shore Capital nor any of their respective officers, directors and employees undertakes any obligation to update publicly or revise any of the forward looking statements whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the AIM Rules and other regulations.

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## PLACING STATISTICS<sup>(1)</sup>

Placing Price	120 pence
Total number of Existing Ordinary Shares	50,133,002
Number of Existing Ordinary Shares with voting rights	49,644,664
Number of Placing Shares to be issued pursuant to the Placing	20,833,333
Total number of Ordinary Shares in issue following the issue of the Placing Shares	70,966,335
Number of Ordinary Shares in issue with voting rights immediately following the issue of Placing Shares <sup>(2)</sup>	70,572,997
Number of Placing Shares as a percentage of the Enlarged Share Capital	29.4%
Gross proceeds of the Placing receivable by the Company	£25.0 million
Net proceeds of the Placing receivable by the Company <sup>(3)</sup>	£24.1 million

**Notes:**

- (1) The above statistics assume that the Placing is subscribed in full.
- (2) This figure includes 95,000 Ordinary Shares which at the date of this document are non-voting but which will, before Admission, be used to satisfy option exercises and will therefore be voting shares at the time of Admission.
- (3) Net proceeds are stated after deduction of estimated total expenses of approximately £0.9 million.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing and the posting of this Circular	25 April 2013
Latest time and date for receipt of Forms of Proxy	10 am 8 May 2013
General Meeting	10 am 10 May 2013
Expected date for Admission and commencement of dealings in the Placing Shares on AIM	13 May 2013
Expected date for CREST accounts to be credited in respect of the Placing Shares to be held in uncertificated form	13 May 2013
Expected date for the despatch of definitive certificates in respect of the Placing Shares to be held in certificated form	20 May 2013

**Notes:**

- (1) All times referred to in this document are, unless otherwise stated, references to London time.
- (2) Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a Regulatory Information Service.
- (3) If you have any questions relating to the action you should take in relation to the General Meeting, please telephone the Company's secretary on the following number: +44 (0)20 7780 5850 (for those calling from abroad). Please note that for legal reasons this helpline will only be able to provide practical information and will not provide advice on the merits of the business of the General Meeting or give any financial or taxation advice. For financial and taxation advice you will need to consult an independent adviser.

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## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Kenneth Edward Randall, <i>Group Chairman and Chief Executive</i> Alan Kevin Quilter, <i>Group Chief Operating Officer</i> Thomas Alexander Booth, <i>Group Chief Financial Officer</i> Kevin Paul McNamara, <i>Non-Executive Director</i> Michael Gordon Smith, <i>Non-Executive Director</i> Jo Mark Pole Welman, <i>Non-Executive Director</i>
<b>Company Secretary</b>	Michael Logan Glover
<b>Registered Office, Principal Place of Business and Business Address of each of the Directors</b>	110 Fenchurch Street London EC3M 5JT England
<b>Website</b>	www.rqih.com
<b>Nominated Adviser and Joint Broker</b>	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
<b>Joint Broker</b>	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
<b>Legal advisers to the Company</b>	Mills & Reeve LLP 130 Fenchurch Street London EC3M 5DJ
<b>Legal advisers to Numis and Shore Capital</b>	Nabarro LLP Lacon House 84 Theobald's Road London WC1X 8RW
<b>Auditors to the Company and Reporting Accountant</b>	Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
<b>Registrars</b>	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol

