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If you have sold or otherwise transferred all of your shares in Quindell Plc, you should pass this document and the accompanying form of proxy without delay to the purchaser or transferee, or to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or otherwise transferred part only of your holding of shares in Quindell Plc you should retain this document.



Quindell Plc

(Incorporated and registered in England and Wales with registered number 05542221)

PROPOSED SALE OF PROFESSIONAL SERVICES DIVISION AND NOTICE OF GENERAL MEETING

Notice of a general meeting of the Company to be held at Botleigh Grange Hotel, Grange Road, Hedge End, Southampton SO30 2FL at 10:00 a.m. on 17 April 2015 is set out at the end of this document. A form of proxy for use at the general meeting is enclosed with this document. Whether or not you intend to attend the general meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed on it and return it so as to be received by the Company's Registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF no later than 10:00 a.m. on 15 April 2015.

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, any securities or an invitation to buy, acquire or subscribe for any securities.

FORWARD LOOKING STATEMENTS

This document contains (or may contain) certain forward looking statements with respect to certain of Quindell's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Such forward looking statements do not represent a guarantee of future performance and actual results may differ materially from those contained in the forward looking statements. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward looking statements include, amongst others, statements regarding or which make assumptions in respect of the Disposal, the Group's liquidity position, the future performance of the Company's principal subsidiary undertakings, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, market-related risks, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Quindell's control. As a result, Quindell's actual future results may differ materially from the plans, goals, and expectations set forth in Quindell's forward looking statements. Any forward looking statements made in this document by or on behalf of Quindell are given on the date of this document and Quindell expressly disclaims any obligation or undertaking to publish updates or revisions to such statements to reflect any changes in Quindell's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based, or otherwise howsoever, save to the extent, if any, required by applicable law or regulations.

Where forward-looking statements refer to financial performance of the Company for the year ended 31 December 2014 such statements represent estimates made by the Board. Having undertaken its own review and considered the draft findings of PwC, the Board expects to conclude that it will adopt a more conservative approach to accounting for revenue and profit in the Professional Services Division which is the subject of the Disposal. The Board has not yet finalised either the precise policies to be adopted or their financial impact and so it is not currently possible to provide a definitive view of the historical results on this basis although the changes will likely result in a reduction of revenue and profit.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of forms of proxy	10:00 a.m. on 15 April 2015
General Meeting	10:00 a.m. on 17 April 2015
Longstop Date for satisfaction of the first condition to which the Disposal is subject	30 April 2015 ⁽¹⁾
Longstop Date for satisfaction of the remaining conditions to which the Disposal is subject	30 June 2015 ⁽²⁾

Notes:

- (1) The relevant condition is the passing, without material amendment, of the Resolution at the General Meeting.
- (2) Completion of the Disposal will occur five business days after the date on which all of the conditions in the Sale and Purchase Agreement are satisfied or (where applicable) waived (or, if the last of the conditions is waived within 10 business days prior to an accounting month end for the PSD Companies, the date of such accounting month end). There can be no certainty if, or when, any such conditions will be satisfied and, consequently, there can be no certainty as at the date of this document as to the timing for Completion. The Longstop Date may be extended by agreement between Quindell and the Purchaser.

PART 1

LETTER FROM THE CHAIRMAN



(Incorporated and registered in England and Wales with registered number 05542221)

Directors:

David Currie (*Non-executive Interim Chairman*)
Robert Fielding (*Group Chief Executive Officer*)
Laurence Moorse (*Group Finance Director*)
Robert Bright (*Non-executive Director*)
Robert Burrow (*Non-executive Director*)
Vice Admiral Robert Cooling (*Non-executive Director*)

Registered office:

Quindell Court,
1 Barnes Wallis Road
Segensworth
Fareham
Hampshire
PO15 5UA

30 March 2015

To the holders of Ordinary Shares and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

Proposed sale of the Professional Services Division and notice of General Meeting

1. Introduction

On 30 March 2015, Quindell Plc (“**Quindell**” or the “**Company**”) announced that it had entered into a conditional sale and purchase agreement to sell the Professional Services Division to the Purchaser for an initial cash consideration of £637 million and further contingent cash consideration payable in respect of the future settlement of its clients’ noise induced hearing loss (“**NIHL**”) cases.

