

Quotient Ltd  
Form DEF 14A  
September 22, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant  x

Filed by a Party other than the Registrant  ..

Check the appropriate box:

.. Preliminary Proxy Statement

.. **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

.. Definitive Additional Materials

.. Soliciting Material Pursuant to §240.14a-12

**QUOTIENT LIMITED**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing:

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing Party:

(4) Date Filed:

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To our shareholders:

I am pleased to invite you to the Annual General Meeting of Shareholders of Quotient Limited ( Quotient ) to be held on October 30, 2014, at 3.00 p.m., local time, at Ernst & Young Ltd., Hamilton, Bermuda. Information about the meeting is presented on the following pages.

Details regarding admission to the meeting and the business that will be conducted are described in the accompanying Notice of Annual General Meeting and Proxy Statement.

Rules adopted by the U.S. Securities and Exchange Commission ( SEC ) allow companies to make materials available to security holders using either the notice only or full set delivery options. This year, we have elected to mail proxy materials and our Annual Report on Form 10-K for the fiscal year ended March 31, 2014, filed with the SEC on June 27, 2014, to our shareholders using the full set delivery option. However, in the future, we may take advantage of the notice only option.

Whether or not you plan to attend the meeting, your vote is important, and we encourage you to review the proxy materials and vote as soon as possible using the instructions provided in the Notice. All voters may sign, date and mail the proxy card in the envelope provided. If you hold your shares in street name, you may also vote your shares over the Internet or via a toll-free (in the United States) telephone number contained in the voting instructions included with your proxy materials. Instructions regarding the methods of voting are contained in the Notice or proxy card.

Thank you for your continued support of Quotient. We look forward to seeing you on October 30, 2014.

Sincerely,

Paul Cowan

Chief Executive Officer and Chairman of the  
Board of Directors

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**Notice of Annual General Meeting of Shareholders**

**To Be Held on October 30, 2014 at Ernst & Young Ltd., Hamilton, Bermuda**

DATE: October 30, 2014

TIME: 3.00 p.m., local time

PLACE: The Bermudiana Boardroom, Ernst & Young Ltd., 3 Bermudiana Road, Hamilton, HM11, Bermuda

RECORD DATE: September 4, 2014

PURPOSE OF MEETING: Presenting the Company's accounts for the fiscal year ended March 31, 2014, together with the auditors' reports on those accounts, to the shareholders at the Annual Meeting and passing the following ordinary resolutions and to transact such other business as may properly come before the Annual Meeting:

**ORDINARY RESOLUTIONS**

**Re-election of directors**

- 1) THAT Paul Cowan be re-elected as a director of the Company.
- 2) THAT Thomas Bologna be re-elected as a director of the Company.
- 3) THAT Frederick Hallsworth be re-elected as a director of the Company.
- 4) THAT Brian McDonough be re-elected as a director of the Company.
- 5) THAT Sarah O'Connor be re-elected as a director of the Company.
- 6) THAT Heino von Prondzynski be re-elected as a director of the Company.
- 7) THAT Zubeen Shroff be re-elected as a director of the Company.
- 8) THAT John Wilkerson be re-elected as a director of the Company.

**Auditors**

9) THAT Ernst & Young LLP be re-appointed as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual Meeting of the Company to be held in 2015, that the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for purposes of United States securities law reporting for the fiscal year ending March 31, 2015 be ratified and that the directors be authorized to determine the fees to be paid to the auditors.

**Record Date**

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You are entitled to vote only if you were a shareholder of Quotient at the close of business on September 4, 2014. Holders of ordinary shares of Quotient are entitled to one vote for each share held of record on the record date.

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**Attendance at the Annual Meeting**

We hope you will be able to attend the Annual Meeting in person and you are cordially invited to attend. If you expect to attend, please check the appropriate box on the proxy card when you return your proxy. If you hold your shares in street name, you may also follow the instructions on your proxy card to vote and confirm your attendance by telephone or Internet.

**Where to Find More Information about the Resolutions and Proxies**

Further information regarding the above business and resolutions is set out in the proxy statement (the Proxy Statement ) and other proxy materials, which are available at <http://investors.quotientbd.com>.

Rules adopted by the U.S. Securities and Exchange Commission (the SEC ) allow companies to send security holders a notice of Internet availability of proxy materials, rather than mail them full sets of proxy materials. This year, we chose to mail full packages of materials to shareholders. However, in the future, we may take advantage of the notice and access distribution option. If, in the future, we choose to send such notices, they will contain instructions on how shareholders can access our notice of meeting and proxy statement via the Internet. They will also contain instructions on how shareholders can request to receive their materials electronically or in printed form on a one-time or ongoing basis.

You are entitled to appoint one or more proxies to attend the Annual Meeting and vote on your behalf and your proxy need not also be a shareholder of the Company. Instructions on how to appoint a proxy are set out in the Proxy Statement and on the proxy card.

**BY ORDER OF THE BOARD OF DIRECTORS**

**D.J. Paul E. Cowan**

**Chairman**

***PLEASE NOTE THAT YOU WILL NEED PROOF THAT YOU OWN QUOTIENT SHARES AS OF THE RECORD DATE TO BE ADMITTED TO THE ANNUAL MEETING***

***Record shareholder: If your shares are registered directly in your name, please bring proof of such ownership.***

***Shares held in street name by a broker or a bank: If your shares are held for your account in the name of a broker, bank or other nominee, please bring a current brokerage statement, letter from your stockbroker or other proof of ownership to the meeting together with a proxy issued in your name should you wish to vote in person at the Annual Meeting.***

***This Notice of Annual Meeting and the Proxy Statement are being distributed or made available, as the case may be, on or about September 19, 2014.***

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on October 30, 2014**

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Our 2014 Annual Report, notice of 2014 annual general meeting, the Proxy Statement and proxy card are available in the Financials & Filings section of our website at <http://investors.quotientbd.com>.



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**QUOTIENT LIMITED**  
**PROXY STATEMENT**  
**FOR**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The Board of Directors of QUOTIENT LIMITED ( Quotient, the Company, or we ) is soliciting proxies for use at the 2014 Annual General Meeting of Shareholders to be held on October 30, 2014 (the Annual Meeting ), and at any adjournment or postponement of the Annual Meeting. This Proxy Statement and the accompanying form of proxy will first be made available to shareholders who hold ordinary shares of Quotient as of September 4, 2014, the record date for the Annual Meeting, on or about September 19, 2014. This will be our first annual general meeting of shareholders as a publicly held company following our April 2014 initial public offering. Quotient Limited is a limited liability no par value company incorporated under the laws of Jersey, Channel Islands.

**GENERAL INFORMATION**

**What am I voting on?**

You will be voting on the following proposals at our Annual Meeting:

to re-elect 8 directors;

to re-appoint Ernst & Young LLP as the Company s auditors, ratify their appointment as independent registered public accounting firm and to authorize the directors to determine the fees to be paid to the auditors; and

to transact such other business as may properly come before the Annual Meeting.

**What are the recommendations of the Board?**

All shares represented by a properly executed proxy will be voted unless the proxy is revoked and, if a choice is specified, your shares will be voted in accordance with that choice. If no choice is specified but the proxy card is signed, the proxy holders will vote your shares according to the recommendations of the Board, which are included in the discussion of each matter later in this proxy statement. The Board recommends that you vote:

**FOR** the re-election of each of the nominees as directors; and

**FOR** the re-appointment of Ernst & Young LLP as our auditors, ratification as our independent registered public accounting firm and the authorization of the directors to determine the fees to be paid to the auditors;

In addition, the proxy holders may vote in their discretion with respect to any other matter that properly comes before the Annual Meeting.

**Who is entitled to vote?**

At the close of business on September 4, 2014, the record date for the Annual Meeting, 14,376,547 ordinary shares, no par value ( Ordinary Shares ) were outstanding. For each proposal to be voted on, each shareholder is entitled to one vote for each Ordinary Share owned at that time.

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### **How do I vote by proxy in lieu of attending the annual meeting?**

If you are a shareholder of record, you may vote by proxy by completing, dating and signing your proxy card and mailing it in the envelope provided. You must sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as officer of a corporation, guardian, executor, trustee or custodian), you must indicate your name and title or capacity.

You may also vote in person at the Annual Meeting or you may be represented by another person at the Annual Meeting by executing a proxy designating that person.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. The street name holder will provide you with instructions that you must follow in order to have your shares voted.

If you vote via the Internet or by telephone, your vote must be received by 11:59 p.m., Eastern Standard Time, on October 29, 2014. If you vote by Internet or telephone, you should not return your proxy card.

If you hold your shares in street name and you wish to vote in person at the Annual Meeting, you must obtain a proxy issued in your name from the street name holder.

### **May I change my mind after submitting a proxy?**

If you are a shareholder of record, you may revoke your proxy before it is exercised by:

Written notice to Roland Boyd, care of Quotient Limited, Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 OPZ, United Kingdom; or

Voting in person at the Annual Meeting.

If you are a beneficial owner of shares held in street name, you may submit new voting instructions by contacting your brokerage firm, bank or other holder of record.

### **What are broker non-votes?**

A broker non-vote occurs when the broker that holds your shares in street name is not entitled to vote on a matter without instruction from you and you do not give any instruction. Unless instructed otherwise by you, brokers will not have discretionary authority to vote on any matter other than Resolution 8, which is considered to be routine for these purposes. It is important that you cast your vote for your shares to be represented on all matters.

### **What is the required vote?**

To be approved, Resolutions 1 to 8 require a simple majority of the votes cast at the Annual Meeting in favor of each Resolution. If a director does not receive a majority of the vote for his or her re-election, then that director will not be re-elected to the Board and the Board may fill the vacancy with a different person, or the Board may reduce the number of directors to eliminate the vacancy. Votes that are withheld with respect to the election of directors and abstentions on the other matters are not counted as votes cast.



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### **What will constitute the quorum for the Annual Meeting?**

A quorum will consist of one or more shareholders present in person or by proxy who hold or represent shares of not less than a majority of the total voting rights of all of the shareholders entitled to vote at the Annual Meeting.

### **How can I attend the Annual Meeting?**

If you plan to attend the Annual Meeting, you will not be admitted without proof that you own Quotient shares.

***Record Shareholders.*** If you are a record shareholder (i.e., a person who owns shares registered directly in his or her name with Continental Stock Transfer & Trust Company, Quotient's transfer agent) and plan to attend the Annual Meeting, please indicate this when voting by marking the attendance box on the proxy card.

