

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or the contents of this Document you should consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

The Directors of Positive Healthcare plc, whose names appear on page 5, take responsibility, individually and collectively for the information provided in this Document. The information in this Document is correct as at the time of Admission. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there are no other facts which, if omitted, would affect the import of such information. Any information found to be incorrect or superseded due to a change in the Company's business operations will be announced to the ISDX Growth Market.

The ISDX Growth Market, which is operated by ICAP Securities & Derivatives Exchange Limited ("ISDX"), a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

The ISDX Growth Market is not classified as a Regulated Market under EU financial services law and ISDX Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in ISDX Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

This document comprises an ISDX admission document and has been drawn up in accordance with the ISDX Growth Market-Rules for Issuers. This Document does not comprise an offer of transferable securities to the public within the meaning of section 102B of FSMA, does not comprise an approved prospectus within the meaning of section 85(7) of FSMA, has not been prepared in accordance with the Prospectus Rules and its contents have not been approved by the UKLA or any other competent authority for the purposes of the Prospective Directive.

POSITIVE HEALTHCARE PLC

(Incorporated in England and Wales under the Companies Act 2006 with Registered Number 09852871)

Admission to ISDX Growth Market

of £2,000,000 secured bonds with nominal value of £1 each due 31 January 2021

**ISDX Corporate Adviser
ALFRED HENRY CORPORATE FINANCE LIMITED**

An application has been made for the Bonds to be admitted to trading on the ISDX Growth Market. It is expected the Admission will take place on 5 January 2016. Any individual wishing to buy or sell securities which are traded on the ISDX Growth Market must trade through a stockbroker regulated by the FCA as the market's facilities are not available directly to the public.

The Company is required by ICAP Securities & Derivatives Exchange Limited to appoint an ISDX Corporate Adviser to apply on its behalf for Admission to the ISDX Growth Market and must retain an ISDX Corporate Adviser at all times. The responsibilities and duties of the ISDX Corporate Adviser are set out in the ISDX Corporate Adviser Handbook and the ISDX Corporate Adviser is required to make a declaration to ISDX in the form prescribed by Appendix B therein.

This Document has not been examined or approved by ISDX or the Financial Conduct Authority. A copy of this Document has not been approved by and filed with the Financial Conduct Authority. The share capital and securities of the Company are not presently listed or dealt on any stock exchange.

The text of this Document should be read in its entirety. An investment in the Bonds involves a high degree of risk and attention is drawn in particular to the section entitled "Risk Factors" in Part III of this Document. All statements regarding the Company's business, financial position and prospects should be viewed in light of such Risk Factors. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the

financial resources available to them.

Alfred Henry Corporate Finance Limited, which is authorised and regulated by the Financial Conduct Authority and is a member of the ISDX Growth Market, is acting as the Company's ISDX Corporate Adviser in respect of the Admission. Alfred Henry Corporate Finance Limited is not acting for any other person and will not be responsible to any other person for providing the protections afforded to its customers, or for advising any other person in connection with the arrangements described in this Document. The responsibilities of Alfred Henry Corporate Finance Limited as Corporate Adviser, are owed solely to the Company. No warranty, express or implied, is made by Alfred Henry Corporate Finance Limited as to any of the contents of this Document.

The advisers named on page 5 are acting for the Company and no one else in relation to the Admission, and they will not be responsible to anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice to any other person on the content of this Document.

FORWARD-LOOKING STATEMENTS

This Document includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance. The development of the Company and the industry in which it operates may differ materially from the forward-looking statement in this Document. The Company undertakes no obligation to release publicly the result of any revisions of any forward-looking statements in this Document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this Document.

CONTENTS

	Page
Directors, Advisers and Auditors	5
Expected Timetable of Events	6
Definitions	7
Executive Summary	8
Part I Information on the Company	9
Part II General Information	15
Part III Risk Factors	25
Part IV Terms and Conditions of Bonds	31

Appendices

Appendix I - Financial Information on the Company (previously Positive Mental Health plc) for the period ended 3 November 2015

Appendix II - Financial Information on Positive Mental Health Limited (previously Positive Healthcare Limited) for the six months ended 30 June 2015

Appendix III - Financial Information on Positive Mental Health Limited (previously Positive Healthcare Limited) for the period ended 31 December 2014

DIRECTORS, ADVISERS AND AUDITORS

Directors	Gary Peter Ashworth (Chairman) Christopher Paul Ledbury (Chief Executive Officer) Alan William Found (Independent Non-Executive Director) Gareth Maitland Edwards (Non-Executive Director)
Registered Office	Warlies Park House Horseshoe Hill, Upshire Essex EN9 3SL United Kingdom
ISDX Corporate Adviser	Alfred Henry Corporate Finance Limited Finsgate 5-7 Cranwood Street London EC1V 9EE United Kingdom
Statutory Auditors to the Company	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP United Kingdom <i>(members of the Institute of Chartered Accountants England & Wales)</i>
Reporting Accountants to the Company	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE United Kingdom <i>(members of the Institute of Chartered Accountants England & Wales)</i>
Legal Adviser to the Company	Mackrell Turner Garrett Savoy Hill House Savoy Hill London WC2R 0BU United Kingdom
Registrars	SLC Registrars 42-50 Hersham Road Walton on Thames Surrey, KT12 1RZ United Kingdom
Bond Trustee	Beaufort Asset Clearing Services Limited 131 Finsbury Pavement London EC2A 1NT United Kingdom