In view of the size of the Professional Services Division relative to the Group, the Disposal will result in a fundamental change in the business of the Company for the purpose of Rule 15 of the AIM Rules and it is therefore conditional upon the approval of Shareholders, amongst other matters. That approval will be sought at a general meeting of the Company to be held at Botleigh Grange Hotel, Grange Road, Hedge End, Southampton SO30 2FL at 10:00 a.m. on 17 April 2015. The notice convening that General Meeting is set out at the end of this document. The actions that you should take to vote on the Resolution and the recommendation of the Board are set out in paragraphs 6 and 8 respectively of this letter.

Further details of the Disposal and the terms of the Sale and Purchase Agreement, including full details of the consideration to be paid to the Company by the Purchaser, are set out in Part 2 of this document, entitled “*Principal Terms of the Transaction Documents*”.

The purpose of this letter is to provide you with the background to, reasons for and details of the Disposal and to explain why the Directors consider the Disposal to be in the best interests of the Shareholders as a whole.

2. Background to, reasons for and effect of the Disposal

2.1 Background

Following changes to the Board in November 2014, the Company commenced a search for a permanent Chairman and a formal review of the Group including an assessment of accounting policies, its outlook and future strategy.

On 12 January 2015, the Board announced the prospective appointments of Richard Rose as Non-executive Chairman and Jim Sutcliffe as Strategy Director and Executive Deputy Chairman (the “**Consultants**”), subject to completion of formalities. Pending their appointment, both Mr Rose and Mr Sutcliffe have been providing services to the Company as employees and consultants to assist the Board, *inter alia*, in the development of the Group’s accounting policies (in conjunction with PwC and the Company’s auditors, KPMG), the formulation of the Group’s future strategy and the delivery of the optimal capital structure for the Group.

In the event that the Disposal completes, David Currie will step down as Non-executive Interim Chairman and become a Non-executive Director. Richard Rose will be appointed Non-executive Chairman. Given the resulting change of scale and activities of the Group, Jim Sutcliffe will terminate his employment on 30 June 2015 but remain as a consultant until at least the end of the year to support the management team. Richard Rose and Jim Sutcliffe have informed the Board that they intend to voluntarily allow all of their options over Ordinary Shares to lapse at Completion.

As set out in the Company’s announcement of 27 February 2015, the Board (as supported by the Consultants) concluded that the Company would have two operating divisions being the Professional Services Division and the Technology Division, details of which are set out below.

During the course of the review of the Group, Quindell received an unsolicited approach from Slater and Gordon to acquire the Professional Services Division. The Directors believed that it was in the interests of Shareholders to pursue negotiations with Slater and Gordon and such discussions have led to the Disposal being put to Shareholders for approval.

Professional Services Division

The Professional Services Division provides legal, claims management, health and medical reporting services. During the financial year ended 31 December 2013, the profits before tax generated by the Professional Services Division contributed in aggregate £82,500,000¹ to the Group. During the six months ended 30 June 2014, the profits before tax generated by the Professional Services Division contributed in aggregate £113,400,000².

Summaries of the sub-groups making up the Professional Services Division are set out below.

Quindell Legal Services

Quindell Legal Services offers a broad range of specialist personal injury claims services including road traffic accident, NIHL, employers’ liability and public liability claims. These services are delivered through the owned legal practices of *Silverbeck Rymer*, *Pinto Potts*, *The Compensation Lawyers*, *Accident Advice Helpline* and *Fast Claim PPI* and the legal costs practice of *Compass Law*.

1 Profit in respect of the financial year ended 31 December 2013 represents an aggregation (after eliminating intercompany balances) of the figures derived from the unaudited management information used for the preparation of the audited accounts for that year and applies the accounting policies as detailed in the published annual accounts for that year. To the extent that Quindell Legal Services Limited, Mobile Doctors Limited and Quindell Business Process Services Limited (formerly Ai Claims Solutions Limited) are included in these figures, the information used in respect of those companies has been audited. The profits attributable to companies and businesses acquired by the Group during the course of the year ended 31 December 2013 are taken into account from the effective date of acquisition. As per paragraph 2.8 of Part 1 of this document, the accounting policies adopted in preparing these numbers are now likely to change.

2 Profit in respect of the six months ended 30 June 2014 represents an aggregation (after eliminating intercompany balances) of the figures derived from the unaudited management information used for the preparation of the unaudited financial statements for that period and apply the accounting policies as detailed in the published annual accounts for the year ended 31 December 2013. As per paragraph 2.8 of Part 1 of this document, the accounting policies adopted in preparing these numbers are now likely to change.