***Owners of Shares Held in Street Name.*** Beneficial owners of Quotient ordinary shares held in street name by a broker, bank or other nominee will need proof of ownership to be admitted to the Annual Meeting. A recent brokerage statement or letters from the broker, bank or other nominee are examples of proof of ownership. If your shares are held in street name and you want to vote in person at the Annual Meeting, you must obtain a written proxy from the broker, bank or other nominee holding your shares.

### **Can I access these proxy materials on the Internet?**

This proxy statement and our 2014 Annual Report on Form 10-K are available at <http://investors.quotientbd.com>.

### **Can I get electronic access to the proxy materials?**

You may choose to receive future proxy materials by email. Choosing to receive your future proxy materials by email will lower our costs of delivery and is beneficial for the environment. If you choose to receive our future proxy materials by email, you will receive an email next year with instructions containing a link to view those proxy materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it or for so long as the email address provided by you is valid.

### **Who pays for this proxy solicitation and how much did it cost?**

We will pay the cost for soliciting proxies for the Annual Meeting. Quotient will distribute proxy materials and follow-up reminders by mail and electronic means. We have engaged Okapi Partners LLC ( Okapi ) at 437 Madison Avenue, New York, New York 10022 to assist with the solicitation of proxies. We will pay Okapi an aggregate fee, including reasonable out-of-pocket expenses, of up to \$10,000, depending on the level of services actually provided. Certain Quotient employees, officers, and directors may also solicit proxies by mail, telephone, or personal visits. They will not receive any additional compensation for their services.

We will reimburse brokers, banks, and other nominees for their expenses in forwarding proxy materials to beneficial owners.

### **How can I obtain the Company's corporate governance information?**

## Edgar Filing: Quotient Ltd - Form DEF 14A

These documents are posted on Quotient's website at [www.quotientbd.com](http://www.quotientbd.com). Click on the tab "Investors" and then the caption "Corporate Governance".

Memorandum and Articles of Association

Corporate Governance Guidelines

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Board Committee Charters

Code of Ethical Business Conduct

**Where can I find voting results for this Annual Meeting?**

The voting results will be published in a current report on Form 8-K, which will be filed with the SEC no later than four business days after the Annual Meeting. The voting results will also be published on our website at [www.quotientbd.com](http://www.quotientbd.com) at the same time.

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**MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD**

During the fiscal year ended March 31, 2014, the Board held 14 in person or telephonic regular meetings. The audit committee met four times during our fiscal year ended March 31, 2014. Attendance at board and audit committee meetings exceeded 90% and no director attended less than 80% of the aggregate number of such board and committee meetings for meetings that they were eligible to attend. The remuneration committee and nominating and corporate governance committee were established as part of the process leading up to our initial public offering in April 2014 and did not formally meet during the fiscal year ended March 31, 2014.

Our Board currently has three committees, as described below. Each committee has a separate written charter that is available on Quotient's website at [www.quotientbd.com](http://www.quotientbd.com).

Our business and affairs are managed under the direction of our Board of Directors. Our Board of Directors is currently composed of eight directors. At each annual meeting of our shareholders, each of our directors must retire, and, if they wish to continue to serve as a director, they become subject to re-election to the Board of Directors by our shareholders.

We are subject to the listing standards of NASDAQ, which require that, subject to specified exceptions and permitted phase-in periods, each member of a listed company's audit, remuneration and nominating and corporate governance committees be independent. In addition, the listing standards of NASDAQ require that audit committee members satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act and that the remuneration committee members satisfy independence criteria set forth in Rule 5605(d) of NASDAQ rules. The listing standards of NASDAQ further provide that a director will only qualify as an independent director if, in the opinion of that company's Board of Directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In addition, the listing standards of NASDAQ require that a majority of the members of a listed company's board of directors be independent. The NASDAQ rules allow companies listing in connection with an initial public offering a transition period of 12 months from the date of listing for compliance with this requirement. Our Board of Directors has determined that Messrs. Hallsworth, McDonough, Bologna and von Prondzynski and Ms. O'Connor are independent directors. In making this determination, our Board of Directors considered the relationships that each such non-employee director has with our company and all other facts and circumstances that our Board of Directors deemed relevant in determining their independence, including beneficial ownership of our ordinary shares. In connection with our initial public offering in April 2014, our Board of Directors relied on NASDAQ transition rules, which permitted us to operate without a majority independent Board of Directors until April 24, 2015. With the appointment of Sarah O'Connor to our Board of Directors on July 31, 2014, a majority of our Board members are independent within the meaning of the applicable NASDAQ listing standards.

Our board of directors has not determined whether Messrs. Shroff and Wilkerson are independent directors under the applicable NASDAQ listing rules. Messrs. Shroff and Wilkerson are currently not independent as defined in the applicable Exchange Act rules related to audit committee composition. Mr. Shroff is the chairman of our remuneration committee and our nominating and corporate governance committee, and is a member of our audit committee, in reliance on NASDAQ's and the Exchange Act's transition rules for issuers listing in connection with an initial public offering, which permit a non-independent director to serve on each of the audit, remuneration and nominating and corporate governance committees, as applicable, for up to 12 months following the initial public offering. We expect our board of directors will make a determination as to whether Messrs. Shroff and Wilkerson are independent under the applicable NASDAQ listing rules by April 24, 2015.

**Audit Committee**

Our audit committee is composed of Messrs. Hallsworth, Bologna, McDonough and Shroff, with Mr. Hallsworth serving as chairman of the committee. Our Board of Directors has determined that Messrs. Hallsworth, Bologna and McDonough meet the independence requirements of Rule 10A-3 under the Exchange

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Act and the applicable listing standards of NASDAQ. Our Board of Directors has determined that Mr. Hallsworth is an audit committee financial expert within the meaning of SEC regulations and applicable listing standards of NASDAQ. We expect that all of our audit committee members will be independent as such term is defined in Rule 10A-3(b)(i) under the Exchange Act and in NASDAQ listing rule 5605(a)(2) by April 24, 2015. While our audit committee is not entirely composed of independent directors, we believe this does not adversely affect the ability of our audit committee to act independently or satisfy the other requirements of NASDAQ and the SEC. The audit committee met four times during the year ended March 31, 2014. The audit committee's responsibilities include:

appointing, approving the compensation of, and assessing the qualifications, performance and independence of our independent registered public accounting firm;

pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;

reviewing the internal audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;

reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;

reviewing the adequacy of our internal control over financial reporting;

establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;

reviewing and discussing with management and our independent registered public accounting firm our audited financial statements to be included in our Annual Report on Form 10-K;

monitoring our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;

preparing the audit committee report required by the rules of the SEC to be included in our annual proxy statement;

reviewing and assessing the adequacy of the committee charter and submitting any changes to our Board of Directors for approval;

viewing all related party transactions for potential conflict of interest situations and approving all such transactions; and

reviewing and discussing with management and our independent registered public accounting firm our earnings releases and scripts.

**Remuneration Committee**

Our remuneration committee is composed of Messrs. Shroff, Bologna, Hallsworth and McDonough, with Mr. Shroff serving as chairman of the committee. Our Board of Directors has determined that Messrs. Bologna, Hallsworth and McDonough are independent as defined under the applicable listing standards of NASDAQ. We expect that all of our remuneration committee members will be independent as such term is defined in NASDAQ listing rule 5605(a)(2) by April 24, 2015. The remuneration committee was established as part of the process leading up to our initial public offering in April 2014 and did not formally meet during the fiscal year ended March 31, 2014. The remuneration committee's responsibilities include:

reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer;

evaluating the performance of our chief executive officer in light of such corporate goals and objectives and determining and approving the compensation of our chief executive officer;

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reviewing and approving the compensation of our other executive officers;

appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the remuneration committee;

conducting the independence assessment outlined in the rules of NASDAQ with respect to any compensation consultant, legal counsel or other advisor retained by the remuneration committee;

producing a remuneration committee report on executive compensation as required by the rules of the SEC to be included in our annual proxy statement;

annually reviewing and reassessing the adequacy of the committee charter in its compliance with the listing requirements of NASDAQ;

reviewing and establishing our overall management compensation philosophy and policy;

overseeing and administering our compensation and equity-based plans;

reviewing and approving our policies and procedures for the grant of equity-based awards; and

reviewing and making recommendations to our Board of Directors with respect to director compensation.

**Nominating and Corporate Governance Committee**

Our nominating and corporate governance committee is composed of Messrs. Shroff, Bologna, Hallsworth and McDonough, and Ms. O Connor, with Mr. Shroff serving as chairman of the committee. Our Board of Directors has determined that Messrs. Bologna, Hallsworth and McDonough, and Ms. O Connor, are independent as defined under the applicable listing standards of NASDAQ. We expect that all of our nominating and corporate governance committee members will be independent as such term is defined in NASDAQ listing rule 5605(a)(2) by April 24, 2015. The nominating and corporate governance committee was established as part of the process leading up to our initial public offering in April 2014 and did not formally meet during the fiscal year ended March 31, 2014. The nominating and corporate governance committee's responsibilities include:

establishing a policy under which our shareholders may recommend a candidate to the nominating and corporate governance committee for consideration for nomination as a director;

identifying individuals qualified to become members of our Board of Directors, consistent with criteria approved by our Board of Directors;

recommending to our Board of Directors the persons to be nominated for election as directors and to each of the committees of our Board of Directors;

developing and recommending to our Board of Directors a set of corporate governance principles;

articulating to each director what is expected, including reference to the corporate governance principles and directors' duties and responsibilities;

reviewing and recommending to our Board of Directors practices and policies with respect to directors;

recommending to our Board of Directors qualified individuals to serve as members of the committees of our Board of Directors;

reviewing and assessing the adequacy of the committee charter and submitting any changes to our Board of Directors for approval;

overseeing the systems and processes established by us to ensure compliance with our Code of Business Conduct and Ethics; and

performing an evaluation of the performance of the committee.

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**BOARD PRACTICES**

In order to help our shareholders better understand our Board practices, we are including the following description of current practices. The nominating and corporate governance committee periodically reviews these practices.

**Size of the Board**

The Board currently consists of the eight directors named above. Our Memorandum and Articles of Association provides that our Board must consist of a minimum of two directors. The exact number of members on our Board will be determined from time to time by our full Board.

