

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Qconnectis plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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**QCONNECTIS PLC**

(incorporated and registered in England and Wales under number 03923150)

**NOTICE OF AN EXTRAORDINARY GENERAL MEETING**

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Notice of Extraordinary General Meeting of the Company to be held at the offices of J M Finn & Co Limited, 4 Coleman Street, London EC2R 5TA on Friday, 5 June at 10.00 am is set out at the end of this circular.

Whether or not you propose to attend the Extraordinary General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than (48) hours before the time of the holding of the Extraordinary General Meeting.

## PART I

### QONNECTIS PLC

(incorporated and registered in England and Wales under number 03923150)  
(the "Company")

Registered Office:

Unit 20, St Johns Innovation Centre  
Cowley Road  
Cambridge  
Cambridgeshire  
CB3 0AZ

12 May 2009

*To the Shareholders of the Company*

#### **Notice of Extraordinary General Meeting**

Dear Shareholder,

Further to the announcement of 31 March 2009 and today, discussions with potential funders are continuing with a view to sourcing a loan secured on the Company's assets. The Company would also be issuing warrants to subscribe for ordinary shares in connection with the provision of the loan facility.

The Company has appointed Capital Reserve Management Limited ("**CRM**") to secure a loan facility for an aggregate amount of not less than £250,000 and not more than £500,000 (the "**Fundraising** ") as further additional working capital. The consideration for the appointment of CRM, includes the grant to CRM of warrants to subscribe for 5,000,000 ordinary shares in the Company at an exercise price of 0.25p per share and a further 5,000,000 ordinary shares at 0.75p per share (the "**CRM Warrants**"). The CRM Warrants which assume a rebasing of the nominal value of the Company's ordinary shares to 0.1p are exercisable during a three year period. Further warrants on similar terms are expected to be issued to the providers of the loan facility (the "**Loan Warrants**"). The ordinary shares the subject of the CRM Warrants and the Loan Warrants (together the "**Warrants**") are not expected to represent more than 30% of the fully diluted ordinary share capital of the Company.

As the Company's current share price is below its nominal value the board has today convened an Extraordinary General Meeting to be held at the offices of J M Finn & Co Limited, 4 Coleman Street, London EC2R 5TA on Friday 5 June at 10.00 am. Formal notice of the Extraordinary General Meeting is set out on page 4 of this document.

The meeting will consider resolutions to rebase the nominal value of the Company's ordinary shares to 0.1p per share and simplify the share capital by the re-designation of a class of shares none of which have been issued. A further resolution is proposed to provide the directors with sufficient authority to allot shares in the future pursuant to the Warrants and to facilitate a further fundraising. Additionally, other resolutions to bring the Company's articles of association into line with best practice following introduction of the 2006 Companies Act will also be put before shareholders. The main changes between the proposed and the existing articles of association is set out in Annex 1 on page 10 of this document. A copy of the full articles of association, marked up to show the amendments are available on request and will also be published on the Company's website.

## **The Resolutions**

The purpose of the resolutions sought is to:

1. sub-divide each issued and unissued ordinary share into ten ordinary shares of 0.1p each thus decreasing the nominal value of the Company's ordinary shares to facilitate the issue of ordinary shares pursuant to the Warrants;
2. give the directors the general authority to allot and issue the ordinary shares not in issue;
3. re-designate and subdivide each of the B ordinary shares of £1.00 each into 1,000 ordinary shares of 0.1p each so that they each rank pari passu with the existing ordinary shares of 0.1p;
4. give the Directors authority to allot and issue the shares pursuant to the Warrants on a non pre-emptive basis and to allot and issue further ordinary shares for any further fundraising up to £1,000,000 in nominal value on a non-pre-emptive basis; and
5. to amend the Company's articles of association to incorporate the company law amendments introduced by the Companies Act 2006. An explanation of the main changes between the proposed and existing articles of association is set out in Annex 1.

## **Recommendation**

The Directors consider that the issue of the Warrants and all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The Directors who in aggregate own 11,115,694 ordinary shares, representing 2.8% of the Company's issued ordinary share capital, will be voting in favour of them and unanimously recommend that you do so as well.

Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Whether or not Shareholders propose to attend the Meeting, they are requested to complete and return the Form of Proxy so as to be received by the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event no later than 10.00 a.m. on 3 June 2009. The completion and return of the Form of Proxy will not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting.

## **Electronic Communications:**

The proposed amendments to the Articles of Association of the Company include an article (Article 156) which will permit the Company to send or supply documents and information to them in electronic form and via a website. We are also required to ask members to confirm agreement to the Company sending or supplying the documents and information via the Company's website and to provide an email address if they agree to receive communications directly in electronic form.

Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to shareholders. We are therefore taking the opportunity to include with this notice a letter in relation to the above and I would therefore urge shareholders to respond to the letter by providing email details to the Company where they are available.

Yours sincerely,

Harry Offer  
Chairman

**QONNECTIS PLC**  
(Registration No. 03923150)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE** is hereby given that an Extraordinary General Meeting of the above-named Company will be held at the offices of J M Finn & Co Limited, 4 Coleman Street, London EC2R 5TA at 10.00 a.m. on Friday 5 June 2009 for the purpose of considering and if thought fit passing the following Resolutions of which Resolutions 1 and 2 will be proposed as Ordinary Resolutions and Resolutions 3, 4 and 5 will be proposed as Special Resolutions:-

**Ordinary resolutions**

1. That each of the 621,899,200 ordinary shares of 1p each in the capital of the Company (whether issued or unissued) be sub-divided into ten ordinary shares of 0.1p, each such ordinary share, having attached thereto the rights and being subject to the restrictions set out in the articles of association of the Company.
2. That the directors be generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Companies Act 1985) up to an aggregate nominal amount of the authorised but unissued share capital of the Company as at the date of this resolution provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution or, if sooner, 15 months after the date of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired and so that this authority is in substitution for and shall replace all existing authorities pursuant to Section 80 which, to the extent not exercised prior to the passing of this Resolution, are hereby revoked.

**Special Resolutions**

3. That each of the 696,500 ordinary B shares of £1.00 each in the capital of the Company (whether issued or unissued) be sub-divided and re-designated into 1,000 ordinary shares of 0.1p, each such ordinary share, having attached thereto the rights and being subject to the restrictions set out in the Articles of Association of the Company and ranking pari passu with the other ordinary shares of 0.1p each in issue.
4. That, subject to the passing of Resolution 2 and in place of all existing powers, the directors be empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94(2) of the Companies Act 1985) up to an aggregate nominal amount of £1,000,000 (equating to 1,000,000,000 ordinary shares of 0.1p) for cash pursuant to the authority conferred by Resolution 2 as if Section 89(1) of the Companies Act 1985 did not apply to such allotment provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution or, if sooner, 15 months after the date of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

5. That the regulations contained in the document produced to the meeting and, for the purposes of identification only, signed by the Chairman, containing the amendments set out in detail in the enclosure to this notice be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.

Registered Office:

Unit 20, St Johns Innovation Centre  
Cowley Road  
Cambridge  
Cambridgeshire  
CB3 0AZ

By Order of the Board

Company Secretary  
Barbara Spurrier

12 May 2009

#### Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Extraordinary General Meeting. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. (If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company Secretary on 01223 421 883.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand for the attention of PROXIES at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.00 am on 3 June 2009.
3. A shareholder may appoint more than one proxy in relation to the Extraordinary General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.
4. In order to facilitate voting by corporate representatives at the Extraordinary General Meeting, arrangements will be put in place at the Extraordinary General Meeting so that:
  - 4.1 if a corporate member has appointed the Chairman of the Extraordinary General Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Extraordinary General Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote or withhold a vote as corporate representative in accordance with those directions; and
  - 4.2 if more than one corporate representative for the same corporate member attends the Extraordinary General Meeting but the corporate member has not appointed the Chairman of the Extraordinary General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - [www.icsa.org.uk](http://www.icsa.org.uk) - for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (4.1) above. **The Institute of Chartered Secretaries and Administrators recommends the use of multiple proxies wherever possible in favour of corporate representatives.**

## 5. CREST

- 5.1 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed 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 or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (formerly CRESTCo'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 Capita Registrars (ID RA 10) by no later than 10.00 on **3 June 2009**. No such message received through the CREST network after this time will be accepted. 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 registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 5.3 CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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.
- 5.4 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.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 3 June 2009 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting shall be entitled to attend and vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00 p.m. on 3 June 2009 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at this Extraordinary General Meeting.

**QONNECTIS PLC**  
**(Registration No. 03923150)**

**FORM OF PROXY**

**EXTRAORDINARY GENERAL MEETING**

For use at the Extraordinary General Meeting of the Company to be held at the offices of J M Finn & Co Limited, 4 Coleman Street, London EC2R 5TA on Friday 5 June 2009 at 10.00 a.m.

I/We (names in full) .....