Quindell Legal Services is a Solicitors Regulation Authority (“SRA”) approved alternative business structure and provides legal services from ten locations in the UK, employing approximately 1,600 members of staff. Business is generated through a mixture of direct marketing to consumers and via intermediaries and insurance brokers. Direct marketing is undertaken through businesses within the Professional Services Division, namely “*Accident Advice Helpline*”, “*ACH*” and “*ICM*”.

Quindell Business Process Services

Quindell Business Process Services provides claims management and related services, managing motor claims from the initial incident through to final resolution. Its clients include some of the UK’s leading insurance companies as well as brokers, bodyshops and fleet companies across the UK.

Quindell Health Services

Quindell Health Services supplies medical reporting services to legal services providers through a national panel of medical experts, under the Mobile Doctors brand, as well as providing a full-service, integrated, multi-disciplinary rehabilitation service to the insurance industry, employers and occupational health providers.

A complete schedule of the companies to be sold to the Purchaser is included within Part 2 of this document.

2.2 *Reasons for the Disposal*

The Directors and the Consultants believe that the Professional Services Division is a high quality business with a robust business model, strong systems and dedicated people. The Directors believe that, upon implementation of a revised business plan, the Professional Services Division would be capable of delivering an attractive level of profitability with a sustainable ratio of operating cash flow to profit. However, the Directors and the Consultants believe that it is likely that it would take at least two years to reach this balance and there would be execution risk in successfully implementing any revised business plan.

Whilst the Disposal was not actively pursued by the Company as part of its review, the Board recognises that the sale of the Professional Services Division represents an opportunity for the Company to realise substantial cash proceeds and for Shareholders to participate in that cash realisation. The Disposal is in line with the Board’s broader objective of reducing financial indebtedness and generating value for Shareholders. In addition, following Completion, the Board believes that the resultant Group will benefit from the increased simplicity of having a more focused business with the requisite capital base to maximise returns for Shareholders from the Technology Division.

In addition to the initial cash consideration of £637 million, Quindell will receive further contingent cash consideration payable in respect of the future settlement of its clients’ NIHL cases. As at 29 March 2015, the Company was acting for clients in respect of approximately 53,000 NIHL cases (“**Deferred Consideration Cases**”) and Quindell will be entitled to a 50 per cent. share of net fees (after the deduction of certain agreed costs) in respect of the settlement of such cases in the period until 30 June 2017 (although there can be no guarantee that such cases will settle successfully). There will also be a final payment based on the estimate of 50 per cent. of the net present value of any unresolved Deferred Consideration Cases as at 30 June 2017.

In view of the relatively small numbers of cases that the Company has successfully settled to date, the Directors are unable to assess with certainty the amount of net fees that might be generated by such NIHL cases. However, the Directors believe that, based on certain assumptions, the Deferred Consideration Cases could generate a significant amount of additional cash consideration. Therefore, the Directors believe that it was important to provide Shareholders with a mechanism to benefit further from the Deferred Consideration Cases.

The total cash amount payable to Quindell, excluding the cash to be generated from the Deferred Consideration Cases and taking into account payments already made by the Purchaser under the Advance Agreement, and prior to any adjustment on Completion, is approximately £649 million.

If the Resolution is not passed, the Disposal will not proceed and Shareholders will be deprived of the opportunity to participate in the cash proceeds. The Board would continue to operate the Professional Services Division and the Technology Division in the best interests of Shareholders in line with the Board's strategy. In the short term, this would require the Group to operate from a more constrained capital base and the challenges inherent with operating a working capital intensive business such as the Professional Services Division would remain. Furthermore, were the Disposal not to proceed, the Group's financial and operational flexibility would be limited by matters such as the level of financial indebtedness which the Group would retain. In addition, the Group would need to manage the complexities of maintaining two separate business divisions and the risks inherent in the operation of those divisions, including the retention of key staff and customers. It is likely, therefore, that the Board would wish to strengthen the cash position of the Group and this might involve, *inter alia*, extension of existing debt facilities, refinancing, an issue of new equity or disposal of non-core assets.

Shareholders are referred to the section of this document entitled "*Forward Looking Statements*".

2.3 Use of Proceeds

The Disposal would generate significant cash proceeds for the Group. The Company proposes to use a majority of the cash to fund a substantial return of capital to its Shareholders, with the remainder being used for the repayment of gross third party debt (which is approximately £45.6 million as at the date of this document) and general working capital and investment purposes within the retained businesses. The cash proceeds of the Disposal will be kept on deposit and managed prudently until a distribution is effected.

