

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your ordinary shares in the capital of Totally PLC (the “**Company**”), please immediately forward 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. If you have sold or otherwise transferred only part of your holding of ordinary shares in the Company you should retain these documents.

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## **TOTALLY PLC**

*(Incorporated in England and Wales under the Companies Act 1985 and 2006 with registered number 03870101)*

### **Proposed cancellation of the Share Premium Account Proposed buy back of Deferred Shares and Notice of General Meeting**

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The Directors, whose names appear on page 5 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of Totally PLC set out in this document, which confirms that the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

**Notice convening a General Meeting of the Company to be held at 11.15 a.m. on 11 July 2016 (or as soon thereafter as the Company’s annual general meeting convened for the same date and place at 11.00 a.m. has concluded) at the offices of Totally PLC, Hamilton House, Mabledone Place, London, WC1H 9BB is set out at the end of this document. All Shareholders are urged to complete, sign and return the enclosed Form of Proxy, whether or not they intend to be present at the meeting, in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event, in order to be valid, so as to be received by the Company not later than 11.15 a.m. on 7 July 2016. The completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting should he, or she, wish to do so.**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	16 June 2016
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.15 a.m on 7 July 2016
Date and time of General Meeting	11.15 a.m on 11 July 2016
Expected date for confirmation of the Capital Reduction by the High Court	3 August 2016
Expected Effective Date of the Capital Reduction	5 August 2016

*Notes:*

- (1) All references in this document to time are to London time.
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by announcement through a regulatory information service.
- (3) All events in the above timetable following the holding of the General Meeting are conditional upon: (i) the passing of the Resolutions; (ii) approval of the Capital Reduction by the High Court; and (iii) registration of the High Court Order confirming the Capital Reduction with the UK Registrar of Companies.
- (4) The dates of the Court hearings are subject to change by the Court and, in certain circumstances, the Company.
- (5) The General Meeting will be held at 11:15 a.m. or as soon as possible thereafter, provided that the Company's annual general meeting convened for the same date and place at 11:00 a.m. has finished.

## DEFINITIONS

The following definitions apply throughout this document (including the enclosed Notice of General Meeting) and in the accompanying Form of Proxy, unless the context requires otherwise:

<b>“Articles”</b>	the articles of association of the Company, as adopted by special resolution of the Company passed on 25 July 2013;
<b>“Board” or “Directors”</b>	the directors of the Company, as at the date of this document, whose names are set out on page 5 of this document;
<b>“Buy-Back”</b>	the proposed buy-back by the Company of all the Deferred Shares;
<b>“Buy-Back Agreement”</b>	the proposed agreement between (1) the Company and (2) the holders of the Deferred Shares to buy-back all the Deferred Shares for an aggregate price of £0.01;
<b>“Capital Reduction”</b>	the proposed cancellation of the Share Premium Account;
<b>“Company” or “Totally”</b>	Totally PLC, a company incorporated in England and Wales with registered number 03870101 whose registered office is at Lighterman House, 26-36 Wharfedale Road, London, N1 9RY;
<b>“Companies Act” or “Act”</b>	the Companies Act 2006;
<b>“Deferred Shares”</b>	the 228,402,392 deferred shares of £0.009 each in the capital of the Company all fully paid up;
<b>“Effective Date”</b>	5 August 2016;
<b>“Form of Proxy”</b>	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting;
<b>“General Meeting”</b>	the general meeting of the Company convened to be held at 11.15 a.m on 11 July 2016 and any adjournment thereof, to consider and, if thought fit, pass the Resolutions, notice of which is set out at the end of this document;
<b>“High Court”</b>	the High Court of England and Wales;
<b>“Minority Shareholders”</b>	holders of 50 Ordinary Shares or less in the Company;
<b>“Notice of Meeting” or “Notice”</b>	the notice of General Meeting set out at the end of this document;
<b>“Ordinary Shares”</b>	ordinary shares of 10p each in the capital of the Company;
<b>“Resolutions”</b>	the special resolutions to be proposed at the General Meeting as set out at the end of this document and reference to Resolutions is to the resolutions set out in the Notice of General Meeting;
<b>“Shareholders”</b>	holders of Ordinary Shares in the Company from time to time;
<b>“Share Premium Account”</b>	the share premium account of the Company;
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland.