EXPECTED TIMETABLE OF EVENTS

Publication of this document
Admission and dealings to commence in the Bonds

16 December 2015
5 January 2016

COMPANY DETAILS ON THE ISDX GROWTH MARKET

ISIN
ISDX Symbol

GB00BYSZ9K78
DOC

For further information please contact:

Positive Healthcare plc
Warlies Park House
Horseshoe Hill
Upshire
Essex
EN9 3SL

Telephone: 020 3587 7566
Email: enquiries@positiveplc.com
Website: www.positiveplc.co.uk

DEFINITIONS

The following terms apply in this Document unless the context requires otherwise:

“Admission”	admission of the Bonds to trading on the ISDX Growth Market and such admission becoming effective in accordance with the ISDX Growth Market - Rules
“Admission Document” or “Document”	this document
“Articles”	the articles of association of the Company
“Board”	the board of directors of the Company
“Bond” or “Bonds”	7% secured bonds (with an additional 1% redemption premium payable at maturity) with nominal value of £1 each to be issued by the Company pursuant to the Trust Deed
“Bondholder” or “Bondholders”	the holders of the Bonds
“Company”	Positive Healthcare plc (registered number 09852871)
“Conditions”	the conditions pertaining to the Bond
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form, operated by Euroclear
“Directors”	the directors of the Company, as at the date of this Document, whose names are set out on page 5 of this Document
“EU”	the European Union
“FCA”	the Financial Conduct Authority
“Final Redemption Date”	in relation to a Bond issued under the Trust Deed, the date 31 January 2021
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	The Company together with its wholly owned subsidiary, Positive Mental Health Limited
“ISDX Growth Market”	the ISDX primary market segment operated by ISDX for dealings in unlisted securities admitted to trading in accordance with the ISDX Growth Market – Rules for Issuers
“ISDX Growth Market Rules” or “The Rules”	the rules for issuers containing application requirements for admission to the ISDX Growth Market and requirements as to the continuing obligations of Issuers once admitted and guidance notes
“IFRS”	International Financial Reporting Standards as adopted by the EU
“Lock-in Agreement”	the lock-in agreement dated 15 December 2015 between the Company, Alfred Henry Corporate Finance Limited and each of the Directors, further details of which are set out in paragraph 2.7 of Part II of this Document
“NHS”	the National Health Service
“Ordinary Shares”	ordinary shares of the Company of £1.00 par value
“Relationship Agreement”	the agreement dated 15 December 2015 between the Company, Alfred Henry Corporate Finance Limited and Gary Peter Ashworth, further details of which are set out in paragraph 2.7 of Part II of this Document
“Trust Deed”	the trust deed dated 15 December 2015 between the Company and the Trustee pursuant to which the Bonds are constituted, further details of which are set out in Part IV of this Document
“Trustee”	Beaufort Asset Clearing Services Limited, a company incorporated in England and Wales with registered number 06637499 whose registered office is at 131 Finsbury Pavement, London EC2A 1NT
“£”	Pounds Sterling

Executive Summary

The summary of the Bond is below:

Company Description:	The Company is the parent company of a trading group which operates a recruitment business in the healthcare sector
Denomination:	The nominal amount of the Bonds is £1.00
Income:	7% interest per annum, payable semi-annually in instalments on 28 February and 31 August (each date an "Interest Date") pro rata from the date of the investment to the next interest date, and distributed within 15 working days of each subsequent Interest Date until the expiry of the term, together with a redemption premium of 1% payable on the Redemption Date
Security:	a security deed giving a first charge over the Company
Term:	Up to 31 January 2021
Redemption:	Repayment of capital on the expiry of the term
Redemption Date:	31 January 2021
Ranking:	All the Bonds shall rank <i>pari passu</i> , equally and rateably, without discrimination or preference alongside all Bondholders
Events of default:	On one of the identified events listed in Condition 12.1 of the Trust Deed, the Trustee may, or at the direction of the holders of at least 75% of the Bonds or an extraordinary resolution of the Bondholders shall, require the Bonds to be redeemed immediately at the principal amount
Withholding Taxes:	Income is paid net of basic rate tax for UK individuals and gross for pension schemes and overseas investors
Transferable:	Ownership of the Bonds can be transferred to another party
Listed/unlisted:	An application has been made to admit the Bond to trading on ISDX Growth Market. It is expected the Admission will take place on 5 January 2016.
Meetings of Bondholders:	The Company may, at any time, convene a meeting of the Bondholders
Event on death:	In the event of the death of the Bondholder, the Bond and accrued interest should form part of the Bondholder's estate under the control of their executors or estate administrator

**INFORMATION CONTAINED IN THIS DOCUMENT MUST BE
CONSIDERED IN CONJUNCTION WITH THE TRUST DEED.**

PART I INFORMATION ON THE COMPANY

1.1 Introduction

Positive Mental Health Limited (“PMHL”), the wholly-owned operating subsidiary of the Company, is an established business in the healthcare recruitment business.