The precise amount of any distribution to Shareholders has not yet been determined but the Directors expect that, in aggregate, the initial tranche will be up to £500 million (representing in excess of £1 per share, based upon 440,946,623 Ordinary Shares in issue as at 30 March 2015 (excluding any options over Ordinary Shares)).

Any gain on the sale proceeds on the Disposal received by the Company at Completion is not expected to be chargeable to tax as the Company is advised that it is likely to receive a substantial shareholding exemption pursuant to Schedule 7AC to the Taxation of Chargeable Gains Act 1992.

2.4 Timing of the return of capital to Shareholders

If the Disposal completes, the Company anticipates that, in order to make the return of capital to Shareholders, it will be necessary for the Company to undertake a reduction of capital as it is likely to have insufficient distributable reserves in order to return the level of capital expected by the Board to be returned. Consequently, the Board expects the reduction of capital and initial return of capital (which the Company will endeavour to structure in a tax efficient manner) to be made to Shareholders in the second half of 2015 following the completion of the audit of the Group's accounts for the year ended 31 December 2014 and implementation of the relevant steps in order to effect a distribution. Depending on the cash proceeds of the Deferred Consideration Cases, the obligation to hold certain of the initial cash consideration in an escrow account (as further set out in paragraph 5 of Part 2), the sale of non-core assets and the ongoing performance of the retained Technology Division, further returns of capital will occur over time.

2.5 Board Changes

Should the Disposal complete, Robert Fielding, Group Chief Executive Officer, will resign from the Board and transfer with the Professional Services Division to the Purchaser. Each retained business has its own senior management team and plans have been put in place to seek a replacement Group Chief Executive Officer should the Disposal complete.

Should the Disposal complete, the Directors believe it is an appropriate time to make changes to the Board. Laurence Moorse, Robert Bright, Robert Burrow and Vice Admiral Robert Cooling will resign from the Board upon or shortly after Completion. David Currie will step down as Non-executive Interim Chairman and become a Non-executive Director. Richard Rose will be

appointed Non-executive Chairman. Given the resulting change of scale and activities of the Group, Jim Sutcliffe will no longer join the Board and will terminate his employment on 30 June 2015 but remain as a consultant until at least the end of the year to support the management team.

Additional directors will be recruited to supplement the retained senior management of the Group and announcements of further appointments to the Board will be made as soon as practicable.

2.6 **Strategy in respect of remaining business in the event of the Disposal**

In the event that the Disposal completes, Quindell will comprise a range of technology businesses with strong growth potential, in particular:

- connected car and telematics (*Himex, iter8*) – these businesses are relatively early stage with a number of contracts with major insurers in North America;
- insurance claims management systems (*Quindell Enterprise Technology Solutions*) – this is an established business which provides high quality enterprise software and recently won the *XCelent Award 2015 for Claims Administration*; and
- insurance brokerage utilising technology and telematics (*Ingenie*) – this is a fast growing, young driver specialist in the UK, which recently commenced operations in Canada and won the *Insurance Times Award for Innovation* in December 2014.

Quindell will continue to develop and incubate technology businesses focused on, and working in, or with, the insurance sector. When these businesses mature, the Board will consider whether to retain, dispose of or seek separate listings for such businesses and, separately, the Board will also continue to take appropriate action to deliver Shareholder value, where possible, from relevant non-core assets.

This strategy will require some prudent capital investment supplemented by the cash flow such businesses produce themselves.

2.7 **Current Trading**

The Company confirmed in its announcement on 12 January 2015 that trading in the Group's businesses was robust in both the Professional Services Division and the Technology Division. Trading since that announcement has continued in line with the Board's expectations. The Company also noted that cash generation remains a key focus of the Group and initiatives to improve the working capital profile of the Group continue to be pursued. Notwithstanding this, the Board believes that, were the Disposal not to proceed, this could lead to the challenges as outlined in paragraph 2.2 above.

2.8 **Independent Review**

On 8 December 2014, the Company announced that PwC was being engaged to carry out an independent review into, *inter alia*, certain Group accounting policies and expectations as to cash generation into 2015.