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## DEFINITIONS

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

“ <b>Admission</b> ”	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“ <b>AIM Rules</b> ”	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time) governing admission to and the operation of AIM
“ <b>AIM</b> ”	AIM, a market operated by the London Stock Exchange
“ <b>Business Day</b> ”	any day (excluding Saturdays and Sundays) on which banks are open in the City of London for the conduct of normal banking business
“ <b>Circular</b> ”	this circular to shareholders dated 25 April 2013
“ <b>Companies Act</b> ” or the “ <b>Act</b> ”	the Companies Act 2006
“ <b>Company</b> ”	Randall & Quilter Investment Holdings plc of 110 Fenchurch Street, London, EC3M 5JT, England
“ <b>CREST</b> ”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the Regulations)
“ <b>Directors</b> ” or “ <b>Board</b> ”	the directors of the Company whose names are set out on page 5 of this document
“ <b>Enlarged Share Capital</b> ”	the issued share capital of the Company following Admission, as enlarged by the maximum number of Placing Shares that may be issued pursuant to the Placing
“ <b>Existing Ordinary Shares</b> ”	50,133,002 Ordinary Shares in issue at the date of this document
“ <b>FCA</b> ”	the Financial Conduct Authority
“ <b>Form of Proxy</b> ”	the form of proxy for use by shareholders at the General Meeting, enclosed with this document
“ <b>General Meeting</b> ” or “ <b>GM</b> ”	the general meeting of the Company to be held at the registered office of the Company at 110 Fenchurch Street, London EC3M 5JT at 10 am on 10 May 2013, notice of which is set out at the end of this document
“ <b>London Stock Exchange</b> ”	London Stock Exchange plc
“ <b>Notice of General Meeting</b> ”	the notice convening the General Meeting set out at the end of this document
“ <b>Numis</b> ”	Numis Securities Limited of 10 Paternoster Square, London EC4M 7LT
“ <b>Ordinary Shares</b> ”	the ordinary shares of 2 and 6/91 pence each in the capital of the Company
“ <b>Placing Agreement</b> ”	the agreement dated 25 April 2013 between the Company, Numis and Shore Capital relating to the Placing, further details of which are set out in this document
“ <b>Placing Price</b> ”	120 pence per Placing Share

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<b>“Placing Shares”</b>	the 20,833,333 new Ordinary Shares to be issued by the Company at the Placing Price pursuant to the Placing Agreement
<b>“Placing”</b>	the proposed placing by Numis and Shore Capital of the Placing Shares on behalf of the Company pursuant to the Placing Agreement
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<b>“Randall &amp; Quilter” or the “Group”</b>	the Company and its subsidiaries
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Shore Capital”</b>	Shore Capital Stockbrokers Limited of Bond Street House, 14 Clifford Street, London W1S 4JU
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any State of the United States and the District of Columbia

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## LETTER FROM THE GROUP CHAIRMAN AND CHIEF EXECUTIVE

# Randall & Quilter Investment Holdings plc

*(Incorporated in England and Wales with company number 03671097)*

*Directors:*

Kenneth Randall  
Alan Quilter  
Thomas Booth  
Kevin McNamara  
Michael Smith  
Jo Welman

*Registered office:*

110 Fenchurch Street  
London  
EC3M 5JT  
England

25 April 2013

Dear Shareholder,

**Proposed Placing to raise £25 million  
and  
Notice of General Meeting**

### 1. INTRODUCTION

The Company has today announced a proposed placing of 20,833,333 new Ordinary Shares at 120 pence per Placing Share to raise approximately £25 million (approximately £24.1 million net of expenses) in order to support the Group's growing Lloyd's participations, finance its strong acquisition pipeline and develop opportunities in the Insurance Linked Securities market.

Consequently, a General Meeting has been called to approve the issue of the Placing Shares.

Shareholders should note that the Placing is subject to certain conditions, as set out in paragraph 4 below, including shareholder approval of the Resolutions which are being proposed at the General Meeting. If the Resolutions are not passed by the requisite majority, the Placing will not proceed.

Accordingly, you will find set out at the end of this document a notice convening a general meeting of the Company to be held at the registered office of the Company at 110 Fenchurch Street, London EC3M 5JT at 10 am on 10 May 2013.

The purpose of this letter is to provide further information on the Placing, including the intended use of the proceeds of the Placing, and to explain why the Board considers the Placing to be in the best interests of the Company and the Shareholders as a whole.

The Directors unanimously recommend that you vote in favour of the Resolutions at the General Meeting as they intend to do in respect of their own beneficial holdings of Ordinary Shares amounting to, in aggregate, 21,838,080 Ordinary Shares, representing approximately 43.6 per cent. of the Existing Ordinary Shares.

### 2. BACKGROUND TO AND REASONS FOR THE PLACING

The Group reported strong income and profit growth in its recent 2012 results announcement, as well as a number of significant operational developments that, combined, provide the Group with various growth opportunities which the Group requires additional capital to exploit fully.

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The Group has been investing in its Underwriting Management Division for a number of years. At the same time, the Group has been significantly increasing its participations on its managed syndicates (which now include active syndicates as well as those in run-off).