PMHL was incorporated in England on 20 February 2014. PMHL operates in the healthcare recruitment sector in England and recruits mental health doctors, nurses and carers exclusively, including psychologists (all talking therapies), psychiatrists, community nurses and registered mental nurses. The niche in which PMHL operates lies within the Allied Health Professions (AHP) sector of the NHS and private hospitals. PMHL has five employees and its principal place of business is located at Warlies Park House, Horseshoe Hill, Upshire, EN9 3SL. PMHL’s audited financial statements appear in Appendix II and Appendix III of this Document. In the 6 months to 30 June 2015, PMHL’s turnover was £600,639 and it reported a profit for the financial period of £28,287. The Directors believe that there are three other specialist mental health recruiters in the UK that compete with PMHL. The Company’s Directors intend to grow PMHL at a manageable pace and ultimately cover additional niches within the Allied Health Professionals sector.

The Directors intend to expand the Company’s family of healthcare recruitment businesses to form a group that provides a full range of recruitment services to the NHS and other healthcare customers. In so doing, the Company’s Directors intend to create a business with strong brand loyalty, an efficient operating structure and over time a group which becomes a major player in the healthcare recruitment market.

The intention, with additional bond funding, is to add to the existing business by acquiring one or more recruitment businesses within the healthcare sector, with between £0.25M and £1M of Earnings before Interest and Tax (“EBIT”). The acquired companies would initially be run under their own brands but with some centralised financial control, marketing and training. The Directors will only consider acquisitions which will be controlled by the Group, i.e. they will not make passive investments. With the bond funding of £2,000,000 which will be available on Admission the Directors are targeting one or two businesses to “bolt-on” to the current trading group.

Over time the acquired businesses will be brought together under the Positive Healthcare brand. The cash flows generated from the acquisitions will be used to pay the interest on the Company’s Bonds and are expected to enable the redemption of the Bonds at the end of their term.

The Company’s Directors believe that they are well-positioned to implement this growth strategy, as collectively they possess extensive expertise in recruitment, in buy-and-build strategies and in corporate finance activities. The Company’s Directors include the founder and current non-executive chairman of an AIM-listed recruitment (non-healthcare) business with an Enterprise Value of approximately £40M and an experienced specialist in high-growth recruitment businesses as both owner/ manager and investor.

1.2 Introduction to the Healthcare Recruitment Subsector

The recruitment industry is a profitable high-growth sector, having increased in 2014/15 by 9.7% to £31.5bn of annual revenues and forecast to keep growing over the next few years by 8.1% in 2015/16, 6.5% in 2016/17 and 7.5% in 2017/18 [Source: *Recruitment & Employment Confederation’s Recruitment Industry Trends Survey 2014/15*]. Within this high-growth sector, healthcare has been one of the growing sub-sectors with annual revenues around £2.3bn in 2014/15 [Source: *Recruitment & Employment Confederation’s Recruitment Industry Trends Survey 2014/15*]. This growth is partly attributable to the expenditures of the NHS, which spent £3.3bn on agency staff in 2014/15 (including non-clinical staff and those sourced through its own in-house staff bank) [Source: *Monitor*].

Healthcare recruitment is expected to continue growing strongly due to the expected increase in demand for healthcare workers in the context of a volatile and fragmented supply of suitably qualified and experienced staff, causing healthcare providers to rely more and more on agency staff.

The Company’s Directors believe that the market is likely to change significantly in favor of ethical, valued and trusted suppliers by pushing out of the market those agencies described by the Health Secretary in June 2015 as “ripping off the NHS.” The Company’s Directors see great opportunity in the upcoming market upheaval for healthcare recruitment companies such as theirs that seek to do well by doing good.

1.3 Business Strategy

Building on the niche-specific expertise of PMHL and in due course on each acquired business, the Company's Directors will use their centralised candidate-attraction methodology, group-wide marketing to clients, wider business expertise and entrepreneurial experience to drive revenue growth. Any cost reductions from shared overheads will be reinvested in top-line growth. The target is to create a substantial group.

In addition, the Directors intend to drive growth by being at the forefront of what the Directors believe will become a major feature of the healthcare recruitment market of the future: Managed Service Programs (MSPs). An MSP is a different way of carrying out recruitment, whereby an external firm is used to act as a filter between the client and the agencies, ensuring that the recruitment process is carried out efficiently and effectively, with the best quality staff found at the best possible sustainable commission rates. At present, very little healthcare recruitment is organised this way but the Company's Directors believe that setting up more MSPs is one method by which major healthcare providers, such as the NHS, would be able to regain some degree of control over the spiralling costs of agency staff.