Although not finalised, PwC's review has identified that certain of the accounting policies historically adopted by the Company, in respect of recognising revenue and deferring case acquisition costs in a number of the Group's product areas, were largely acceptable but were at the aggressive end of acceptable practice. PwC has also identified that some policies are not appropriate, principally being the NIHL cases revenue and related balances which became significant during 2014. This was primarily due to the Group's lack of historical internal data relating to NIHL claims settlements, which is needed to support related revenue recognition and cost deferral.

Having undertaken its own review and considered the draft findings of PwC, the Board expects to conclude that it will adopt a more conservative approach to accounting for revenue and profit in the Professional Services Division which is the subject of the Disposal. The Board has not yet finalised either the precise policies to be adopted or their financial impact and so it is not currently possible to provide a definitive view of the historical results on this basis although the changes will likely result in a reduction of revenue and profit.

Any change in accounting policies is likely to mean that financial statements for the year ended 31 December 2014 will be prepared using more conservative policies with the comparative figures for the year ended 31 December 2013 potentially being adjusted to reflect the change to the preferred accounting policies. The Company will also adjust its reported interim results for the 6 month period to 30 June 2014 using the revised basis.

The audit of the Company's draft results for the year ended 31 December 2014 has commenced and the audited financial statements will be published prior to the end of June 2015.

3. Sale and Purchase Agreement

A summary of the principal terms of the Sale and Purchase Agreement is set out in Part 2 of this document entitled "*Principal Terms of the Transaction Documents*".

4. Information on the Purchaser

The Purchaser is the holding company of Slater and Gordon (UK) LLP, which conducts the legal business in the UK known as "*Slater and Gordon*". The ultimate holding company of the Slater and Gordon group is Slater and Gordon Limited, a public company registered in Australia and listed on the Australian Stock Exchange with a market value of approximately AUS\$1.58 billion. Slater and Gordon Limited is a leading consumer law firm in Australia which has rapidly secured a strong platform in the United Kingdom through its acquisition of a number of UK law firms including Russell Jones and Walker, Fentons and the consumer law division of Pannone.

5. General Meeting

The Disposal is conditional upon, amongst other things, Shareholder approval being obtained at the General Meeting. Accordingly, set out at the end of this document is a notice convening the General Meeting to be held at Botleigh Grange Hotel, Grange Road, Hedge End, Southampton SO30 2FL at 10:00 a.m. on 17 April 2015, at which the Resolution will be proposed. The Resolution is an ordinary resolution, meaning that for it to be passed a majority of votes cast must be in favour.

6. 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 in person, you are requested to complete and sign the form of proxy in accordance with the instructions printed on it and then to return it to the Company's Registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. Completed forms of proxy should be returned to the Company's Registrars so as to be received by no later than 10:00 a.m. on 15 April 2015. The completion and return of a form of proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

7. Irrevocable undertakings and letters of intent

The Purchaser has received irrevocable undertakings to vote in favour of the Resolution from institutional Shareholders representing, in aggregate, in respect of a total of 25,330,346 Ordinary Shares (representing approximately 5.74 per cent. of the current issued share capital of the Company).

In addition, the Company has received a letter of intent from an institutional Shareholder to vote in favour of the Resolution in respect of 29,166,666 Ordinary Shares (representing approximately 6.61 per cent. of the current issued share capital of the Company).

Further, the Company has also received irrevocable undertakings from employees of the Company (including the Directors) to vote in favour of the Resolution in respect of 21,560,570 Ordinary Shares (representing approximately 4.89 per cent. of the current issued share capital of the Company).

In aggregate, therefore, irrevocable undertakings and letters of intent to vote in favour of the Resolution have been received in respect of 76,057,582 Ordinary Shares (representing approximately 17.25 per cent. of the current issued share capital of the Company).

8. Recommendation

The Directors consider the Disposal to be in the best interests of Shareholders as a whole. The Directors have received advice from Rothschild in connection with the Disposal. In providing advice to the Directors, Rothschild has relied upon the Directors' commercial assessment of the Disposal. Accordingly, the Directors intend to recommend unanimously that you vote in favour of the Resolution, as they have irrevocably undertaken to do themselves in respect of their entire beneficial holdings of Ordinary Shares (representing approximately 0.91 per cent. of the current issued share capital of the Company).

In addition, the Consultants have confirmed that they also consider the Disposal to be in the best interests of Shareholders as a whole.