The successful launch of the Group's own managed active syndicate (Syndicate 1991) at the beginning of 2013 marked an important development in the Group's expansion into active underwriting. This syndicate is a specialist property and liability syndicate, and began its first year of operations with capacity of £77 million. The underwriting team previously worked at Axis Capital, where they built up a similar account, focused on exclusive relationships with a select number of MGAs. The team operates a self processing environment, receiving data directly into its proprietary web based platform which reduces operating expenses and significantly improves controls.

The syndicate is supported by a mixture of traditional Lloyd's Names (private capital), industry capital, and the Group itself which has a participation of approximately 23 per cent. The Group also currently supports two run-off syndicates and has a small participation on its turnkey syndicate, all of which it manages through its wholly owned Lloyd's managing agency. The Group's Lloyd's participations have grown considerably since 2011 and have been financed from both internal resources including retained earnings and from the Group's surplus capital released from its owned insurance companies.

Syndicate 1991 has substantial growth plans with written premium anticipated to at least double during the 2013-2015 period. Given the strong underwriting track record of the team, the strategic importance of the new active Syndicate and its associated revenue streams, the Group would like to maintain its approximate 23 per cent. capital participation and take up its rights to support the significant capacity increases anticipated for the 2014 and 2015 underwriting years. This, together with further potential Lloyd's run-off opportunities, is expected to require additional capital in the region of £10 million, which the Board anticipates will be funded from the proceeds of the proposed placing.

The Group is also seeing a growing pipeline of attractive acquisition opportunities in legacy insurance assets. 2012 was an active year for the Group's insurance investment operations, having closed a Lloyd's run-off transaction, five run-off captive acquisitions, the acquisition of a reinsurer in run-off and ten insurance debt acquisitions. 2013 has already seen completion of a further two deals with an acquisition of a further captive in run-off and the transfer of old policy years from the Virgin Group's captive.

The Group is currently progressing a number of new opportunities to acquire attractively priced insurance companies, captives and portfolios in run-off in a variety of domiciles, some of which are more substantial in size than recently announced transactions. The Group's new insurance company consolidator in Malta, for which the Group has an in-principle licence, will also bring significant operational and capital benefits to the Group's existing European run-offs as well as aiding the execution, transactional flexibility and pricing of future deals.

There also continues to be significant opportunities to acquire insurance debt from maturing insolvent estates, both from creditors on estates where the Group already owns positions and on new emerging estates. Finally, the Group is exploring ways in which it can access the growing Insurance Linked Securities market and provide exit solutions and liquidity to the capital markets investors following a claim on their underlying insurance contracts.

The Group expects to use the remaining proceeds of the proposed placing to help finance this growing acquisition pipeline of legacy insurance assets, which should in turn generate further profits and cash releases from its Insurance Investments Division and increase internal servicing revenue, as well as for general working capital purposes.

## **Outlook**

Following strong income and profit growth during 2012, the Board looks forward to the 2013 year and beyond with confidence.

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After a period of substantial investment in the development of the Underwriting Management Division over the last three years, 2013 should see the division move firmly into profit. The Board believes the business is well positioned to benefit from the substantial growth opportunities offered by the expansion of its newly launched active syndicate and from the management of new third party syndicates wishing to use the Lloyd's platform.

Furthermore, as mentioned, the Group has an exciting pipeline of attractive acquisition opportunities in legacy related insurance assets.

The service business should benefit from the attention which has been given to operational efficiency and the Group's niche service offerings. Expansion into the active market is also expected to compensate for the relative scarcity of traditional large run-off service opportunities. The Group's captive management business is growing steadily.

The proposed redomicile of the Group's parent to Bermuda should greatly alleviate the regulatory uncertainties faced by the Group following the further delays in solvency legislation in Europe and assist long term planning and capital allocation. It should also present new business opportunities through improved access to the Bermuda and US markets.

The global investment markets remain challenging with ultra-low interest rates persisting and ever tightening credit spreads but the Board remains pro-active in ensuring that the Group's portfolios are well diversified and optimised in terms of risk-reward.

### **3. USE OF THE PROCEEDS FROM THE PLACING**

The Company intends to raise gross proceeds of £25 million pursuant to the Placing.