The Directors see MSPs as a high-growth area in future, which are seen as beneficial as they will allow high-quality recruiters to succeed and grow whilst removing the more exploitative and less well regulated companies from the industry. The Directors intend to actively encourage and seek such arrangements, utilising its relationship managers to drive the process. Depending on the negotiated terms of each such arrangement, the advantage to the Company as an MSP provider is that it will earn a regular retainer (giving good visibility on future revenues and enabling informed planning) and/or it will allow other businesses within the Group the first opportunity to fill vacancies and/or to earn a fee for every vacancy the client fills even if that vacancy is filled by an agency outside the Group.

If suitable businesses are identified to be acquired by the Group then following Admission the Company may issue further bonds on similar or the same terms as the Bonds. The amount of additional bond funding required will be dependent in significant part on how many businesses are acquired, the multiple payable, the percentage acquired, the payment terms, the balance sheets of the targets, other sources of funding and the cash generation post-acquisition.

1.4 Market Information

1.4.1 Overview of revenue and margins

The Recruitment and Employment Confederation ("REC") reported that the UK recruitment market generated £31.5bn of annual revenue in 2014/15, with the expectation that this would grow by 8.1% and 6.5% in the following two years.

Healthcare is one of the largest sectors with annual revenue of £2.3bn in 2014/15 according to the REC report. 100% of healthcare respondents to the Deloitte UK Recruitment Index 2015 survey reported that their Net Fee Income ("NFI") was growing.

In recruitment overall, temporary/contract revenues make up roughly 90% of the total with permanent placement fees being 10%. The Company's Directors believe that the proportion of temporary/contract placements is much higher in healthcare meaning that there is much more repeat business and better visibility on future earnings.

Due to the obviously critical nature of patient care obligations, where patient wellbeing or even survival are dependent on having the right staff in the right place at the right time, the Company's Directors believe that the margins that can be earned on temporary/contract staff are also higher in healthcare than in other sectors.

1.4.2 Geographical Market

The Company's Directors intend to focus their attention on companies in the public and private sectors in the UK, both of which are projected to require precisely the type of services that the Company supplies. The Company has no immediate intention to pursue customers (or potential acquisition targets) overseas. Whilst the Company is looking to be able to serve customers in as much of the UK as possible, the Company's Directors will initially focus primarily on customers in England's high-population areas.

1.4.3 Public Sector Customers

The main public customer in the UK is the NHS, which employs approximately 1.6 million people and is one of the top 5 of the world's largest workforces. It is estimated that in 2013/14 the number of temporary/contract staff working within the NHS in England increased by 15.8% to 92,000.

Despite its large number of employees and temporary/contract staff, the NHS is facing staffing pressures from all angles. Demand for the NHS's services are becoming greater due to a growing and aging population, the increasingly wider range of services it must provide, particularly in the mental health arena, and the higher standards of care expected. Meanwhile, the NHS is experiencing budgetary pressure: austerity measures have reduced the pre-approved budgets available, and therefore NHS trusts are able to commit to fewer permanent employees so must rely to a large degree on agency staff.

Government figures show that use of agency staff within the NHS has increased from £1.8bn to £3.3bn over 3 years from 2010 to 2013 which is an average increase of 28% per annum. Monitor, the NHS's internal reporting organisation, reported that Foundation Trusts (which make up around two-thirds of the NHS trusts in England) spent £1.77bn on contract and agency staff in the year to March 2015, an increase of 29% on the previous year. The Royal College of Nursing (RCN) estimates that NHS spend on agency nurses increased by approximately 48% in 2013/14 and approximately 47% in 2014/15 to a total spend of £980m in 2014/15. The Centre for Workforce Intelligence reported in June 2013 that it expected the supply of registered nurses to fall by between 0.6% and 11% between 2013 and 2016, and for demand to increase by up to 23% over the same period.

1.4.4 Private Sector Customers

As the NHS reaches its capacity to care for patients, the private healthcare sector is rapidly growing and is forecast to continue doing so. BMI Healthcare is the largest independent provider of private healthcare in the UK, operating in excess of 60 hospitals, employing around 9,500 people and generating revenues of over £850m.

1.4.5 Competitors

The collective turnover of the ten biggest recruitment agencies that supply the NHS rose 39% between 2010 and 2013 to £1.93bn. The largest exclusively healthcare supplier, ICS, saw revenues grow by around 60% over 2 years to £314m in 2013. ICS owns the Pulse, Thornbury and Labmed brands amongst others.

National firms operating in this market include Capita, Hays and Reed, whilst specialist healthcare firms include Medacs, DRC Locums, Healthcare Locums, Mayday Healthcare and ID Medical.