**Leadership Structure**

The Company's Chief Executive Officer, Mr. Paul Cowan, also serves as the Chairman of the Board. The Board believes that this leadership structure is optimal for the Company at this time because Mr. Cowan's extensive experience and, together with his founding of and significant equity interest in the Company, provides Quotient with strong and consistent leadership.

The Board has not adopted a policy regarding the separation of the position of Chairman of the Board from the Chief Executive Officer. The Board recognizes that there may be circumstances in the future that would lead it to separate the positions, but believes that the absence of a policy requiring either the separation or combination of the positions provides the Board with the flexibility to determine the leadership structure that is in the best interests of the Company and its shareholders at the time. Mr. Heino von Prondzynski serves as the Company's lead independent director, and in such capacity acts as a liaison between the non-employee directors and the Company's management, chairs the executive sessions of non-management directors, and consults with the Chairman of the Board regarding agendas for Board meetings and other matters pertinent to the Company and the Board.

**Director Independence**

The Board believes that a substantial majority of its members should be independent, non-employee directors. Only one member of the Board, Paul Cowan, who serves as our Chief Executive Officer, is an employee of Quotient. The non-employee directors of the Company are Thomas Bologna, Frederick Hallsworth, Brian McDonough, Zubeen Shroff, John Wilkerson, Sarah O'Connor and Heino von Prondzynski. Our Board of Directors has not determined whether Messrs. Shroff and Wilkerson are independent directors under the applicable NASDAQ listing rules. Messrs. Shroff and Wilkerson are currently not independent as defined in the applicable Exchange Act rules related to audit committee composition. Mr. Shroff is the chairman of our remuneration committee and our nominating and corporate governance committee, and is a member of our audit committee, in reliance on NASDAQ's and the Exchange Act's transition rules for issuers listing in connection with an initial public offering, which permit a non-independent director to serve on each of the audit, remuneration and nominating and corporate governance committees, as applicable, for up to 12 months following the initial public offering. We expect our board of directors will make a determination as to whether Messrs. Shroff and Wilkerson are independent under the applicable NASDAQ listing rules by April 24, 2015.

**Audit Committee Financial Expert**

The Board has determined that all of the members of the audit committee are financially literate, and that Mr. Hallsworth is an audit committee financial expert within the meaning of SEC regulations and applicable listing standards of NASDAQ.





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### **Evaluation of Board Performance**

The nominating and corporate governance committee coordinates an annual evaluation process by which the directors evaluate the Board's and its committees' performance and procedures. This self-evaluation leads to a full Board discussion of the results. The committees of the Board each conduct an annual evaluation of their committee's performance and procedures.

### **Nomination of Directors**

The nominating and corporate governance committee recommends individuals for membership on the Board. In making its recommendations, the nominating and corporate governance committee considers an individual's independence based on NASDAQ independence requirements and the criteria determined by the Board.

The nominating and corporate governance committee considers not only a candidate's qualities, performance and professional responsibilities, but also the composition of the Board and the challenges and needs of the Board at that time. The Board as a whole is constituted to be strong in its diversity and collective knowledge of accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance and global markets.

The culture of the Board enables the Board to operate swiftly and effectively in making key decisions and when facing major challenges. Board meetings are conducted in an environment of trust, confidentiality, open dialogue, mutual respect and constructive commentary.

The nominating and corporate governance committee views diversity in its broadest sense, which includes gender, ethnicity, education, experience and leadership qualities. The nominating and corporate governance committee will use the same process and criteria for evaluating all nominees, regardless of who submits the nominee for consideration.

Shareholders are encouraged to submit the name of any candidate they believe to be qualified to serve on the Board, together with background information on the candidate, to the chair of the nominating and corporate governance committee. In accordance with procedures set forth in our Memorandum and Articles of Association, shareholders may propose, and the nominating and corporate governance committee will consider, nominees for election to the Board at the next annual general meeting by giving timely written notice to the Corporate Secretary, which must be received at our registered office no later than the close of business on the date that is 90 days before the first anniversary of the last annual general meeting of the Company, or August 1, 2015, and no earlier than the date that is 120 days before the first anniversary of the last annual general meeting of the Company, or July 2, 2015. The notice periods may change in accordance with the procedures set out in our Memorandum and Articles of Association. Any such notice must include the name of the nominee, a biographical sketch and resume, contact information and such other background materials on such nominee as the nominating and corporate governance committee may request.

### **Executive Sessions**

Non-employee directors meet together as a group during each Board meeting, without the CEO or any other employees in attendance. Mr. von Prondzynski, as our Board's recently appointed lead independent director, will preside over each executive session of the Board. There is also an executive session during each committee meeting at which committee members meet without the CEO or any other employees in attendance. In addition, as required under NASDAQ listing standards, independent directors must meet together as a group at least twice a year.



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### **Board's Role in Risk Oversight**

The Board takes an active role in risk oversight related to the Company both as a full Board and through its committees. While the Company's management is responsible for day-to-day management of the various risks facing the Company, the Board is responsible for monitoring management's actions and decisions. The Board, as apprised by the audit committee, determines that appropriate risk management and mitigation procedures are in place and that senior management takes the appropriate steps to manage all major risks.

### **Attendance at Shareholder Meetings**

The Board does not have a formal policy regarding director attendance at shareholder meetings. However, all directors are expected to attend. This Annual Meeting will be our first as a public company.

### **Governance Principles**

The Board maintains a formal statement of Corporate Governance Guidelines that sets forth the corporate governance practices for Quotient. The Corporate Governance Guidelines are available on our website at [www.quotientbd.com](http://www.quotientbd.com). Click on the tab "Investors" and then the caption "Corporate Governance".

### **Code of Business Conduct and Ethics**

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer and principal financial officer. A current copy of the code is posted on the investor section of our website, [www.quotientbd.com](http://www.quotientbd.com). We intend to disclose any amendment to the code, or any waivers of its requirements, on our website.

### **Communications with the Board of Directors**

The Board believes that it is in the best interests of the Company and its shareholders to provide to every shareholder the ability to communicate with the Board as a whole, or with an individual director, through an established process for shareholder communication. The shareholder communication policy is posted on Quotient's website at [www.quotientbd.com](http://www.quotientbd.com). Click on the tab "Investors" and then the caption "Corporate Governance".

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**RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

The following is a description of transactions, since January 1, 2012, in which (a) we were a participant, (b) the amount involved exceeded \$120,000 and (c) one or more of our executive officers, directors or 5% shareholders, or their immediate family members, each of whom we refer to as a related person, had a direct or indirect material interest. We refer to these as related person transactions.

**Reorganization and Galen Investment Transactions**

We were incorporated on January 18, 2012. Upon our incorporation, we issued two ordinary shares to Quotient Biodiagnostics Group Limited, or QBDG, a holding company that previously owned our subsidiaries, Alba Bioscience Limited (or Alba), Quotient Biodiagnostics, Inc. (or QBDI) and QBD (QSIP) Limited (or QSIP), and is wholly-owned and controlled by Deidre Cowan, the spouse of our chief executive officer, Paul Cowan.

On February 16, 2012, in connection with the investment in us by Galen Partners LLP and affiliated entities, or Galen, we completed the following transactions:

- (1) we issued 14,023,552 A preference shares to QBDG in connection with the acquisition of 100% of the issued share capital of Alba, QBDI and QSIP;
- (2) we issued 56,936 A ordinary shares, 18,979 A deferred shares, 37,957 B deferred shares and 168,227 C deferred shares to certain of our senior executives to replace equivalent shares previously issued to the same senior executives by QBDG;
- (3) we issued 10,450,653 new B preference shares to Galen and 190,011 to our director, Thomas Bologna, for a total consideration of \$11.2 million;
- (4) we paid a total consideration of \$1.8 million to QBDG for the intellectual property rights relating to MosaiQ ;
- (5) we repurchased 1,553,598 A preference shares from QBDG for a total consideration of \$1.6 million;
- (6) we repaid all inter-company balances owed by Alba to QBDG, and, simultaneously, QBDG repaid all inter-company balances owed by it to QBDI; and
- (7) we granted warrants to subscribe up to 4,750,296 A preference or B preference shares at a total subscription price of \$5.0 million to QBDG (950,059), Galen (3,762,316) and Thomas Bologna (37,921).

**February 2013 Warrant Exercises**

On February 14, 2013, we issued the following shares in connection with certain exercises of outstanding warrants by the holders thereof:

(1) we issued an aggregate of 3,762,316 B preference shares to Galen for an aggregate purchase price of \$3,960,085; and

(2) we issued 250,000 A preference shares to QDBG for an aggregate purchase price of \$263,141.

**December 2013 Refinancing Transactions**

On December 6, 2013, in connection with the refinancing of our Haemonetics borrowings with the MidCap Financial term loan agreement, we completed the following transactions:

(1) we issued 666,667 C preference shares to Galen for a total consideration of \$2,000,001;

(2) we issued 83,333 C preference shares to Paul Cowan for a total consideration of \$249,999;

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- (3) we issued 25,000 C preference shares to Stephen Unger for a total consideration of \$75,000;
- (4) we issued 6,667 C preference shares to Edward Farrell for a total consideration of \$20,001;
- (5) we issued 50,000 C preference shares to Roland Boyd, for a total consideration of \$150,000; and
- (6) we issued 26,667 C preference shares to Frederick Hallsworth for a total consideration of \$80,001.

## **Quotient Biodiagnostics Holdings Limited Shareholders Agreement**

In connection with Galen's investment in our company prior to our initial public offering, we entered into an agreement with Galen and certain of our other shareholders. Pursuant to this agreement, Galen agreed to share voting rights over certain corporate actions, including amendments to the articles, the issuance of any shares, declarations of dividends, mergers and acquisitions, significant borrowings, asset sales, and other transactions. This agreement was terminated upon the completion of our initial public offering.

## **Employment Agreements**

We are party to service or employment agreements with our executive officers. For additional information, see [Executive Compensation](#) [Agreements with our Executive Officers](#).

## **Equity Awards**

We have issued certain shares and granted share options to our executive officers and our directors. For additional information, see [Non-Employee Director Compensation](#) and [Executive Compensation](#) [Outstanding Equity Awards at Fiscal Year End](#).