PLEASE USE BLOCK CAPITALS

of .....

being (a) member(s) of the Company hereby appoint the Chairman of the Meeting or (see note 1) ..... (insert name of proxy)

as my/our proxy to attend and, on a poll, vote on my/our behalf at the Extraordinary General Meeting of the Company to be held at the offices of J M Finn & Co Limited, 4 Coleman Street, London EC2R 5TA on 5 June 2009 at 10.00 a.m. and at any adjournment thereof. In respect of the Resolutions referred to in the Notice of Meeting.

If you want your proxy to vote in a certain way on the Resolutions specified, please place an "X" in the relevant boxes. If you select "Discretionary" or fail to select any of the given options your proxy can vote as he/she chooses or can decide not to vote at all. The proxy can also do this on any other resolution that is put to the meeting.

No.	Resolution (Please refer to Notice of Meeting for full text)	FOR	AGAINST	DISCRETIONARY
1.	Sub-divide Ordinary Share Capital			
2.	Section 80 Authority to allot shares			
3.	Sub-divide and re-designate B Ordinary Shares			
4.	Section 95 Disapplication			
5.	Amend Articles of Association			

Signature .....

Date .....

**Notes**

1. If you wish to appoint a proxy other than the Chairman of the Meeting, please delete the words "the Chairman of the Meeting or" and substitute the name of some other person.
2. A proxy need not be a member of the Company.
3. Appointment of a proxy will not preclude you from attending and voting in person should you subsequently decide to do so.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of members in respect of the joint holding.
5. In the case of a corporation, this proxy must be given under its Common Seal or be signed on its behalf by an officer or other duly authorised attorney or representative.
6. To be effective this proxy must be delivered to PROXIES, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time appointed for the Meeting or any adjournment thereof, together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed.
7. Any alteration made in this form should be initialled.

8. A shareholder may appoint more than one proxy in relation to the Extraordinary General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST 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 Capita Registrars (ID RA 10) by no later than 10.00 3 June 2009. Please refer to the notes of the notice of the meetings for further information on proxy appointments through CREST.



## **EXPLANATORY NOTES TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 and 2 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 3, 4 and 5 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolutions.

### **Explanation of the resolutions:**

#### Resolution 1

Resolution 1 is to sub-divide its issued and unissued ordinary share capital of 1p each into 10 ordinary shares of 0.1p each.

#### Resolution 2

Resolution 2 is to grant the directors general authority to allot relevant securities, including the Warrants, up to an aggregate nominal amount of the unissued share capital of the Company as at the date of the passing of this resolution pursuant to Section 80 of the Companies Act 1985.

#### Resolution 3

Resolution 3 is to sub-divide and re-designate the unissued B ordinary shares of £1.00 each into 1,000 ordinary shares of 0.1p each.

#### Resolution 4

Resolution 4 is to authorise the Directors to allot equity securities (including pursuant to the Warrants) up to an aggregate nominal amount of £1,000,000 (equating to 1,000,000,000 ordinary shares of 0.1p) for cash on a non pre-emptive basis pursuant to Section 95 of the Companies Act 1985.

#### Resolution 5

Resolution 5 is to amend the Company's articles of association to incorporate the Company law amendments introduced by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in Annex 1. All the proposed changes are set out in detail in the enclosure to this letter. The New Articles in their entirety are also available for inspection, as noted in Annex 1.

## ANNEX 1

### PRINCIPAL AMENDMENTS TO ARTICLES OF ASSOCIATION

The Company proposes to amend its articles of association at the forthcoming Extraordinary General Meeting to incorporate certain new provisions and incorporate some of the key changes (including procedural changes) introduced by the Companies Act 2006 which are currently (or soon to be) in force, including:

- (a) to enable the Company to communicate with shareholders by electronic and/or website communications;
- (b) to remove the Chairman's casting vote in the case of an equality of votes at a meeting of the Shareholders (as this is incompatible with the relevant provisions of the Companies Act 2006);
- (c) to reduce the notice period for calling a general meeting from 21 clear days to 14 clear days (the Companies Act 2006 permits a company to call a general meeting on 14 clear days notice unless required otherwise by its articles of association);
- (d) to enable proxies to vote on a show of hands, as well as on a poll as currently provided for and to allow multiple proxies to be appointed (provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder);
- (e) to remove the obligation on directors reaching the age of 70 from having to retire from office at every annual general meeting; and
- (f) to allow the Directors to authorise conflicts or potential conflicts of interest, where appropriate.

The Company intends to consider proposing further amendments to its articles of association to fully reflect the provisions of the Companies Act 2006 once all of the provisions are in force.

A copy of the proposed amended articles of association will be available at the registered office and on the website of the Company during normal business hours until the date of the Extraordinary General Meeting and, on that date, at the place of the meeting from at least 15 minutes prior to the meeting until its conclusion.