In contrast, the market also has a large number of smaller agencies. From their experience the Company's Directors believe that these agencies, are often family-owned and specialise in particular healthcare sub-sectors and geographies, offering an ethical, highly professional service whilst generating good, sustainable profits. The Company's Directors believe that these smaller companies are strong potential acquisition targets.

1.5 Organisational Structure and Financial Information

A list of the Company's significant subsidiaries is as follows:

Name of Subsidiary	Relation to Company	Subsidiary's Country of Incorporation	Subsidiary's principle place of business	Proportion of Subsidiary Owned by Company	Proportion of Subsidiary's Voting Power held by Company
Positive Mental Health Limited	Operating subsidiary	England and Wales	United Kingdom	100%	100%

Positive Mental Health Limited, the trading subsidiary, was incorporated on 20 February 2014 and has been trading since March 2014. Its audited financial information for the period ended 31 December 2014 and six months ended 30 June 2015 is included in Appendix III and II respectively. The financial information included in Appendix II and III is shown under the name of Positive Healthcare Limited as this was the previous name of Positive Mental Health Limited until 9 November 2015.

In order to seek admission to ISDX Growth Market Positive Healthcare plc, the parent, was incorporated, on 2 November 2015, as Positive Mental Health plc. On 9 November 2015 a name swap was carried out and the subsidiary Positive Healthcare Limited became Positive Mental Health Limited and the newly formed parent Positive Mental Health plc became Positive Healthcare plc. The financial information for the parent included in appendix I is shown under the name of Positive Mental Health plc as this was its previous name until 9 November 2015.

The Company, which is newly incorporated, and was solely put in place as a suitable vehicle for listing on ISDX Growth Market, has not traded. An audited balance sheet as at 3 November 2015 is included in Appendix I.

On 6 November 2015 the Company acquired the entire share capital of Positive Mental Health Limited, from Recruitment Capital Partners LLP, a partnership under the control of Gary Ashworth, for £100, being the par value of the shares of Positive Mental Health Limited.

Recruitment Capital Partners LLP no longer has an interest in the Group and the shares of Positive Healthcare plc are owned by a number of individuals including the directors, details of which are set out in Part II paragraph 2.5. A loan from Recruitment Capital Partners LLP remains outstanding and further details are included in Part II paragraph 2.7.11.

Other than the Company and Positive Mental Health Limited there are no other companies in the Group.

A summary in respect of each company in the Group is set out below.

Company	Date of incorporation	Company number	Previous name	Trading names	Financial information included in admission document
Positive Healthcare plc	2 November 2015	09852871	Positive Mental Health plc	n/a	Appendix I - Financial Information on the Company for the period ended 3 November 2015
Positive Mental Health Limited	20 February 2014	08905035	Positive Healthcare Limited	n/a	Appendix II – Audited accounts for the six months ended 30 June 2015 Appendix III – Audited accounts for the period ended 31 December 2014

The accounting reference date of both the Company and Positive Mental Health Limited is 31 December 2015. Although the Company is a newly incorporated company, the acquisition of Positive Mental Health Limited, by the Company, is treated under UK Generally Accepted Accounting Principles as a business combination involving entities under common control.

As a result of the acquisition, the audited results for the year ended 31 December 2015 are issued in the name of the Company (but will be a continuance of those of Positive Mental Health Limited), and will therefore include a profit and loss account for the Group for the full year.

1.6 Management Experience

The Directors are of the opinion that they bring a wealth of experience and expertise from a range of sectors, which is highly beneficial to the Company. Brief biographies of each of the Company's Directors are as follows:

Gary Peter Ashworth - (Age 55, Director and Chairman)

Gary founded Abacus Recruitment in 1982, a group of recruitment agencies which he floated on AIM in September 1995. It was the best performing AIM share in both 1996 and 1997 and subsequently sold to Carlisle Holdings in 1998; initial investors achieved a tenfold multiple on their investment. Gary then founded the InterQuest Group in November 2001, which he floated in 2005 and remains Chairman of and a significant shareholder in. In 2014 it had revenues of £151M and made £4.9M of adjusted EBIT. Since flotation, the price of those listed shares has increased by over 50% and it currently has an Enterprise Value of around £40M. Gary is a Fellow and past President of the Institute of Employment Consultants and has worked in recruitment since 1980.

Christopher Paul Ledbury - (Age 53, Director and CEO)

Chris has over 20 years of recruitment experience and has successfully founded, grown and/or exited a range of recruitment businesses on his own account, including Accountancy Additions, HW Group plc, Madison Maclean and most recently Exsurgo Group. Chris was also the Investment Director of the Recruitment Ventures division of Hamilton Bradshaw from 2007 to 2012, during which time he acted as originator, investor, portfolio manager and Board member to a number of start-up and early stage recruitment businesses, guiding them through value creation to successful exit. Chris works very closely with investee business owners providing coaching, mentoring and support, with a focus on commercial objectives and strategic vision. He has extensive experience operating and investing in recruitment businesses, having led or been part of management buy-outs and buy-ins, a full stock market listing and trade sale exits.