## **Indemnification**

We have entered into indemnification agreements with each of our officers and directors to indemnify them against certain liabilities and expenses arising from their being an officer or director (but specifically excluding any circumstance where they are determined to have violated their fiduciary duty to us). Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## **Non-Executive Director Appointment Letters**

We have entered into letters of appointment with each of our non-executive directors. These letters set forth the main terms on which each of our non-executive directors serve on our Board of Directors. Continued appointment under the letter is contingent on continued satisfactory performance, re-nomination by the remuneration committee and approval of the Board of Directors, re-election by the shareholders and any relevant statutory provisions and provisions of our articles of association relating to removal of a director.

## **Procedures for Approval of Related Party Transactions**

Currently, under our Related Party Transaction Policy, our audit committee is charged with the primary responsibility for determining whether, based on the facts and circumstances, a related person has a direct or indirect material interest in a proposed or existing transaction. To assist our audit committee in making this determination, the policy sets forth certain categories of transactions that are deemed not to involve a direct or indirect material interest on behalf of the related person. If, after applying these categorical standards and weighing all of the facts and circumstances, our audit committee determines that the related person would have a direct or indirect material interest in the transaction, the audit committee must review and either approve or reject

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the transaction in accordance with the terms of the policy. If any executive officer becomes aware of a related party transaction that the audit committee has not approved or ratified, he or she shall promptly inform the audit committee or such other person designated by the audit committee.

**Remuneration Committee Interlocks and Insider Participation**

None of the members of our remuneration committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the Board of Directors or remuneration committee of any entity that has one or more executive officers serving on our Board of Directors or remuneration committee.

**Family Relationships**

There is no family relationship between any director, executive officer or person nominated to become a director or executive director.



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**ELECTION OF DIRECTORS (RESOLUTIONS 1 TO 8)**

All of our current directors are nominated for one-year terms expiring in 2014. The Board has been informed that each nominee is willing to serve as a director. If a director does not receive a majority of the vote for his or her re-election then that director will not be re-elected to the Board and the Board may fill the vacancy with a different person, or the Board may reduce the number of directors to eliminate the vacancy.

The following sets forth information concerning the eight nominees for director. Each member of our Board, other than Ms. O Connor and Mr. von Prondzynski, was a member of Quotient Limited's Board of Directors immediately prior to our initial public offering, and information below as to each such member's tenure on our Board also reflects their tenure on our Board prior to our initial public offering.

**Paul Cowan**

Paul Cowan, 53, is our Chief Executive Officer and Chairman of our Board of Directors. Mr. Cowan founded us through the acquisition of Alba Bioscience in 2007. He has a broad range of healthcare industry experience gained through over 15 years of employment within industry and investment banking. Previously, Mr. Cowan served as the Chief Financial Officer of Inveresk Research Group, a global contract research organization that was acquired by Charles River Laboratories in 2004. Prior to joining Inveresk in 2001, Mr. Cowan was a senior executive within the Investment Banking department of Bear Stearns & Co., where he led the European biotechnology practice. Prior to Bear Stearns, Mr. Cowan was a senior executive within the Investment Banking department of Morgan Grenfell (acquired by Deutsche Bank in 1990). Mr. Cowan received a Bachelor of Business in accounting from Queensland University of Technology.

The Board believes that Mr. Cowan is qualified to serve as a Director based upon his extensive leadership, executive, managerial, business, and healthcare industry experience, along with his years of experience in healthcare investment banking.

**Thomas Bologna**

Thomas Bologna, 66, is a Director, appointed in February 2012. Mr. Bologna is presently the Chairman and Chief Executive Officer of Response Genetics, Inc., a publicly-traded healthcare company focused on molecular diagnostics. From April 2006 until this appointment in December 2011, Mr. Bologna served as President and Chief Executive Officer of Orchid Cellmark, Inc., a public corporation that provides DNA testing services. He was Chief Executive Officer, President, and a director of Quorex Pharmaceuticals, Inc. (2004 to 2005), a pre-clinical stage anti-infective company and Ostex International, Inc. (1997 to 2003), which developed, manufactured and marketed products for the management of osteoporosis. From 1996 to 1997, Mr. Bologna was a principal at Healthcare Venture Associates, a consulting firm. He was Chief Executive Officer, President, and a director of Scriptgen Pharmaceuticals, Inc. (1994 to 1996), a biotechnology company that developed orally active drugs to regulate gene expression, and Chairman, President and Chief Executive Officer of Gen-Probe Incorporated (1987 to 1994), a company commercializing molecular diagnostics products. Mr. Bologna's prior experience also includes senior-level positions with Becton Dickinson & Company and Warner-Lambert Company. Mr. Bologna currently serves as a director of Special Diversified Opportunities Inc., and has also served on the boards of several private companies, including Aperio Technologies until its sale to Danaher in 2012. Mr. Bologna received an M.B.A. and a B.S. from New York University.

The Board believes that Mr. Bologna is qualified to serve as a Director based upon his extensive experience in the diagnostics industry, experience with operations, and his prior experience as the chief executive officer of multiple

public and private companies.

**Frederick Hallsworth**

Frederick Hallsworth, 61, is a Director, appointed in February 2011. Mr. Hallsworth spent 25 years with Arthur Andersen, becoming a partner in 1989. At Andersen, Mr. Hallsworth held a number of senior

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management positions, including Head of Corporate Finance, Head of Audit and Managing Partner of Andersen Cambridge, and Managing Partner and Head of Audit of Andersen Scotland. He joined Deloitte Scotland in 2002, where he served as Senior Client Service Partner, and Head of TMC Practice until 2005. He is also currently a director of memsstar (2006), CMA Scotland (2007), and Metaforic (2009). Former directorships include: Scottish Enterprise (2004-2010), Microvisk (2006-2012), Forth Dimension Displays (2007-2011), Elonics (2006-2010), Golden Charter (2009-2011), Infinite Data Storage plc (2005-2007), 3Way Networks (2005-2007), Innovata plc (2005-2007), and AT Communications plc (2008-2009). Mr. Hallsworth has been a Member of the Institute of Chartered Accountants of Scotland since 1978. Mr. Hallsworth received a Bachelor of Accountancy from Glasgow University 1974.

The Board believes that Mr. Hallsworth is qualified to serve as a Director based upon his extensive accounting experience and experience providing strategic direction to multiple life science and technology companies.

## **Brian McDonough**

Brian McDonough, 67, is a Director, appointed in May 2012. Mr. McDonough is presently a Principal of Dx Consulting, a consultancy specializing in transfusion diagnostics. From 2003 through 2009, Mr. McDonough was Vice President, Worldwide Marketing, Donor Screening at Ortho Clinical Diagnostics, a Johnson and Johnson company. From 2000 through 2003, he was President of the North American Blood Products Group of the Medical Division of Pall Corporation, a company specializing in medical filtration products. Prior to holding these senior executive positions, Mr. McDonough had an extensive career at the American Red Cross spanning over 30 years. From 1968 through 1982 Mr. McDonough worked in American Red Cross BioMedical Services as Executive Head of the St. Louis Regional Blood Services Unit. In 1982, he became the Executive Director of the Irwin Memorial Blood Bank of San Francisco, where he also served on several public health committees addressing the spread of AIDS. In 1987, Mr. McDonough returned to the American Red Cross as Regional Vice President of BioMedical Services and in 1994 served under Elizabeth Dole as Chief Operating Officer, Blood Services of the American Red Cross BioMedical Services, with overall responsibility for national blood and plasma programs. Brian received a B.A. in liberal arts from Wichita State University and an M.H.A. from Central Michigan University.

The Board believes that Mr. McDonough is qualified to serve as a Director based upon his extensive experience within the transfusion diagnostics industry and operational experience at the American Red Cross.

## **Sarah O Connor**

Sarah O Connor, 54, is a Director, appointed in July 2014. Ms. O Connor served as the Senior Vice President, Strategic Development and Chief Legal Officer of Arch Chemicals, Inc., a global biocides company, where she was responsible for the company's legal and strategic development functions, as well as enterprise risk management and government relations, from September, 2009 to October, 2011. Ms. O Connor was Arch Chemicals, Inc.'s Vice President and General Counsel from February 1999 to September 2009. During this period Ms. O Connor also had responsibility for Arch Chemicals' Regulatory Affairs function. Prior to joining Arch Chemicals, Ms. O Connor was an attorney in the legal departments of American Home Products Corporation and the Reader's Digest Association. From September, 2012 to May, 2014, Ms. O Connor was an adjunct professor at Mercy College and is a member of the school's Development Committee. Ms. O Connor received a B.S. in Business Administration from Mercy College, a J.D. from Fordham University School of Law and an MBA from Columbia University.

The Board believes that Ms. O Connor is qualified to serve as a Director based on her background, experience and judgment as a senior executive of a publicly traded company, and her legal, regulatory and governance expertise.



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### **Heino von Prondzynski**

Heino von Prondzynski, 64, is our Lead Independent Director. Mr. von Prondzynski served as chief executive officer of Roche Diagnostics and as a member of the executive committee of F. Hoffman-La Roche Ltd., a Swiss based healthcare company that develops diagnostics and therapeutic products, from early 2000 to 2006, retiring from Roche at the end of 2006. From 1996 to 2000, Mr. von Prondzynski held several executive positions, including president of the vaccine business, at Chiron Corporation, a multinational biotechnology firm that developed biopharmaceuticals, vaccines and blood-testing products. Earlier in his career, Mr. von Prondzynski held sales and marketing and general management positions at Bayer AG, a German based maker of healthcare products, specialty materials and agricultural products. Mr. von Prondzynski also serves on the boards of Hospira, Inc., Koninklijke Philips Electronics NV, and Epigenomics AG. Within the past five years, Mr. von Prondzynski also has served as a director of Nobel Biocare Holding AG, Switzerland (from 2010 to 2011) and Qiagen NV (from 2007 to 2013). Mr. von Prondzynski studied maths, geography and history at Westfälische Wilhelms University, Münster, Germany.

The Board believes that Mr. v. Prondzynski's substantial history of leadership positions at major international healthcare companies allows him to provide a global business perspective to his service on the Board and makes him well qualified to serve on the Board.