It is expected that the net amount of cash available to the Company following the Placing (assuming that the Placing Shares will be taken up in full) will be approximately £24.1 million, which will be used as follows:

- as to approximately £10 million to support Randall & Quilter's growing Lloyd's participations, especially on its own managed specialist active Lloyd's syndicate but also on further Lloyd's run-off opportunities; and
- as to £14.1 million:
  - to help finance the acquisition of the strong pipeline of legacy insurance companies, captives and portfolios in run-off and insurance debt;
  - to develop opportunities to provide exit solutions/liquidity to the rapidly expanding Insurance Linked Securities market; and
  - for general working capital purposes.

Approximately £0.9 million of the gross proceeds will be used to pay fees and expenses (including VAT) incurred in connection with the Placing (including broking commissions, corporate finance, legal and accounting fees).

### **4. DETAILS OF THE PLACING AND THE PLACING AGREEMENT**

#### **The Placing**

Assuming that the Placing is taken up in full, the Placing Shares will represent approximately 29.4 per cent. of the Enlarged Share Capital following Admission.

It is expected that the Placing Shares to be held in uncertificated form will be delivered in CREST on 13 May 2013 and that share certificates for the Placing Shares to be held in certificated form will be dispatched by first class post by 13 May 2013.

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Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM and it is anticipated that trading in the Placing Shares will commence on AIM at 8 am on 13 May 2013.

The Placing Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid after Admission.

The Placing is conditional, amongst other things, upon:

- (i) the Resolutions to be proposed at the General Meeting being passed without amendment;
- (ii) the Placing Agreement becoming unconditional in all respects (save for Admission) and it not having been terminated; and
- (iii) admission of the Placing Shares to trading on AIM becoming effective by not later than 8 am on 13 May 2013 (or such later time and date as the Company and Numis and Shore Capital may agree, not being later than 8 am on 31 May 2013).

### **The Placing Agreement**

Pursuant to the terms of the Placing Agreement, Numis and Shore Capital as agents for the Company, have agreed conditionally to use their reasonable endeavours to procure Placees for the Placing Shares at the Placing Price. The Placing is not underwritten.

The Placing Agreement contains warranties from the Company in favour of Numis and Shore Capital in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Numis and Shore Capital in relation to certain liabilities that they may incur in respect of the Placing.

The obligations of Numis and Shore Capital under the Placing Agreement in respect of the Placing are conditional upon, *inter alia*: (i) Admission becoming effective on or before 8 am on 13 May 2013 (or such later date as the Company and Numis and Shore Capital may agree, but not later than 31 May 2013); (ii) there being prior to Admission no material breach of the warranties given to Numis and Shore Capital; and (iii) Shareholders passing the Resolutions at the General Meeting.

Numis and/or Shore Capital may terminate the Placing Agreement in specified circumstances (including for breach of warranty at any time prior to Admission, if such breach is reasonably considered by Numis and/or Shore Capital to be material in the context of the Placing) and in the event of a *force majeure* event occurring at any time prior to Admission. If the conditions of the Placing Agreement which apply to the Placing as a whole are not fulfilled on or before the relevant date in the Placing Agreement, subscription monies will be returned to Placees without interest as soon as possible thereafter.

In consideration for the services to be provided to the Company by Numis and Shore Capital in connection with Admission and the Placing, the Company has agreed to pay Numis and Shore Capital certain fees and commissions and certain other costs and expenses incidental to Admission and/or the Placing.

## **5. PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

During the course of discussions with potential participants in the Placing, one of the participants, Phoenix Asset Management Partners Limited (“Phoenix”) expressed an interest in participating to a level which would have resulted in Phoenix having an aggregate holding in the enlarged issued share capital of the Company in excess of 10 per cent.

In several jurisdictions in which the Company operates, the acquisition of an interest in the Company carrying in excess of 10 per cent. of the Company’s shares requires certain advance approvals from the regulators in such territories. Accordingly, Phoenix will only be subscribing for 7,031,261 Placing

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Shares representing 9.96 per cent. of the voting rights in the enlarged share capital of the Company pursuant to the Placing.