Gareth Maitland Edwards - (Age 57, Non-Executive Director)

Gareth has been a corporate lawyer for many years specialising in corporate finance work for various types of transactions, including acquisitions, disposals, flotations and takeovers working in a professional capacity with both Gary Ashworth and Luke Johnson. He was head of his firm's Corporate Group for 8 years during which time he expanded it into Asia and the Gulf regions, after relinquishing that role he set up and opened law offices for his firm in both France and Germany.

Alan William Found - (Age 54, Independent Non-Executive Director)

Alan is a Plc Board Level strategic consultant and non-executive director to a broad range of companies including specialist recruitment groups. He is a graduate in social sciences and has extensive experience in the integration of companies after acquisition and the design and delivery of management development programmes and sales training programmes. He also provides board-level management coaching. Alan has extensive experience within the blue-chip leisure sector, banking and financial services, professional services, oil and construction industries. Alan served as Non-Executive Director of InterQuest Group PLC from 2004 to 2009. His freelance clients have included Intercontinental Hotels and Resorts, Mandarin Oriental, The Kier Group and Morgan Stanley, among others.

1.7 Reasons for Admission

On or shortly before admission the Company will issue £2,000,000 Bonds at £1 per unit nominal value.

The Company has made an application to ISDX for the Bonds to be admitted to trading on ISDX Growth Market.

It is expected that Admission will be effective and that dealings in the Bonds will commence on 5 January 2016. It is emphasised that no application is being made for admission of the Bonds to trading on AIM or on the Official List. The ISDX Growth Market is a market operated by ICAP Securities & Derivatives Exchange Limited and is not part of the London Stock Exchange.

Any individual wishing to buy or sell bonds which are admitted to trading on any of the markets operated by ISDX, must do so through an ISDX broker member.

The proposed Admission is intended to provide Bondholders with access to a marketplace that can be used to offer their holdings for sale prior to the redemption date of 31 January 2021 should they need to do so. The Company has opened a corporate account with Beaufort Asset Clearing Services Limited and Bondholders wishing to trade their Bonds can contact them on 020 7382 8300.

1.8 CREST

Trades are cleared through CREST, which is a computerised share transfer and settlement system enabling securities to be held in electronic uncertificated form and transferred otherwise than by written instrument. The Trust Deed permits the Company to issue bonds in uncertificated form in accordance with the CREST Regulations.

The Company has applied to Euroclear for the Bonds to be admitted to and enabled through CREST with effect from Admission. Accordingly, settlement of transactions in Bonds following Admission may take place within CREST if the relevant Bondholder so wishes. However, if a Bondholder wishes to receive and retain physical bond certificates, he will be able to do so.

1.9 Lock-in Agreements and Relationship Agreement

Pursuant to the Lock-in Agreement the Company's Directors, who own 90.5 per cent. of all of the Ordinary Shares in issue at the date of publication of this Document, have each agreed with the Company and Alfred Henry Corporate Finance Limited, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares acquired by or held by them for a period of 12 months following Admission.

Pursuant to the terms of the Relationship Agreement, Gary Peter Ashworth (as the holder of 68.5 per cent. of all of the Ordinary Shares in issue at the date of publication of this Document) has agreed with the Company and Alfred Henry Corporate Finance Limited to exercise his voting rights in the Company to ensure that all arrangements entered into between the Company and himself and certain persons associated with him, will all be made at arm's length and that the Company remains at all times able to carry on its business in accordance with the general principles agreed in the Relationship Agreement.

1.10 Corporate Governance

The Directors recognise the importance of sound corporate governance and intend, in so far as is practicable given the Company's size and the constitution of the Board, to comply with the main provisions of the QCA Corporate Governance Code for Small and Mid-Sized Quoted Companies 2013.

1.11 Dissemination of Regulatory News

The Company has arrangements in place to disseminate regulatory information to the market in accordance with the ISDX Rules and applicable laws and regulation. Regulatory information relating to the Company is also available to the general public through the ISDX website <http://www.isdx.com/>.

1.12 Marketability of the Bonds and the ISDX Growth Market

Application has been made to ISDX for the Bonds to be admitted to trading on the ISDX Growth Market. It is expected that Admission will be effective and that dealings in the Bonds will commence on 5 January 2016. It is emphasised that no application is being made for admission of the Bonds to trading on AIM or on the Official List. The ISDX Growth Market is a market operated by ISDX and is not part of the London Stock Exchange.

Any individual wishing to buy or sell bonds which are admitted to trading on the any of the markets operated by ISDX, must do so through a regulated broker.

1.13 Working Capital

The Board is of the opinion that, having made due and careful enquiry, the working capital available to the group is sufficient for the Group's requirements for at least the next 12 months from the date of Admission.