### **Zubeen Shroff**

Zubeen Shroff, 49, is a Director, appointed in July 2013. Mr. Shroff is a Managing Director of Galen Partners, a leading healthcare growth equity firm founded in 1990. Mr. Shroff has 25 years of experience working with entrepreneurs and their Boards of Directors in building high-growth healthcare companies. Mr. Shroff joined Galen in 1996, from The Wilkerson Group, where he was a Principal with a client base including pharmaceutical, diagnostics, device and biotech companies, plus a select number of venture capital firms. Prior to joining The Wilkerson Group, Mr. Shroff worked at Schering-Plough France, a manufacturer of healthcare products and medicines, where he helped launch their biotech product, alpha-Interferon, in several new indications. Currently, Mr. Shroff is Treasurer and on the Executive Committee of the Board for The Westchester Medical Center Public Benefit Corporation, as well as Chairman of its Foundation. Since 2004, he has served on the Advisory Committees to Boston University Medical School and The Center for Global Health & Development. In addition, Mr. Shroff is on the Advisory Board of the Joslin Diabetes Center. In addition to the above positions, over the past 10 years, Mr. Shroff has served on the Board of Directors of numerous privately held Galen portfolio companies in the industry. Mr. Shroff served on the public Board of Directors of Pet DRx Corporation until July 2010 and Encore Medical until June 2006. Mr. Shroff received a BA in Biological Sciences from Boston University and an MBA from the Wharton School, University of Pennsylvania.

The Board believes that Mr. Shroff is qualified to serve as a Director based upon his extensive experience in providing strategic guidance to companies in the healthcare industry, particularly in the areas of medical devices, diagnostics, and capital equipment.

### **Dr. John Wilkerson**

Dr. John Wilkerson, 70, is a Director, appointed in February 2012. Dr. Wilkerson co-founded Galen Partners in 1990 and currently serves as a Senior Advisor to Galen. Dr. Wilkerson has focused on healthcare throughout his career, beginning as a Group Product Director for Ortho Diagnostics Inc., a Johnson & Johnson company. He was a Vice President covering medical device companies at Smith Barney before moving in 1980 to Channing, Weinberg & Co., Inc., a management consulting firm for pharmaceutical, diagnostic, medical device and biotechnology companies, which he purchased and renamed The Wilkerson Group (acquired by IBM in 1996).



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Dr. Wilkerson currently serves as a director Cardiva and TPS and was previously the Chairman of Atlantic Health Systems, a New Jersey hospital system. He is a trustee and former President of the Museum of American Folk Art and founder of the E.L. Rose Conservancy, Dr. Wilkerson received a Ph.D. from Cornell University.

The Board believes that Mr. Wilkerson is qualified to serve as a Director based upon his extensive experience providing strategic direction to companies in the life sciences industry, as well as his operational experience in the transfusion diagnostics industry.

**The Board of Directors recommends a vote FOR each of the eight director nominees named above. If you complete the enclosed proxy card, unless you direct to the contrary on that card, the shares represented by that proxy will be voted FOR the election of all eight nominees.**

**Table of Contents****NON-EMPLOYEE DIRECTOR COMPENSATION**

We do not pay any cash or equity director compensation to Mr. Cowan, as he is compensated as an employee of our company. During the fiscal years ended March 31, 2014 and 2013, we also have not paid cash director compensation to directors who are affiliated with one or more of the investment funds that hold significant share ownership positions in our company, including Messrs. Wilkerson and Shroff.

We have five directors who are unaffiliated with our significant shareholders: Mr. Hallsworth, who chairs the audit committee, Messrs. McDonough, Bologna and von Prondzynski and Ms. O Connor. During the fiscal years ended March 31, 2014 and 2013, we have not paid cash director compensation to these unaffiliated directors. The following table sets forth the share options held by the directors as of March 31, 2014, other than Mr. Cowan; for information regarding Mr. Cowan's executive compensation see the summary compensation table below. All options are options to purchase ordinary shares.

Name	Vesting Start Date	Number of Securities Underlying Exercisable Options (#)	Equity incentive plan awards:		Option Expiration Date
			Number of Securities Underlying unexercisable Options(1) (#)	Option Exercise Price(2) (\$)	
Brian McDonough	November 14, 2014		40,029	1.44	August 30, 2022
Thomas Bologna	December 23, 2013	40,029		1.44	August 30, 2022
Frederick Hallsworth	February 13, 2014	20,014		1.44	August 30, 2022
Zubeen Shroff					
John Wilkerson					
Sarah O Connor(3)					
Heino von Prondzynski(4)					

- (1) Vesting of all options is subject to continued service through the applicable vesting date.
- (2) The option exercise prices are lower than the fair market value of the underlying securities. As part of the preparation for our initial public offering, the Board reviewed the fair value of our ordinary shares at the various dates in recent years when option and share awards have been granted. This review resulted in certain instances in the Board concluding that the fair value of the underlying securities is higher than the option exercise prices determined at the time. The resulting increase in compensation expense has been reflected in our financial statements.
- (3) In connection with her appointment, Ms. O Connor received, effective August 6, 2014, share options to purchase 10,800 of our ordinary shares at an exercise price of \$9.26, which was the closing price of the our ordinary shares on August 5, 2014. The share options will vest and become exercisable in three equal annual installments beginning August 5, 2015.
- (4)



In connection with his appointment, Mr. von Prondzynski received 50,000 restricted share units ( RSUs ). Each RSU represents the right to receive one ordinary share upon vesting. The RSUs vest annually over a four-year period with the initial vesting date being the first anniversary of the grant, and the final vesting dated being the fourth anniversary of the grant.

Subsequent to March 31, 2014, our Board of Directors adopted a director compensation program in connection with the completion of our initial public offering. Under this director compensation program, we pay our non-employee directors that are unaffiliated with our significant shareholders an annual cash retainer for service on the Board of Directors of \$35,000. In addition, we pay our lead independent director an annual retainer of \$120,000, 65% of which will be paid in RSUs and 35% in cash. We also reimburse our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending our Board of Director and committee meetings.

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Our non-employee directors are generally eligible to receive restricted shares, options and other share based equity awards under our 2014 Plan. For additional information, see Executive Compensation Equity and Incentive Plans 2014 Stock Incentive Plan. Further, (i) newly appointed non-employee directors will be granted options to purchase shares with an aggregate underlying value of \$100,000 based on the trading price of our ordinary shares at the time of grant and (ii) all non-employee directors will be granted options annually to purchase shares with an aggregate underlying value of \$50,000 based on the trading price of our shares at the time of grant. Each such option will vest following the grant date, subject to the director's continued service as a director.

The director compensation program is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our shareholders.

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**REMUNERATION COMMITTEE REPORT**

The information contained in this remuneration committee report shall not be deemed to be soliciting material or filed with the SEC under the Securities Act or the Exchange Act. No portion of this compensation committee report shall be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, through any general statement incorporating by reference in its entirety this Proxy Statement in which this report appears, except to the extent that Quotient Limited specifically incorporates this statement or a portion of it by reference.

The remuneration committee has reviewed and discussed the Executive Compensation section with management. Based on the review and discussions, the compensation committee recommended to the Board that the Executive Compensation section be included in this Proxy Statement for the fiscal year ended March 31, 2014.

Respectfully submitted,

Zubeen Shroff (Chairperson)

Thomas Bologna

Frederick Hallsworth

Brian McDonough

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Table of Contents**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table summarizes information regarding the compensation for the fiscal years ended March 31, 2014 and 2013 awarded to, earned by or paid to Paul Cowan, our Chief Executive Officer, Jeremy Stackawitz and Edward Farrell, our two Presidents and Stephen Unger, our Chief Financial Officer. The table also summarizes information regarding the compensation during the fiscal years ended March 31, 2014 and 2013 for Roland Boyd, who served as our Chief Financial Officer during the fiscal years ended March 31, 2014 and 2013 and currently serves as our Group Financial Controller and Treasurer. Messrs. Stackawitz and Farrell were our two most highly compensated executive officers other than our Chief Executive officer during the fiscal year ended March 31, 2014. Messrs. Stackawitz and Boyd were our two most highly compensated executive officers other than our Chief Executive Officer during the fiscal years ended March 31, 2013. We refer to Messrs. Cowan, Stackawitz and Farrell in this Proxy Statement as our named executive officers.

Name and Principal Position	Fiscal Year Ended		Salary	Bonus	Option Awards	All Other Compensation	Total
	March 31,	March 31,					
Paul Cowan, Chief Executive Officer	2014		\$ 450,000	\$ 450,000	\$ 242,982	\$	\$ 1,142,982
	2013		240,000		59,419(1)		299,419
Jeremy Stackawitz, President	2014		318,150	421,141			739,291
	2013		309,309	70,000			379,309
Edward Farrell, President	2014		310,800	155,400	284,730	40,253	791,183
	2013		36,810			2,558	39,368
Stephen Unger, Chief Financial Officer	2014		75,000		269,439	112,500	456,939
Roland Boyd, Former Chief Financial Officer; current Group Financial Controller and Treasurer	2014		196,001	67,200	10,895	24,024	298,120
	2013		101,749	32,000	95,000(2)	14,200	242,949

(1) Represents 20,014 options at the fair market value of the underlying securities of \$2.97 on August 31, 2012.

(2) Represents 32,000 options at the fair market value of the underlying securities of \$2.97 on February 13, 2013.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth information regarding equity awards held by our named executive officers as of March 31, 2014. All options are options to purchase ordinary shares.

*Option Awards*

Name	Vesting Start Date	Number of Securities	Number of Securities Underlying	Option Exercise Price(2)	Option Expiration Date
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		<b>Underlying Exercisable Options</b>	<b>unexercisable Options(1)</b>		
		(#)	(#)	(\$)	
Paul Cowan, Chief Executive Officer	Nov. 14, 2014		20,014	1.44	August 30, 2022
Edward Farrell, President	June 28, 2014		178,417	3.29	June 27, 2023
Stephen Unger, Chief Financial Officer	April 11, 2014		96,000	0.005	April 10, 2023
Roland Boyd, Group Financial Controller & Treasurer	June 28, 2014		32,000	3.29	June 27, 2023
	March 4, 2015		67,200	8.00	March 3, 2024
	August 14, 2013	10,666	21,334	1.44	Feb. 14, 2023
	June 28, 2014		8,000	3.29	June 27, 2023

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- (1) Vesting of all options is subject to continued service through the applicable vesting date.
- (2) The option exercise prices are lower than the fair market value of the underlying securities. As part of the preparation for our initial public offering, the Board reviewed the fair value of our ordinary shares at the various dates in recent years when option and share awards have been granted. This review resulted in certain instances in the Board concluding that the fair value of the underlying securities is higher than the option exercise prices determined at the time. The resulting increase in compensation expense has been reflected in our financial statements.