## LETTER FROM THE CHAIRMAN OF TOTALLY PLC

# TOTALLY PLC

*(Incorporated in England and Wales under the Companies Act 1985 and 2006 with registered number 03870101)*

*Registered office:*  
Lighterman House,  
26-36 Wharfedale Road,  
London,  
N1 9RY

*Directors:*

Bob Holt OBE (Chairman)  
Donald Baladasan (Finance Director)  
Wendy Lawrence (Chief Executive Officer)  
Anthony Bourne (Non-Executive Director)  
Michael Rogers (Non-Executive Director)

16 June 2016

Dear Shareholder

**Proposed cancellation of the Share Premium Account  
and Buy-back of Deferred Shares  
and  
Notice of General Meeting**

I am writing to you to set out details of your Board's proposal to cancel the share premium account of the Company and buy back all the issued deferred shares of the Company. The rationale for these proposals is to permit Totally to pay dividends to shareholders and to tidy up its share capital.

The purpose of this document is to provide you with details of the Capital Reduction, Buy-Back and the Resolutions to be proposed to Shareholders at the forthcoming General Meeting. Your Board considers that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of these Resolutions. The formal Notice of the General Meeting is set out at the end of this document and a Form of Proxy is also enclosed for you to complete and return.

### **1. Background to the Capital Reduction**

The Company has built up a substantial Share Premium Account through the issue of shares for cash at values in excess of the nominal value of those shares. This share premium comprises a non-distributable reserve for the purposes of the Act. At the date of this document, the balance standing to the credit of the Share Premium Account is £9,610,554. It is proposed that the Share Premium Account be cancelled in its entirety.

The Company is generally precluded from the payment of any dividends or other distributions or the redemption or buy back of its issued shares in the absence of sufficient distributable reserves. If approved by Shareholders and subsequently confirmed by the High Court in the terms proposed by your Board, the effect of the Capital Reduction will be to release the total amount standing to the credit of the Share Premium Account so that £9,610,554 will be credited to the distributable reserves of the Company to allow the Company to pay dividends in due course.

The implementation of the Capital Reduction is subject to a number of criteria and legal processes which are explained further below.

## **2. Capital Reduction – Share Premium Account**

Share premium is treated as part of the capital of a company and arises on the issue by a company of shares at a premium to their nominal value. The premium element is credited to the share premium account.

The share premium account is a non-distributable capital reserve and a company's ability to use any amount credited to that reserve is limited by the Companies Act. However, with the approval of its shareholders by way of a special resolution and subsequent confirmation by the High Court, a company may reduce or cancel its share premium account and in certain circumstances either return all or part of the sum arising to shareholders as a return of capital, or credit some or all of such sum arising to its profit and loss account.

To the extent that the release of such a sum from the share premium account creates or increases a credit on the profit and loss account, that sum represents a company's distributable reserves.

As mentioned above, the cancellation of the Share Premium Account will reduce the carried forward loss on the Company's profit and loss account by £9,610,554 to create a profit of £3,030,363.

## **3. Capital Reduction – Procedure**

In order to effect the Capital Reduction, the Company firstly requires the authority of its Shareholders by the passing of a special resolution at the General Meeting to approve and effect the reduction of the Share Premium Account.

Secondly, the Capital Reduction must be confirmed by the High Court, to which the Company will make an application if that special resolution is passed.

The Capital Reduction will take effect when the Order of the High Court confirming it, and a statement of capital approved by the High Court, have been registered with the Registrar of Companies. The Effective Date of the Capital Reduction is currently expected to be 5 August 2016. That date is likely to be within a few working days after the hearing at which the Capital Reduction is confirmed by the High Court, which is currently expected to be on or around 3 August 2016.

In order to approve the Capital Reduction, the High Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced by the Capital Reduction. The Company is not required to seek written consent to the Capital Reduction from its creditors. However, for the benefit of those of its creditors from whom consent is not required, the Company may be obliged to provide security in a form acceptable to the High Court. This is in order that the Capital Reduction can be confirmed by the High Court on terms that will permit any part of the sum released by the Capital Reduction either to be returned to Shareholders as a capital payment or credited to the profit and loss account of the Company so as to create distributable reserves.