However, concurrent with the Placing, Kenneth Randall (Group Chairman and Chief Executive) has entered into a conditional transfer agreement with Phoenix (the “**Phoenix Purchase Agreement**”). Pursuant to the terms of the Phoenix Purchase Agreement, Kenneth Randall has agreed to sell 1,302,072 Ordinary Shares at the Placing Price to Phoenix. Such sale is conditional upon shareholder approval of the Placing at the General Meeting and the receipt of the necessary regulatory consents or approvals in the jurisdictions in which the Group operates. The terms of the Phoenix Purchase Agreement provide, amongst other things, that the Company and Phoenix will use their reasonable endeavours to obtain such appropriate consents and approvals but states that should such consents and approvals not be obtained by 31 December 2013, unless Kenneth Randall, the Company and Phoenix otherwise agree, the conditional transfer of Kenneth Randall’s shares shall lapse and Kenneth Randall, the Company and Phoenix shall have no further obligation to each other in relation to such transfer.

The Ordinary Shares that are the subject of the Phoenix Purchase Agreement represent 7.4 per cent. of Kenneth Randall’s aggregate holding of Ordinary Shares, which is 17,537,518 Ordinary Shares in aggregate.

## **6. GENERAL MEETING**

The Notice convening the General Meeting of the Company, to be held at the registered office of the Company at 100 Fenchurch Street, London EC3M 5JT at 10 am on 10 May 2013 is set out at the end of this document. The business to be considered at the General Meeting is set out in the notice together with the explanatory notes to each resolution below.

At the Annual General Meeting of the Company held on 27 June 2012, Shareholders passed resolutions in order to: (i) grant the Directors authority to allot equity securities up to a maximum nominal value of £340,601; and (ii) disapply statutory pre-emption rights to allow the allotment by the Directors of equity securities for cash up to an aggregate nominal value of £340,601 without the requirement for such equity securities to be first offered to existing Shareholders.

These authorities are insufficient to allow the placing of the Placing Shares to proceed without further shareholder approval. Accordingly, at the General Meeting, the following Resolutions will be proposed:

### **Resolution 1 – Authority to allot Ordinary Shares**

The Directors require the authority of Shareholders in order to allot the Placing Shares. Resolution 1 in the Notice provides such authority by granting the Directors authority to allot 20,833,333 Ordinary Shares up to a maximum nominal amount of £430,403 (representing, as at 24 April 2013 (being the latest practicable date before the publication of this document), 42.0 per cent. of the Existing Ordinary Shares).

Resolution 1 is being proposed as an ordinary resolution and will therefore require more than 50 per cent. of the votes cast, whether in person or by proxy, to be in favour of the resolution. This authority, if granted, will be in addition to any existing authorities to allot Ordinary Shares granted to the Directors prior to the date of this document, and will enable the Directors to effect the Placing. This authority will expire on the date of the next Annual General Meeting of the Company.

### **Resolution 2 – Disapplication of pre-emption rights**

Section 561 of the Companies Act requires that, on an allotment of “equity securities” for cash, such equity securities must first be offered to existing Shareholders in proportion to the number of Ordinary Shares they each hold at that time. This is known as a shareholder’s pre-emption right. The Placing Shares are “equity securities” for these purposes. Accordingly, the Placing Shares cannot be allotted for cash on a non pre-emptive basis unless Shareholders have first waived their pre-emption

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rights. Resolution 2, if passed, provides such a waiver. If Resolution 2 is passed, the Directors will be able to allot the Placing Shares, on a non pre-emptive basis, to the extent of the authority granted by Resolution 1. The authority to allot the Placing Shares for cash on a non pre-emptive basis in respect of the Placing will, if granted, expire on the date of the next Annual General Meeting of the Company.

Resolution 2 is being proposed as a special resolution and will therefore require not less than 75 per cent. of the votes cast, whether in person or by proxy, to be in favour of the resolution. This authority, if granted, will be in addition to any existing authorities to allot Ordinary Shares free of pre-emption rights granted to the Directors prior to the date of this document which will continue in full force and effect whether or not the Placing is effected.

If Resolutions 1 and 2 are passed by Shareholders at the General Meeting but the Placing does not complete, the Company undertakes not to use the authorities granted by Resolutions 1 and 2, and to rely only on the general authorities granted pursuant to existing authorities to allot Ordinary Shares free of pre-emption rights granted to the Directors prior to the date of this document.

#### ***General Meeting queries***

Shareholders who have queries about the General Meeting or about completion of a Form of Proxy should call the Company's secretary on +44 (0)20 7780 5850.