**Incentive Compensation**

Mr. Cowan was granted options to acquire 178,417 ordinary shares at an exercise price of \$3.29 on June 28, 2013, and 20,014 options on August 31, 2012, at an exercise price of £0.91.

Mr. Stackawitz was issued 44,284 A ordinary shares, 12,652 A deferred shares and 37,957 B deferred shares at a subscription price of \$0.003 per share on February 16, 2012. He also was issued 96,000 C deferred shares at a subscription price of £0.91, equivalent to approximately \$1.44 per share on the same date. We issued these shares in connection with our acquisition of our predecessor's business to replace equivalent shares previously issued to Mr. Stackawitz by our predecessor. Prior to March 3, 2014, we were owed approximately \$138,000 of the purchase price for these shares from Mr. Stackawitz. On February 28, 2014, we paid Mr. Stackawitz a cash bonus, a portion of which was used to repay this amount in full. Subsequent to February 16, 2012, Mr. Stackawitz's A, B, and C deferred shares converted into an additional 108,652 A ordinary shares and 37,957 B ordinary shares. Our Articles of Association specify a number of restrictions on the shareholdings held by Mr. Stackawitz and they also specify certain conditions which may cause these shares to be forfeited or which may require Mr. Stackawitz to compulsorily transfer his shareholdings to us for an aggregate consideration of £1, including if Mr. Stackawitz were to end his employment with us.

In April 2013, we granted Mr. Farrell an option to purchase 96,000 shares at an exercise price of £0.003 per share.

Mr. Unger was granted options to acquire 32,000 ordinary shares at an exercise price of \$3.29 on June 28, 2013 and 67,200 options on March 4, 2014 an exercise price of \$8.00 per share.

Mr. Boyd was granted options to acquire 8,000 shares at an exercise price of \$3.29 on June 28, 2013.

**Agreements with Our Executive Officers**

*Paul Cowan*

We entered into a service agreement with Paul Cowan dated February 16, 2012 that sets forth the terms and conditions under which Mr. Cowan serves as our Chief Executive Officer. The agreement has no specific term. Mr. Cowan's current annual base salary for fiscal year 2015 is \$472,500.

Both we and Mr. Cowan must give a minimum of 12 months' prior notice to terminate his employment, other than for cause (as defined in his service agreement). We have the right to place Mr. Cowan on paid leave rather than allowing him to continue to provide services during this notice period. Mr. Cowan is obligated to refrain from competition with us for nine months after his termination, unless that period is shortened by a period of leave. After notice to terminate has been given by Mr. Cowan or us, all or part of the duration of the notice period of leave would be counted as part of the non-competition period. Upon termination, we would owe Mr. Cowan the balance of his base salary for the

remaining term of the agreement.

For fiscal years ending March 31, 2014 onwards, Mr. Cowan is eligible for an annual discretionary bonus equal to 100% of his base salary, subject to achievement of corporate performance goals and individual performance goals.

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*Jeremy Stackawitz*

We entered into an employment agreement with Jeremy Stackawitz dated March 9, 2009 that sets forth the terms and conditions of Mr. Stackawitz's employment as one of our two Presidents. The agreement has no defined term and establishes an at-will employment relationship. Mr. Stackawitz's current annual base salary for fiscal year 2015 is \$336,000.

We may terminate Mr. Stackawitz's employment with or without cause, but Mr. Stackawitz is required to provide at least two months' advance notice to us if he is terminating his employment. If we terminate Mr. Stackawitz's employment other than for cause (as defined in his employment agreement), he will be entitled to receive, subject to certain conditions, severance equal to 12 months of his then current base salary and employee benefits (as defined in his employment agreement), payable as a lump sum as soon as practicable after the date of termination, but in no event later than March 15th of the following year. Mr. Stackawitz is obligated to (i) refrain from engaging in competition with us in the United States or in other countries in which we conduct our business for a period of one year after any termination and (ii) refrain from soliciting any of our executives, suppliers or customers for a period of two years after any termination.

We have agreed to indemnify Mr. Stackawitz to the maximum extent permitted by the organizational documents of Alba and applicable law, including against any actions, suits, proceedings or claims for which Mr. Stackawitz may be liable that may arise from our agreement with Ortho.

Mr. Stackawitz is eligible for an annual discretionary bonus equal to 50% of his base salary, subject to achievement of corporate performance goals and individual performance goals.

*Edward Farrell*

We entered into an employment agreement with Edward Farrell dated November 21, 2012 that sets forth the terms and conditions of Mr. Farrell's employment as one of our two Presidents. Mr. Farrell's employment commenced on February 14, 2013. The agreement has no specific term and establishes an at-will employment relationship. Mr. Farrell's current annual base salary for fiscal year 2015 is £200,000 or approximately \$336,000.

Both we and Mr. Farrell must give a minimum of 12 months' prior notice to terminate his employment, other than for cause (as defined in his service agreement). We have the right to place Mr. Farrell on paid leave rather than allowing him to continue to provide services during this notice period. Mr. Farrell is obligated to refrain from competition with us for 12 months after his termination, unless that period is shortened by a period of leave. After notice to termination has been given by Mr. Farrell or us, all or part of the duration of the notice period of leave would be counted as part of the non-competition period. Upon termination, we would owe Mr. Farrell the balance of his base salary for the remaining term of the agreement.

In addition to his salary, Mr. Farrell is also entitled to a car allowance of £11,000 or approximately \$18,480 per annum, contributions by his employer to a personal pension plan of 6% of salary and private healthcare benefits of £1,860 or approximately \$3,125 per annum. For fiscal years ending March 31, 2014 onwards, Mr. Farrell is eligible for an annual discretionary bonus equal to 50% of his base salary, subject to achievement of corporate performance goals and individual performance goals.

*Stephen Unger*



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We entered into an employment agreement with Stephen Unger dated March 5, 2014 that sets forth the terms and conditions of Mr. Unger's employment as our Chief Financial Officer. Mr. Unger's employment commenced on January 1, 2014. The agreement has no specific term and establishes an at-will employment relationship. Mr. Unger's current annual base salary for fiscal year 2015 is \$300,000.

We may terminate Mr. Unger's employment with or without cause, but Mr. Unger is required to provide at least two months' advance written notice to us if he terminates his employment. If we terminate Mr. Unger's

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employment other than for cause (as defined in his employment agreement), he will be entitled to receive, subject to certain conditions, severance equal to 12 months of his then current base salary and employee benefits then in effect (as defined in his employment agreement), payable as a lump sum as soon as practicable after the date of termination, but in no event later than March 15th of the following year. Mr. Unger is obligated to (i) refrain from engaging in competition with us in the United States or in other countries in which we conduct our business for a period of one year after any termination and (ii) refrain from soliciting any of our executives, suppliers or customers for a period of two years after any termination.

We have agreed to indemnify Mr. Unger to the maximum extent permitted by our organizational documents and applicable law, for any acts or decisions made in good faith while performing services for us.

Mr. Unger is eligible for an annual discretionary bonus equal to 50% of his base salary, subject to achievement of corporate performance goals and individual performance goals, starting with the financial year ending March 31, 2015. In April 2014, we granted Mr. Unger a bonus of \$250,000. We have also granted Mr. Unger options to purchase 67,200 ordinary shares at an exercise price of \$8.00, which vest in equal installments with one-third vesting upon the first anniversary following his commencement of employment, and the remainder vesting in equal installments on the second and third anniversary. These options will vest automatically upon a change of control (as defined in the employment agreement). In June 2013, in connection with his consulting services provided to us, we granted Mr. Unger an option to purchase 32,000 shares at an exercise price \$3.29.

*Roland Boyd*

We entered into a service agreement with Roland Boyd dated August 14, 2012 that sets forth the terms and conditions under which Mr. Boyd has served as our Chief Financial Officer and serves as Group Financial Controller and Treasurer. The agreement has an indefinite term. Mr. Boyd's current annual base salary for fiscal year 2015 is £135,000 or approximately \$227,000.

Both we and Mr. Boyd must give a minimum of 6 months' prior notice to terminate his employment, other than for cause (as defined in his service agreement). We have the right to place Mr. Boyd on paid leave rather than allowing him to continue to provide services during this notice period. Mr. Boyd is obligated to refrain from competition with us for 12 months after his termination, unless that period is shortened by a period of leave. After notice to terminate has been given by Mr. Boyd or us, all or part of the duration of the notice period of leave would be counted as part of the non-competition period. Upon termination, we would owe Mr. Boyd the balance of his base salary and contractual benefits for the remaining term of the agreement.

In addition to his salary, Mr. Boyd is also entitled to a car allowance of £550 per month (or a company car up to a value of £35,000), contributions by his employer to a personal pension plan of 6% of salary and private healthcare benefits of £1,860 or approximately \$3,125 per annum. For fiscal years ending March 31, 2014 onwards, Mr. Boyd is eligible for an annual discretionary bonus equal to 33.33% of his base salary, subject to achievement of corporate performance goals and individual performance goals. Mr. Boyd was granted 32,000 options on February 15, 2013, at an exercise price of £0.91 per share, and 8,000 options on June 28, 2013, at an exercise price of \$3.29 per share.

**Table of Contents****Equity and Incentive Plans**

The following table presents certain information about our equity compensation plans as of March 31, 2014:

<b>Award</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Securities Reflected in the First Column of this Table)</b>
Equity compensation plans approved by shareholders(1)	779,462	2.92	5,049
Equity compensation plans not approved by shareholders			
<b>Total</b>	<b>779,462</b>	<b>2.92</b>	<b>5,049</b>

(1) On April 3, 2014, our shareholders adopted the 2014 Stock Incentive Plan, which authorizes the grant of up to 1,500,000 shares. For additional information, see 2014 Stock Incentive Plan.

Our shareholders and Board of Directors previously adopted the 2013 Enterprise Management Plan, or the 2013 Plan. In connection with the completion of our initial public offering, we adopted the 2014 Stock Incentive Plan, or the 2014 Plan.

As of March 31, 2014, the number of shares reserved for issuance, number of shares issued, number of shares underlying outstanding share options and number of shares remaining available for future issuance under the 2013 Plan is set forth in the table below. The table below also reflects the shares associated with the 2014 Plan, which became effective on April 24, 2014. Our Board of Directors has determined not to make any further awards under the 2013 Plan.