1.14 Investments

The Company presently has no investments other than its shares in its wholly owned subsidiary, Positive Mental Health Limited.

1.15 Return of Cash to Bondholders

The Bond issuance has been carried out to provide funds for acquisitions and not to provide working capital for the Group. If the Group has not made a material acquisition within one year following Admission, it will return the funds raised in respect of the Bonds to the Bondholders including any interest up to the date of repayment.

1.16 Details of the Bonds

The principal terms of the Bonds are set out on page 8 of this Document. A summary of the Trust Deed is set out in Part IV of this Document.

PART II
General Information

2.1 Incorporation and General

- 2.1.1 On 2 November 2015, the Company was incorporated under Companies Act 2006 in England and Wales as a public limited company with registered number 09852871. On 6 November 2015, the Company acquired the entire issued share capital of Positive Mental Health Limited (registration number 08905035). On 9 November 2015, the Company changed its name from Positive Mental Health plc to Positive Healthcare plc.
- 2.1.2 The Company's registered office and principal place of business is at Warlies Park House, Horseshoe Hill, Upshire, Essex EN9 3SL.
- 2.1.3 The telephone number of the Company is 020 3587 7566.
- 2.1.4 The principal legislation under which the Company operates is the Companies Act 2006, as amended, and the regulations made thereunder.
- 2.1.5 The Company is domiciled in England.
- 2.1.6 The accounting reference date of the Company is currently 31 December.
- 2.1.7 The Company has the subsidiary described in section 1.5 of Part I of this Document.
- 2.1.8 The Company's website address is: www.positiveplc.co.uk

2.2 Responsibility

- 2.2.1 The Company and the Directors (whose names are set out on page 5 of this Document) accept responsibility, both individually and collectively, for the information contained in this Document, and for compliance with the ISDX Rules. To the best of the knowledge and belief of the Directors (who have taken all such reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of that information. All the Directors accept responsibility accordingly.
- 2.2.2 The financial information disclosed in the Appendices of this Document has been prepared in accordance with the law applicable to the Company, and the Directors accept responsibility for it.

2.3 Share Capital and the Bonds

- 2.3.1 The following table shows the issued share capital and stock of the Company on Admission:

	In issue on Admission *	Number
Shares - Ordinary Shares of £1 each*	£50,000	50,000
Bonds of £1 each	£2,000,000	2,000,000

* On each Ordinary Share the sum of £0.25 has been paid and a further £0.75 is payable to the Company.

- 2.3.2 None of the Bonds nor any share capital of the Company are under option or agreed conditionally or unconditionally to be put under option.
- 2.3.3 All classes of shares rank pari passu in all respects.
- 2.3.4 The Bonds are to be redeemed on 31 January 2021 and are secured by a fixed and floating charge on the assets of the Company. Under the terms of the Security, the Company has given a negative pledge not to grant further security without the consent of the Trustee.

2.3.5 The Security includes the following:

- (i) a first fixed charge over all properties hereafter acquired by the Company, all stocks, shares, loans, loan capital, securities, bonds and investments of any kind whatsoever now or at any time hereafter owned by the Company, all present and future rights, licences, guarantees, contracts and warranties relating to the business carried on from time to time by the Company, all present and future goodwill of the Company and all uncalled capital for the time being of the Company, the equipment, all intellectual property and the debts of the Company;
- (ii) all right, title and interest of the Company in and to any present or future contracts, loan agreements, security documents or policies of insurances or assurance (including, without limitation, any insurances relating to the properties or the equipment) and all claims and recoveries thereunder; and
- (iii) by way of first floating charge, anything else not effectively mortgaged or charged by fixed charge or assigned pursuant to the above.
- (iv) The floating charge created under the Security will automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the floating charge upon the occurrence of an Enforcement Event (as defined in the Security Deed), which includes but is not limited to the Company becoming unable to pay its debts as they fall due, the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any step is taken by the Company or any other person for its winding-up, dissolution, administration or re-organisation, an encumbrancer takes possession of the whole or any part of the revenues or assets of the Company or a distress, execution, attachment or other legal process is levied, or enforced on all or any part of the assets of the Company and remains undischarged for 5 business days.
- (v) Following the conversion or crystallisation of the floating charge created under the Security Deed, the Company shall no longer have the right to sell the relevant charged assets in the ordinary course of the Company's business.

2.3.6 The Company may issue further bonds on similar or the same terms as the Bonds. The Bonds subject to these further issues may have the same or similar rights and security as the Bonds issued to date and to be issued under this Document.

2.3.7 The Bonds have a nominal value of £1.

2.3.8 The Bonds are freely transferable in uncertificated form.

2.3.9 In the event that an Event of Default (as defined in the Trust Deed) occurs, the Bondholders may require the Company to redeem the Bonds at their principal amount together with accrued interest.