Yours faithfully

DAVID CURRIE

Non-executive Interim Chairman

PART 2

PRINCIPAL TERMS OF THE TRANSACTION DOCUMENTS

The Sale and Purchase Agreement was entered into on 29 March 2015 between Quindell and the Purchaser and is the principal agreement in respect of the Disposal. The following is a summary of the principal terms of that agreement and certain ancillary licenses and agreements.

1. Agreement to sell the Professional Services Division

Pursuant to the Sale and Purchase Agreement, Quindell agrees to transfer or procure the transfer to the Purchaser of the entire issued share capital of each of the companies listed in the schedule to this Part 2.

The Sale and Purchase Agreement is conditional upon the following matters, amongst others, being satisfied or, in certain cases, waived:

- (a) the approval of the Resolution by Shareholders at the General Meeting;
- (b) the approval of the Solicitors Regulation Authority in respect of the acquisition of Quindell Legal Services Limited by the Purchaser; and
- (c) the approval of the Financial Conduct Authority in respect of the acquisition of Quindell Legal Services Limited and Crusader Uninsured Loss Recovery Service Limited by the Purchaser.

Each of Quindell and the Purchaser shall have the right to terminate the Sale and Purchase Agreement if the Conditions are not satisfied on or before: (i) 30 April 2015 in respect of the condition set out in paragraph (a) above; and (ii) 30 June 2015 in respect of each of the other conditions, and the Purchaser shall have the right to terminate the Sale and Purchase Agreement if the Resolution is not passed by Shareholders at the General Meeting by 30 April 2015. Completion is to take place on the date falling five business days after satisfaction of the last of the conditions (or, if the last of the conditions is waived within 10 business days prior to an accounting month end for the PSD Companies, the date of such accounting month end).

2. Consideration

The consideration payable by the Purchaser to Quindell under the Sale and Purchase Agreement is as follows:

- (a) *Cash payment at Completion*: £637 million to be paid in cash at Completion subject to any adjustments required following the preparation of completion statements within 60 business days of the completion date (the total cash amount payable to Quindell, excluding the cash to be generated from the Deferred Consideration Cases and taking into account payments already made by the Purchaser under the Advance Agreement, and prior to any adjustment on Completion, is approximately £649 million); and
- (b) *Deferred cash payment*: an amount to be paid in cash within agreed periods from each of 31 December 2015, 30 June 2016, 31 December 2016 and 30 June 2017, such amount to be equal to 50 per cent. of the net fee income derived from noise induced hearing loss cases settled in the six month period expiring on the relevant half year date after deducting direct expenses and overhead expenses incurred by the Purchaser in conducting the relevant claim. There will also be a final payment based on the estimate of 50 per cent. of the net present value of any unresolved NIHL cases as at 30 June 2017.

3. Actions during the Period to Completion

In respect of the period commencing on the date of the Sale and Purchase Agreement and ending on Completion, Quindell has agreed not to, without the prior written consent of the Purchaser, depart from the ordinary course of the day-to-day conduct of the Professional Services Division.

4. Post-Completion obligations

Quindell has agreed that, for a period of two years following Completion, it will refrain from competing with the Professional Services Division and it has agreed to be subject to customary restrictive covenants in this regard.

The Purchaser has agreed that, following Completion, it will refrain from competing with any business carried on by Quindell or the Group as at Completion and it has agreed to be subject to customary restrictive covenants in this regard, including an agreement, subject to the Interim Trade Mark License described below, not to seek to use the Quindell names, its logo or any other name or brand used by the retained Group.

5. Warranties

Quindell has given customary warranties to the Purchaser in respect of the Professional Services Division and Quindell's liability under those warranties is subject to certain customary limitations.

On Completion, Quindell has agreed to place a sum of £50 million into an escrow account, with such amounts being used to compensate the Purchaser in the event that a claim under the Sale and Purchase Agreement is settled in favour of the Purchaser. On the earlier of: (a) the date that an appropriate insurance policy against losses arising to the Purchaser under the Sale and Purchase Agreement is put in place; or (b) the date that falls 18 months from the date of Completion, Quindell shall be entitled to be paid the balance of the funds resting in the escrow account (less any amounts required to settle any outstanding claims as at the relevant date).

6. Tax Covenant

Quindell has covenanted to indemnify the Purchaser against certain limited tax liabilities of the companies in the Professional Services Division arising in respect of the period to Completion subject to customary limitations.