<b>Name of Plan</b>	<b>Number of Shares Reserved for Issuance</b>	<b>Number of Shares Issued</b>	<b>Number of Shares Underlying Outstanding Options</b>	<b>Number of Shares Remaining Available for Future Issuance</b>
2013 Enterprise Management Plan	844,553	60,042	779,462	5,049

2014 Stock Incentive Plan	1,500,000	1,500,000
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The following description of each of our share incentive plans is qualified by reference to the full text of those plans, which are incorporated by reference as exhibits to our Annual Report on Form 10-K.

*2013 Enterprise Management Incentive Plan*

We adopted the 2013 Enterprise Management Incentive Plan, or the 2013 Plan, to enhance our ability to attract, retain and motivate persons expected to make important contributions to our company by providing such persons with equity ownership opportunities and performance-based incentives. All of our employees are eligible to be granted options under the 2013 Plan. The 2013 Plan is administered by our Board of Directors. Subject to certain conditions, the 2013 Plan permits grants of enterprise management incentive options, or EMI options, under the terms of Schedule 5 to the UK Income Tax (Earnings and Pensions) Act 2003 (or ITEPA) for UK-based employees.

Options may be exercised upon the occurrence of certain events, including among other events, (i) in a sale of any shares of our share capital, which confers more than 50% of the total voting rights of all our issued shares; (ii) in the sale of all or substantially all of the undertakings of our company and our subsidiaries, and (iii) in the event of a listing of our shares on any Recognized Investment Exchange as defined in Section 841(a) of the Corporation Taxes Act 2009. In the event our shares are listed, an option may be exercised, in three equal

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installments, on the first, second and third anniversaries of the date of the grant. Options must be exercised during an employee's term of employment or service or within 40 days of termination of employment or service (or within one year in the case of termination on account of a participant's death). The options lapse after specified periods upon the occurrence of applicable events, including, forty days after (i) the sale of any shares of our share capital which confers more than 50% of the total voting rights of all our issued shares or (ii) the sale of all or substantially all of the undertakings of our company and our subsidiaries.

The maximum term of an option award is ten years.

Each option grant is documented through an option agreement. The exercise price per share of all options is determined by our Board of Directors at the time of the grant.

Awards are non-transferable and our Board of Directors retains discretion to amend, modify or terminate any outstanding award. Awards may be accelerated to become immediately exercisable in full or in part upon approval of our Board of Directors.

In the event of certain changes in our capitalization, the number of shares available for issuance under the 2013 Plan, as well as the exercise price per share of each outstanding option may be appropriately adjusted by our Board of Directors. The 2013 Plan provides for certain exchange rights in the event of change in control and provides for conditional exercise in connection with a court-ordered reorganization of our company or our amalgamation with any other company or companies.

As of March 31, 2014, there were 779,462 ordinary shares issuable upon the exercise of outstanding options, at a weighted-average exercise price of \$2.92 per ordinary share.

### *2014 Stock Incentive Plan*

Our Board of Directors and our shareholders have approved the 2014 Stock Incentive Plan, or the 2014 Plan. The 2014 Plan provides us flexibility with respect to our ability to attract and retain the services of qualified employees, officers, directors, consultants and other service providers upon whose judgment, initiative and efforts the successful conduct and development of our business depends, and to provide additional incentives to such persons to devote their effort and skill to the advancement and betterment of our company, by providing them an opportunity to participate in the ownership of our company and thereby have an interest in its success and increased value.

We have reserved an aggregate of 1,500,000 ordinary shares for issuance under the 2014 Plan. This number is subject to adjustment in the event of a recapitalization, share split, share consolidation, reclassification, share dividend or other change in our capital structure. To the extent that an award terminates, or expires for any reason, then any shares subject to the award may be used again for new grants. However, shares which are (i) not issued or delivered as a result of the net settlement of outstanding share appreciation rights, or SARs, or options, (ii) used to pay the exercise price related to outstanding options, (iii) used to pay withholding taxes related to outstanding options or SARs or (iv) repurchased on the open market with the proceeds from an option exercise, will not be available for re-grant under the 2014 Plan.

The number of ordinary shares reserved for issuance will automatically increase on April 1 of each fiscal year, from April 1, 2015 through April 1, 2023, by the lesser of 1% of the total number of shares of our ordinary shares outstanding on March 31 of the preceding fiscal year, 200,000 shares or such smaller amount as determined by our Board of Directors. The maximum number of shares that may be issued upon the exercise of incentive stock options under the 2014 Plan is 3,000,000 shares.

The 2014 Plan permits us to make grants of (i) incentive stock options pursuant to Section 422 of the Code and (ii) non-qualified stock options. Incentive share options may only be issued to our employees. Non-qualified

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share options may be issued to our employees, directors, consultants and other service providers. The option exercise price of each option granted pursuant to the 2014 Plan will be determined by our remuneration committee and may not be less than 100% of the fair market value of the ordinary shares on the date of grant, subject to certain exceptions. The term of each option will be fixed by the our remuneration committee and may not exceed ten years from the date of grant. All option grants under the 2014 Plan are made pursuant to a written option agreement.

The 2014 Plan permits us to sell or make grants of restricted shares. Restricted shares may be sold or granted to our employees, directors, consultants and other service providers (or of any current or future parent or subsidiary of our company). Restricted shares issued under the 2014 Plan is sold or granted pursuant to a written restricted shares purchase agreement.

The 2014 Plan also permits us to issue SARs. SARs may be issued to our employees, directors, consultants and other service providers. The base price per share of ordinary shares covered by each SAR may not be less than 100% of the fair market value of the ordinary shares on the date of grant, subject to certain exceptions. SAR grants under the 2014 Plan are made pursuant to a written SAR agreement.

Further, the 2014 Plan permits us to issue restricted share units, or RSUs. RSUs may be issued to our employees, directors, consultants and other service providers. RSU grants under the 2014 Plan are made pursuant to a written RSU agreement.

The 2014 Plan is administered by our remuneration committee, which has the authority to control and manage the operation and administration of the 2014 Plan. In particular, the remuneration committee has the authority to determine the persons to whom, and the time or times at which, incentive share options, nonqualified share options, restricted shares, SARs or RSUs shall be granted, the number of shares to be represented by each option agreement or covered by each restricted share purchase agreement, SAR agreement or RSU agreement and the exercise price of such options and the base price of such SARs. In addition, our remuneration committee has the authority to accelerate the exercisability or vesting of any award, and to determine the specific terms, conditions and restrictions of each award. The remuneration committee will be composed exclusively of individuals intended to be, to the extent provided by Rule 16b-3 of the Exchange Act, independent directors and will, at such times as we are subject to Section 162(m) of the Internal Revenue Code, qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code.

Unless provided otherwise within each written option agreement, restricted share purchase agreement, SAR agreement or RSU agreement as the case may be, the vesting of all options, restricted share, SARs and RSUs granted under the 2014 Plan shall accelerate automatically in the event of a change in control (as defined in the 2014 Plan) effective as of immediately prior to the consummation of the change in control unless such equity awards are to be assumed by the acquiring or successor entity (or parent thereof) or equity awards of comparable value are to be issued in exchange therefor or the equity awards granted under the 2014 Plan are to be replaced by the acquiring entity with other incentives under a new incentive program containing such terms and provisions as our remuneration committee in its discretion may consider equitable.

Our Board of Directors may from time to time alter, amend, suspend or terminate the 2014 Plan in such respects as our Board of Directors may deem advisable, provided that no such alteration, amendment, suspension or termination shall be made which shall substantially affect or impair the rights of any participant under any awards previously granted without such participant's consent.

No awards may be granted under the 2014 Plan after the date that is ten years from the date the 2014 Plan was approved by our shareholders.

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We granted 524,900 stock options to our directors and employees under the 2014 Plan with an exercise price of \$8.00 per share on April 29, 2014. We granted 10,800 additional stock options under the 2014 Plan to Sarah

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O Connor upon her appointment to our Board with an exercise price of \$9.26 per share on August 6, 2014. In connection with his appointment to our Board, Heino von Prondzynski received 50,000 RSUs on September 15, 2014.

**Defined Contribution Pension Plan**

We operate a defined contribution pension plan for our employees. No executive officers (other than Edward Farrell and Roland Boyd) and no directors participate in this plan. The assets of the plan are held separately from us in an independently administered fund. Pension costs during the years ended March 31, 2014, 2013 and 2012 amounted to \$349,000, \$263,000, and \$228,000 respectively.

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**REPORT OF THE AUDIT COMMITTEE**

*The information contained in this report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

The audit committee currently consists of Messrs. Hallsworth, Bologna, McDonough and Shroff, with Mr. Hallsworth serving as chairman of the committee. Our Board of Directors has determined that Messrs. Hallsworth, Bologna and McDonough meet the independence requirements of Rule 10A-3 under the Exchange Act and the applicable listing standards of NASDAQ. Our Board of Directors has determined that Mr. Hallsworth is an audit committee financial expert within the meaning of SEC regulations and applicable listing standards of NASDAQ. We expect that all of our audit committee members will be independent as such term is defined in Rule 10A-3(b)(i) under the Exchange Act and in NASDAQ listing rule 5605(a)(2) by April 24, 2015.

The audit committee operates under a written charter adopted by the Board, which is evaluated annually. The charter of the audit committee is available on Quotient's website at [www.quotientbd.com](http://www.quotientbd.com). Click on the tab Investors and then the caption Corporate Governance.

The audit committee selects, evaluates and, where deemed appropriate, replaces Quotient's independent registered public accountants. The audit committee also pre-approves all audit services, engagement fees and terms, and all permitted non-audit engagements, except for certain de minimus amounts.

Management is responsible for Quotient's internal controls and the financial reporting process. Quotient's independent registered public accountants are responsible for performing an audit of Quotient's consolidated financial statements and the effectiveness of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). The audit committee's responsibility is to monitor and oversee these processes.

In this context, the audit committee has reviewed Quotient's audited financial statements for the fiscal year ended March 31, 2014 and has met and held discussions with management and Ernst & Young LLP (E&Y), the Company's independent registered public accountants. Management represented to the audit committee that Quotient's consolidated financial statements for fiscal 2014 were prepared in accordance with accounting principles generally accepted in the United States of America, and the audit committee discussed the consolidated financial statements with E&Y. The audit committee also discussed with E&Y the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1, AU section 380) as adopted by the Public Accounting Oversight Board in Rule 3200T.