#### **Action to be taken**

A Form of Proxy for use at the General Meeting is enclosed.

**Whether or not you intend to attend the General Meeting, it is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Registrars at the address set out thereon as soon as possible and in any event so as to be received by no later than 10 am on 8 May 2013 (being 48 hours before the time of the General Meeting).** Alternatively, a proxy may be appointed electronically by following the instructions in Notes 3.2 and 5 to the Notice of General Meeting. Completion and return of the Form of Proxy or the electronic appointment of a proxy will not preclude you from attending and voting at the meeting, should you wish to do so.

#### **7. RECOMMENDATION**

The Directors believe that completion of the Placing and the approval of the Resolutions are in the best interests of the Company and the Shareholders as a whole. **Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions at the General Meeting, as they intend to do in respect of their own beneficial holdings of Ordinary Shares amounting to, in aggregate, 21,838,080 Ordinary Shares, representing approximately 43.6 per cent. of the Existing Ordinary Shares.**

Yours sincerely



**Ken Randall**

*Group Chairman and Chief Executive*

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## NOTICE OF GENERAL MEETING

# Randall & Quilter Investment Holdings plc

*(Incorporated in England and Wales with company number 03671097)*

NOTICE IS HEREBY GIVEN that a General Meeting of Randall & Quilter Investment Holdings plc (the “**Company**”) will be held at the Company’s registered office at 110 Fenchurch Street, London EC3M 5JT on 10 May 2013 at 10 am for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

### ORDINARY RESOLUTION

1. THAT conditional upon the Placing Agreement (as defined in the circular to shareholders of the Company dated 25 April 2013 (the “**Circular**”)) becoming unconditional in all respects (save only for any conditions dependent on the passing of the Resolutions and Admission (as defined in the Circular)) and not being terminated in accordance with its terms, and in addition to any other authority which may have been given to the Directors pursuant to section 551 of the Companies Act 2006 (the “**Act**”) prior to the date of the passing of this resolution, the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal value of £430,403 pursuant to or in connection with the allotment of 20,833,333 new ordinary shares of 2 and 6/91 pence each in the capital of the Company to such persons as may be entitled in connection with the Placing (as defined in the Circular); such authority shall expire on the date of the next Annual General Meeting of the Company (unless previously revoked or varied by the Company in a general meeting), save that the Company may make offers and enter into agreements during the relevant period which would, or might, require equity securities to be allotted after the authority ends and the Board may allot equity securities under any such offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

2. THAT conditional upon the passing of Resolution 1 and the Placing Agreement becoming unconditional in all respects (save only for any conditions dependent on the passing of the Resolutions and Admission) and not being terminated in accordance with its terms, and in addition to any existing power given to the Directors pursuant to section 571 of the Act prior to the date of the passing of this resolution, the Directors be and they are hereby empowered pursuant to section 571 of the Act to allot the shares that are the subject of Resolution 1 for cash, pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 1, as if section 561(1) of the Act did not apply to such allotment; such authority shall expire on the date of the next Annual General Meeting of the Company (unless previously revoked or varied by the Company in a general meeting), save that the Company may make offers and enter into agreements during the relevant period which would, or might, require equity securities to be allotted after the authority ends and the Board may allot equity securities under any such offer or agreement as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

**Michael Glover**  
*Company Secretary*

25 April 2013

*Registered office:*  
110 Fenchurch Street  
London  
EC3M 5JT  
England

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## Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by the member.
  2. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
  3. An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company by one of the following methods:
    - 3.1 in hard copy form by post, by courier or by hand to the Company's Registrar at the address shown on the form of proxy; or
    - 3.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, and in each case must be received by the Company by 10 am on 8 May 2013. Please note that any electronic communication sent to us/our registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.
  4. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare at Computershare, Corporate Actions Projects, Bristol BS99 6AH. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions.
  5. **CREST**
    - 5.1 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual, which can be viewed 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.
    - 5.2 In order for a proxy appointment made by means of CREST 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 instructions, as described in the CREST Manual. 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 3RA50) 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
    - 5.3 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.
    - 5.4 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.
  6. Only those shareholders registered in the Register of Members of the Company as at 6 pm on 8 May 2013 (or, if the meeting is adjourned, 6 pm on the date which is two business days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.
  7. 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.
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