7. Break Fee

Quindell has covenanted to pay to the Purchaser a fee of:

- (a) £5,000,000, in the event that the Board withdraws its recommendation to vote in favour of the Disposal; or
- (b) £2,500,000, in the event that the Board has not withdrawn its recommendation to vote in favour of the Disposal,

and the Resolution is then not passed.

8. Dispute resolution

The Sale and Purchase Agreement is governed by English law. The English courts shall have exclusive jurisdiction to settle any disputes arising out of or in connection with the Sale and Purchase Agreement.

9. Transitional Services Agreement

Pursuant to the Sale and Purchase Agreement, the parties have agreed to enter into a transitional services agreement. Under this agreement, the Purchaser has agreed that it will procure that, after completion of the Disposal, certain of the companies in the Professional Services Division will continue to provide certain support services (in particular hosting and other technical services) which are currently being provided by those to other parts of the Quindell group. The transitional services will be provided for periods ranging between 6 to 12 months (and if necessary for longer periods). Quindell will pay for some of the services at market rate or at cost. Some of the services will be provided free of charge for up to 6 months. Insofar as either the Purchaser or Quindell identify other services that are currently been provided by the companies in the Professional Services Division to the rest of the Quindell group or *vice versa*, these services will continue to be provided as necessary after completion of the Disposal, for a transitional period.

10. Interim Trade Mark Licence

Pursuant to the Sale and Purchase Agreement, the parties have agreed to enter into an interim trade mark licence. Under this licence, Quindell has agreed to allow Quindell Legal Services Limited and Quindell Business Process Services (UK) Limited, on a royalty-free basis, to continue to use their existing company names and trading names incorporating the “*Quindell*” name, to the same extent these names are currently used by the companies, for an interim period of up to 12 months after Completion. The Purchaser has agreed, as soon as reasonably practicable, to replace the names with names that do not incorporate the “*Quindell*” name.

11. ICE licences and service agreements

Pursuant to the Sale and Purchase Agreement, the parties have agreed to enter into various other licences and service agreements relating to the ICE software. Quindell Enterprise Technology Solutions Limited will grant Quindell Legal Services Limited and Quindell Business Process Services (UK) Limited a licence for the use of the ICE software in their businesses (which is currently being used by the two companies). The licence will be granted on a royalty-bearing basis on arms’ length commercial terms. The licence will be granted for an unlimited licence term subject to early termination rights. The parties will also enter into support and services agreements in relation to the ICE software.

PART 2
SCHEDULE

List of Professional Services Division companies to be sold to the Purchaser

Abstract Legal Holdings Limited
Access to Compensation Limited
Accident Advice (IA) Limited
Accident Advice Helpline Direct Limited
Accident Advice Helpline Limited
Accident Advice Insurance Management Group Limited
Accident & Equity Limited
ACH Access Legal Limited
ACH Broker Services Limited
ACH Claims Limited
ACH Group Management Limited
ACH Media Solutions Limited
ACH Medical Limited
ACH Quote Me Cover Me Limited
Auto Indemnity UK Limited
Cab Claims Limited
Centurion Uninsured Loss Recovery Services Limited
Claim 103 Limited
Claim 4 Limited
Colegate Accident Assistance Limited
Colegate Vehicle Hire Limited
Compass Costs Consultants Limited
Crusader Assistance Group Holdings Limited
Crusader Connect Limited
Crusader Group Holdings Limited
Crusader Uninsured Loss Recovery Service Limited
Equi-medical Reports Limited
Equi Rehab Limited
Fast Track PPI Limited
Intelligent Claims Management Limited
iSaaS Technology Limited
Legal Facilities Management & Services Limited
Liberty Protect Limited
MDL Medical Administration Limited
Medicalaw Limited
Medici Legal Limited
Mobile Doctors Group Limited
Mobile Doctors Limited
Mobile Doctors Solutions Limited
Overland Health Limited
Overland Legal Limited (75 per cent. owned)
Overland Limited
Overland Malta (Trading) Limited
Property Home Buyers Limited (60 per cent. owned)
Quindell ACH Limited
Quindell Business Process Services (UK) Limited
Quindell Legal Services Limited
React and Recover Medical Group Limited
React Medical Management Limited
React Medical Reporting Limited
Recover Healthcare Limited
Sentinel Alliance Limited

PART 3

DEFINITION

The following definitions and technical terms apply throughout this document, unless the context otherwise requires:

“Advance Agreement”	the agreement dated 31 December 2014 between Quindell and the Purchaser governing exclusivity arrangements and case transfers between the parties in respect of the potential sale of the Professional Services Division, as amended;
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange plc from time to time;
“Board” or “Directors”	the board of directors of the Company;
“Completion”	completion of the Sale and Purchase Agreement;
“Consultants”	Richard Rose and Jim Sutcliffe;
“Disposal”	the proposed sale of the Professional Services Division to the Purchaser on the terms set out in the Sale and Purchase Agreement;
“General Meeting”	the general meeting of the Company to be held at Botleigh Grange Hotel, Grange Road, Hedge End, Southampton SO30 2FL at 10:00 a.m. on 17 April 2015;
“Group”	the Company and its subsidiaries and subsidiary undertakings;
“KPMG”	KPMG LLP;
“Longstop Date”	30 April 2015 or 30 June 2015 (or such other date as Quindell and the Purchaser may agree), as applicable;
“Ordinary Shares”	ordinary shares of 15p each in the capital of the Company;
“Professional Services Division”	means, collectively, all of the PSD Companies;
“PSD Companies”	those companies listed in the schedule to Part 2 of this document;
“Purchaser”	Slater and Gordon (UK) 1 Limited;
“PwC”	PricewaterhouseCoopers LLP;
“Quindell” or “Company”	Quindell Plc;
“Quindell Legal Services”	Quindell Legal Services Limited;
“Resolution”	the ordinary resolution to approve the Disposal to be proposed at the General Meeting;
“Rothschild”	N M Rothschild & Sons Limited;
“Sale and Purchase Agreement”	the conditional sale and purchase agreement relating to the Professional Services Division dated 29 March 2015 made between Quindell and the Purchaser;
“Shareholder”	a holder of Ordinary Shares;
“SRA”	Solicitors Regulation Authority;
“Technology Division”	the Company’s telematics, telecoms and technology business; and
“Transaction Documents”	the Sale and Purchase Agreement and other documents effecting the Disposal.



Quindell
Quindell Plc

(Incorporated and registered in England and Wales with registered number 05542221)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Quindell Plc (the “**Company**”) will be held at Botleigh Grange Hotel, Grange Road, Hedge End, Southampton SO30 2FL at 10:00 a.m. on 17 April 2015 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as ordinary resolution:

Ordinary Resolution

THAT, the disposal by the Company of the Professional Services Division, pursuant to the Sale and Purchase Agreement dated 29 March 2015 and related documentation, entered into between (1) the Company and (2) the Purchaser as defined and more particularly described in the Circular, be and hereby is approved with such amendments as the Directors may approve, and the Directors, or any duly authorised committee thereof, be and are hereby authorised to take all necessary steps and to execute all other documents and deeds as they may consider to be necessary or desirable to conclude the Disposal.

Dated: 30 March 2015

By order of the Board:

Edward Walker
Company Secretary

Registered office:

Quindell Court,
1 Barnes Wallis Road
Segensworth East
Fareham
Hampshire
PO15 5UA

Notes:

1. As at 27 March 2015 (being the latest practicable date before publication of this document), the issued Ordinary Share capital of the Company comprised 440,946,623 ordinary shares of 15p each (the “**Ordinary Shares**”) and the total number of voting rights was 440,946,623. There are no Ordinary Shares held by the Company in treasury.
2. Shareholders entitled to attend and vote at the General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote (including on a poll) on their behalf at the meeting and at any adjournment of it. A form of proxy for use by shareholders is enclosed with this document (the “**Form of Proxy**”). 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. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder’s name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). A proxy need not be a member of the Company but must attend the General Meeting in person.
3. Details of how to appoint the Chairman of the meeting or another person as your proxy are set out in the notes to the Form of Proxy.
4. To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by the Company’s Registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF no later than 10:00 a.m. on 15 April 2015, together with, if appropriate, the original power of attorney or other authority (if any) under which the Form of Proxy is signed or a duly certified copy of that power or authority. In the case of a corporation, the Form of Proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. The return of a completed Form of Proxy or other such instrument will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so. Any shareholder who appoints a proxy but who attends in person shall have his proxy terminated automatically. If a shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his/her discretion. Your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put before the General Meeting.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Company's register of members at 6:00 p.m. on 15 April 2015 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting) shall be entitled to attend, speak and vote at the General 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.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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.
9. 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 Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10:00 a.m. on 15 April 2015. 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.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.
11. 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.