If the Company is unable in the timetable proposed to obtain consent from, or is unable or unwilling to provide security (where security is required) for all such creditors, then the amount released by the Capital Reduction, when the Capital Reduction is confirmed by the High Court, will remain undistributable for the time being until any such outstanding consents have been obtained, security (where security is required) has been put in place, or the relevant obligations have been discharged, and the Company may be required to give an undertaking to that effect to the High Court.

The Board reserves the right (where necessary by application to the High Court) to abandon, discontinue or adjourn any application to the High Court for confirmation of the Capital Reduction, and hence the Capital Reduction itself, if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company or if as the result of a material unforeseen event the Board considers that to continue with the Capital Reduction is inappropriate or inadvisable.

## **4. Buy-Back of Deferred Shares**

The Deferred Shares carry no voting rights, no rights to attend general meetings of the Company, and no rights to receive dividends. The Deferred Shares do carry a right to participate in any return of capital to the extent of 0.01 pence per Deferred Share but only after each Ordinary Share has received in aggregate capital repayments totalling £1,000,000 per Ordinary Share.

The Board can see no reason for the Deferred Shares to remain on the balance sheet and recommends that the Deferred Shares are purchased by the Company.

Under the provisions of the Articles, the Company has the power to buy back the Deferred Shares for £0.01 in aggregate. In addition, the Board is authorised to agree on behalf of the holders of the Deferred Shares the purchase by the Company of the Deferred Shares and is irrevocably authorized to do all such things necessary or desirable to give effect to a purchase under the Articles. The Company would propose therefore that any one of its Directors be authorised to carry out this function.

Under the provisions of the Act, a public limited company may not fund the purchase of its shares except out of its distributable reserves or the proceeds of a fresh issue of shares made solely for the purpose of such Buy Back. The Company has no distributable reserves in order to fund the Buy Back and therefore it is proposed that the Buy Back is funded by the issue of one Ordinary Share to Bob Holt at nominal value of £0.10.

The Buy Back is conditional upon obtaining a special resolution of the Shareholders. At the General Meeting, Shareholders will be asked to approve, if thought fit, the Buy Back.

Under the Act a copy of the Buy-Back Agreement must be made available for inspection at the Company's registered office by the Shareholders at least 15 days prior to the meeting approving the Buy-Back. A copy of the Buy-Back Agreement is currently available for inspection on the Company's website at [www.totallyplc.com](http://www.totallyplc.com) and at its registered office. A copy of the Buy-Back Agreement will also be available for inspection at the General Meeting.

## **5. The Resolutions**

An explanation of the Resolutions which are to be proposed at the General Meeting is set out below:

### ***Capital Reduction – Cancellation of the Share Premium Account***

A special resolution to cancel the total amount standing to the credit of the share premium account of the Company being £9,610,554. The Capital Reduction does not affect the number of Ordinary Shares in issue, the nominal value per Ordinary Share or the voting or dividend rights of any Shareholder. The Capital Reduction, once approved by the High Court, will allow the Company to pay dividends.

### ***Buy-Back of Deferred Shares***

A special resolution to buy back the Deferred Shares for £0.01 in aggregate.

## **6. Proposed purchase of Ordinary Shares held by Minority Shareholders**

The Group is conscious that as at 10 June 2016 491 shareholders held 50 Ordinary Shares or less with an aggregate holding totalling 7,121 Ordinary Shares. At the mid-market price of an Ordinary Share of 55.5 pence as at 14 June 2016 a shareholding of 50 Ordinary Shares would be valued at £27.75. The transaction costs of a sale of Ordinary Shares valued at that amount make a normal sale process economically unviable for a shareholder.

The Chairman of Totally, Bob Holt, is willing to acquire the Ordinary Shares held by any existing shareholder where their holding amounts to 50 Ordinary Shares or less. If you hold 50 Ordinary Shares or less please email [bob.holt@totallyplc](mailto:bob.holt@totallyplc) if you would like to arrange a sale of your Ordinary Shares. A sale of Ordinary Shares by those shareholders owning 50 Ordinary Shares or less at the date of this document would reduce the number of shareholders significantly and would achieve cost savings for the Company as the Company incurs printing and posting costs whenever documents are sent to shareholders.