The audit committee received the written disclosures and letter from E&Y required by the applicable requirements of the Public Company Accounting Oversight Board regarding E&Y's communications with the audit committee concerning its independence, and the audit committee discussed with E&Y the accounting firm's independence.

Based upon the audit committee's discussions with management and E&Y and the audit committee's review of the representation of management and the report of E&Y to the audit committee, the audit committee recommended to the Board that the audited consolidated financial statements be included in Quotient's Annual Report on Form 10-K for the fiscal year ended March 31, 2014, filed with the SEC.



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The audit committee also considered whether non-audit services provided by E&Y during 2013 were compatible with maintaining their independence and concluded that such non-audit services did not affect their independence.

Respectfully submitted,

Frederick Hallsworth, Chair

Thomas Bologna

Brian McDonough

Zubeen Shroff

**Independent Registered Public Accountants Fees***Review of the Company's Audited Financial Statements for the Year ended March 31, 2014*

The audit committee approves Ernst & Young LLP's and its affiliates audit and non-audit services in advance as required under Sarbanes-Oxley and SEC rules. Before the commencement of each fiscal year, the audit committee appoints the independent auditor to perform audit services that we expect to be performed for the fiscal year and appoints the auditor to perform audit-related, tax and other permitted non-audit services. In addition, our audit committee approves the terms of the engagement letter to be entered into by us with the independent auditor. The audit committee has also delegated to its chairman the authority, from time to time, to pre-approve audit-related and non-audit services not prohibited by law to be performed our independent auditors and associated fees, provided that the chairman shall report any decisions to pre-approve such audit-related and non-audit services and fees to our full audit committee at its next regular meeting.

The table below sets forth the fees paid to Ernst & Young LLP over the past two years in connection with its work for us. All such audit, audit-related and tax services were pre-approved by the audit committee, which concluded that the provision of such services by Ernst & Young LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

Fees billed by Ernst & Young LLP in for the fiscal years ended March 31, 2014 and 2013 were as follows:

	<b>2014</b>	<b>2013</b>
Audit fees(1)	\$ 125,000	\$ 52,720
Audit-related fees		
<b>Total audit and audit related fees</b>	<b>125,000</b>	<b>52,720</b>
Tax fees	11,000	11,000
All other fees(2)	729,040	1,040
<b>Total fees</b>	<b>\$ 865,040</b>	<b>\$ 64,760</b>

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- (1) Fees billed for audit services in 2014 and 2013 consisted of audit of our annual financial statements, statutory audits; and services related to SEC matters.
- (2) Other fees billed in 2014 consisted of services relating to our initial public offering.

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**APPOINTMENT OF AND PAYMENT TO AUDITORS (RESOLUTION 9)**

The audit committee of our Board has appointed E&Y as our auditors. As required by law, shareholders are requested to re-appoint E&Y as the Company's auditors for the period ending with the annual general meeting of the Company to be held in 2015. Shareholders are also requested to authorize the directors to determine the fees to be paid to the auditors. Shareholders are also requested to ratify the appointment of E&Y as the Company's independent registered public accounting firm for purposes of United States securities law reporting for the fiscal year ending March 31, 2015.

A representative of E&Y will be present at the Annual Meeting with the opportunity to make a statement if the firm desires and to respond to appropriate questions.

**The Board of Directors recommends a vote FOR the re-appointment of Ernst & Young LLP as our auditors, to ratify their appointment as our independent registered public accounting firm and to authorize the directors to determine the fees to be paid to the auditors.**

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information relating to the beneficial ownership of our ordinary shares as of September 19, 2014 for:

each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding ordinary shares;

each of our directors;

each of our executive officers; and

all directors and executive officers as a group.

Beneficial ownership is determined in accordance with SEC rules. In general, under these rules a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days of September 19, 2014. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all ordinary shares held by that person.

Ordinary shares that a person has the right to acquire within 60 days of September 19, 2014 are deemed outstanding for purposes of computing the percentage ownership of such person's holdings, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group.

Except as indicated in footnotes to this table, we believe that the shareholders named in this table have sole voting and investment power with respect to all ordinary shares shown to be beneficially owned by them, based on information provided to us by such shareholders.

Unless otherwise indicated below, the address for each beneficial owner listed is c/o Quotient Limited, P.O. Box 1075, Elizabeth House, 9 Castle Street, St Helier, JE4 2QP, Jersey, Channel Islands.

Name and Address of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Ordinary Shares Beneficially Owned
<b>5% shareholders:</b>		
QBDG(1)	3,513,054	24.4%
Galen Partners(2)	5,929,502	40.5%
BlackRock, Inc.(3)	1,454,400	10.1%
<b>Executive Officers and Directors:</b>		

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Paul Cowan(4)	3,599,192	25.0%
Jeremy Stackawitz	190,893	1.3%
Edward Farrell	34,133	*
Stephen Unger	30,666	*
Roland Boyd	29,332	*
Thomas Bologna	136,983	*
Frederick Hallsworth	56,518	*
Brian McDonough	22,054	*
Sarah O Connor	0	*
Heino von Prondzynski	0	*
Zubeen Shroff(5)	5,929,502	40.5%
John Wilkerson(5)	5,929,502	40.5%
<b>All Directors and Executive Officers as a Group</b>	<b>11,483,273</b>	<b>77.5%</b>

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\* Denotes less than 1%.

- (1) Deidre Cowan, Mr. Cowan's spouse, exercises sole voting and dispositive power over the 3,513,054 ordinary shares held of record by QBDG.
- (2) The business address of Galen Partners is 680 Washington Blvd., Stamford, CT 06901. Includes 5,093,820 ordinary shares and 230,331 warrants held of record by Galen Partners V LP, 434,978 ordinary shares and 19,669 warrants held of record by Galen Partners International V LP and 150,704 ordinary shares held of record by Galen Management, LLC (collectively, Galen Partners ). John Wilkerson, David Jahns, and Zubeen Shroff exercise voting, investment and dispositive rights over our securities held of record by Galen Partners.
- (3) Information based solely on a Schedule 13G filed with the SEC on June 9, 2014 by BlackRock, Inc. The business address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10022.
- (4) Includes 26,666 ordinary shares and 59,472 options held of record by Mr. Cowan and 3,513,054 ordinary shares beneficially owned by Mr. Cowan's spouse, Deidre Cowan, who exercises sole voting and dispositive power over 3,513,054 ordinary shares held of record by QBDG.
- (5) Consists solely of the ordinary shares identified in footnote 2. Each of Mr. Shroff and Mr. Wilkerson disclaims beneficial ownership of the ordinary shares identified in footnote 2, except to the extent of his proportionate pecuniary interest in such shares.

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**OTHER INFORMATION**

**Quotient Mailing Address**

The mailing address of our principal executive offices is: Quotient Limited, Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 OPZ, United Kingdom.

**Shareholder Proposals for the 2014 Annual Meeting**

In accordance with rules of the SEC, all proposals of shareholders that are requested to be included in Quotient's Proxy Statement for the 2015 Annual General Meeting of Shareholders must be received by the Corporate Secretary on or before May 28, 2015 (120 days before the one-year anniversary of the mailing date).

If you wish to bring a matter before a general meeting outside the process described above, you may do so by following the procedures set forth in the Company's Memorandum and Articles of Association and the Companies (Jersey) Law 1991, as amended.

**Presentation of Accounts**

Under Jersey law, the directors are required to present the accounts of the Company and the reports of the directors and auditors (if any) before shareholders at a general meeting. Therefore, the accounts of the Company for the fiscal year ended March 31, 2014 will be presented to the shareholders at the Annual Meeting.

**Section 16(a) Beneficial Ownership Reporting Compliance**

All of our directors, executive officers and any greater than 10 percent shareholders are required by Section 16(a) of the Exchange Act to file with the SEC initial reports of ownership and reports of changes in ownership of shares and to furnish us with copies of such reports. Based on a review of those reports and written representations that no other reports were required, we believe that our Section 16 officers complied with all of their applicable Section 16(a) filing requirements.

**Householding**

Only one copy of each of our Annual Report to Shareholders and this Proxy Statement have been sent to multiple shareholders who share the same address and last name, unless we have received contrary instructions from one or more of those shareholders. This procedure is referred to as "householding." We have been notified that certain intermediaries (brokers or banks) will also household proxy materials. We will deliver promptly, upon oral or written request, separate copies of the Annual Report and Proxy Statement to any shareholder at the same address. If you wish to receive separate copies of one or both of these documents, or if you do not wish to participate in householding in the future, you may write to our Treasurer, Roland Boyd, at Quotient Limited, Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 OPZ, United Kingdom or call 011-44-0131-445-6159. You may contact your broker or bank to make a similar request. Shareholders sharing an address who now receive multiple copies of our Annual Report and Proxy Statement may request delivery of a single copy of each document by writing or calling us at the address or telephone number above or by contacting their broker or bank (provided the broker or bank has determined to household proxy materials).

**Other Business**

Management does not know of any other matters to be brought before the Annual Meeting except those set forth in the notice thereof. If other business is properly presented for consideration at the Annual Meeting, it is intended that the proxies will be voted by the persons named therein in accordance with their judgment on such matters.

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**Proxy Quotient Limited**

**Proxy Solicited by Board of Directors for the Annual General Meeting of Shareholder - October 30, 2014**

Stephen Unger and Roland Boyd or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of Quotient Limited to be held on October 30, 2014 or at any postponement or adjournment thereof.

**Shares represented by this proxy will be voted as directed by the shareholder. If no such directions are indicated, the Proxies will have authority to vote FOR all nominees and FOR Proposal Nine.**

**PLEASE MARK, SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.**

**CONTINUED AND TO BE SIGNED AND DATED ON REVERSE SIDE.**

**SEE REVERSE SIDE**

**SEE REVERSE SIDE**

**p PLEASE DETACH ALONG PERFORATED LINE AND MAIL IN THE ENVELOPE PROVIDED. p**



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Please sign exactly as name appears hereon. When joint tenants hold shares, both should sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

**Date**  
**(mm/dd/yyyy)**  
**Please print**  
**date below.**

**Signature 1 Please keep signature within  
the box.**

**Signature 2 Please keep signature within  
the box.**

/ /

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