Please note that any purchase of Ordinary Shares by Bob Holt will only be able to be undertaken when the Company is not deemed to be in a "close period" as defined by the AIM Rules for Companies and any share purchase will need to be undertaken in accordance with the prevailing UK securities legislation and the AIM Rules for Companies. There can be no guarantee that any share sale will be able to be undertaken on behalf of the shareholder nor can there be any guarantee on the terms of any sale share.

The proposal above is not subject to a resolution at the General Meeting.

## **7. Action to be taken**

A reply-paid Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon to the Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL as soon as possible and, in any event, not later than 11.15 a.m on 7 July 2016, being 48 hours before the time of the General Meeting. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

## **8. Recommendation**

Your Board considers that the passing of the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, your Directors unanimously recommend that you vote in favour of the Resolutions set out in the Notice of General Meeting as they intend to do in respect of 1,141,446 Ordinary Shares held by them (representing 5.71 per cent of the Company's issued share capital).

Yours faithfully

**Bob Holt**  
*Chairman*

## NOTICE OF GENERAL MEETING

# TOTALLY PLC

*(Incorporated in England and Wales under the Companies Act 1985 and 2006 with registered number 03870101)*

NOTICE IS HEREBY GIVEN that a General Meeting (the “GM”) of the members of the Company will be held at Hamilton House, Mabledone Place, London, WC1H 9BB, at 11.15 a.m. on 11 July 2016 (or as soon thereafter as the Company’s annual general meeting convened for the same date and place at 11.00 a.m. has concluded). You will be asked to consider and vote on the Resolutions set out below. Words and expressions used or defined in this circulator to Shareholders dated 16 June 2016 will have the same meaning in this Notice.

### SPECIAL RESOLUTIONS

1. **THAT**, subject to the confirmation of the Court, the Share Premium Account of the Company be cancelled.
2. **THAT** the terms of the Buy-Back Agreement in the form available for inspection be and is hereby approved.

The authority in respect of resolution 2 shall expire on 11 July 2017 or if earlier at the conclusion of the AGM of the Company to be held in 2017, except the Company may, if it agrees to purchase the Deferred Shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

By Order of the Board

Felix Services Limited  
*Company Secretary*

*Registered office:*  
Lighterman House,  
26-36 Wharfedale Road,  
London,  
N1 9RY

Dated: 16 June 2016

## **NOTES TO THE NOTICE OF GENERAL MEETING:**

### **Entitlement to attend, speak and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members on the Company's register of members 48 hours before the time of the meeting (excluding non business days), or in the event that this GM is adjourned, 48 hours before the time of the adjourned meeting (excluding non business days), shall be entitled to attend, speak and vote at the GM in respect of the number of ordinary shares registered in their name at that time. Changes to the register of members after this time shall be disregarded in determining the rights of any person to attend, speak and vote at the GM.

### **Appointment of proxies**

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the GM and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.
3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section.
4. A proxy does not need to be a member of the Company but must attend the GM to represent you. Details of how to appoint the Chairman of the GM or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the GM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares.
6. You may not appoint more than one proxy to exercise rights attached to any one share.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the GM.

### **Appointment of proxy using hard copy proxy form**

8. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be completed and signed; sent or delivered to the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL; and received by Share Registrars Limited no later than 11.15 a.m on 7 July 2016.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form, together with a duly completed certificate of non-revocation of such power or authority.

### **Appointment of proxies through CREST**

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the GM and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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 by so as to be recovered by the Company's agent (**CREST Participant ID Number 7RA36**). 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.

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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

#### **Appointment of proxy by joint members**

10. 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).

#### **Issued shares and total voting rights**

11. As at 5.00 p.m. on 15 June 2016, the Company's issued share capital comprised 19,994,953 ordinary shares of £0.10 per share. Each ordinary share carries the right to one vote per share at a general meeting of the Company. The total number of voting rights in the Company as at 5.00 p.m. on 15 June 2016 is therefore 19,994,953.

#### **Documents on display**

12. A copy of the contract for the Buy-Back Agreement will be available for inspection:
  - At the Company's registered office for not less than 15 days ending with the date of GM; and
  - During the GM itself.

#### **Communication**

13. Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so by writing to the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL.

No other methods of communication will be accepted.