2.3.10 The Bonds carry a fixed coupon of 7% gross per annum, payable semi-annually on 28 February and 31 August in each year to registered Bondholders. A final interest payment will be made on the Redemption Date together with a one per cent. redemption premium payable to the holder of the Bond on the Redemption Date.

2.3.11 The Security will be held by Beaufort Asset Clearing Services Limited (a company authorised by the FCA to act as trustee) as trustee for the Bondholders.

2.4 Memorandum and Articles of Association

2.4.1 The Articles contain no provisions restricting the objects of the Company. In accordance with Section 31 of the Companies Act 2006 ("CA 2006") the Company's objects are therefore unrestricted.

2.4.2 The Company has authority to issue and allot the Bonds pursuant to its Articles and the Bonds are duly constituted pursuant to the Trust Deed

- 2.4.3 The Articles prescribe that the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company however the members may, by special resolution, direct the take, or refrain from taking, specified action.
- 2.4.4 The number of directors from time to time shall not be less than two but is not subject to a maximum. Decisions of the directors are to be made by a majority vote although the chairman has a casting vote in the event of an equal vote.
- 2.4.5 There is only one class of share currently issued, being the Ordinary Shares, although the Company may issue different classes of shares with such rights and restrictions as may be determined by ordinary resolution or, if no such resolution has been passed or, so far as the resolution does not make specific provision, as the directors may determine. Variation of share rights may only occur by a special resolution of the holders of that class of share.
- 2.4.6 The directors may call general meetings and, on the requisition of members pursuant to the provisions of CA 2006, shall forthwith proceed to convene a general meeting in accordance with CA 2006. General meetings (other than an adjourned meeting) shall be called by notice of (a) in the case of an annual general meeting, at least twenty-one clear days; and (b) in the case of any other general meeting at least fourteen clear days, although shorter notice periods are possible.
- 2.4.7 Subject to section 318(2) of CA2006, two qualifying persons entitled to vote upon the business to be transacted shall be a quorum at a general meeting provided that if the Company has only a single member, the quorum shall be one such qualifying person.
- 2.4.8 There are no provisions governing ownership that would have an effect of delaying, deferring or preventing a change of control of the Company.
- 2.4.9 There are no provisions governing ownership threshold above which shareholder ownership must be disclosed.

2.5 Directors' and Others' interests

- 2.5.1 The interests of each Director and those of any person connected with them within the meaning of section 252 of the Companies Act 2006 ("Connected Person"), and of any other person holding over 3% of the ordinary shares of the Company, all of which interests are beneficial (except as noted below), in the share capital of the Company and the existence of which is known or could with reasonable diligence be ascertained by the Directors as at 16 December 2015 (being the latest practicable date prior to the publication of this Document), are as follows:

Director	Number of Ordinary Shares	Percentage of ordinary issued share capital
Gary Peter Ashworth	34,250	68.5%
Christopher Paul Ledbury	9,000	18%
Gareth Maitland Edwards	2,000	4%
Alan William Found	NIL	NIL
Other – substantial shareholders		
Luke Oliver Johnson	4,750	9.5%

- 2.5.2 In addition the directors will, on Admission, have the following interest in Bonds:

Director	Number of Bonds	Percentage of issued Bonds
Gary Peter Ashworth	50,000	2.5%
Christopher Paul Ledbury	25,000	1.25%
Gareth Maitland Edwards	25,000	1.25%
Alan William Found	NIL	NIL

2.5.3 Save as disclosed in section 2.5.1 and 2.5.2 of this Document, no Director has any interest in or option over the share capital of the Company or Bonds nor does any person connected with the Directors or senior managers (within the meaning of section 252 of the Companies Act 2006) have any such interests, whether beneficial or non-beneficial.

2.5.4 In addition to the directorships of the Company, the Directors have held the following UK directorships and/or been a partner in the following partnerships, organisations, trusts or government bodies within the five years prior to the date of this Document:

Director	Current Directorships and/or Partnerships	Former Directorships and/or Partnerships within the five years prior to the date of this Document
Gary Peter Ashworth	POSITIVE MENTAL HEALTH LIMITED*	INTERQUEST (UK) LIMITED
	INTERQUEST GROUP (UK) LIMITED^	INTERQUEST FINANCIAL MARKETS LIMITED
	INTERQUEST GROUP PLC^	GENESIS COMPUTER RESOURCES LIMITED
	MINT RECRUITMENT SOLUTIONS LIMITED^	PEOPLECO WORLDWIDE LIMITED
	KORUS RECRUITMENT GROUP LIMITED^	SAND LIMITED
	KORUS IT RECRUITMENT (LONDON) LIMITED^	SAND RESOURCES LIMITED
	CONTRACT CONNECTIONS LIMITED^	GOLDCREST PAYROLL SOLUTIONS LIMITED
	ECOM RECRUITMENT LIMITED^	IQ TELECOM LIMITED
	FIRST HOSPITALITY LONDON LIMITED	VAIL SECURITIES LIMITED Dissolved: 03/07/2013
	SHILLINGRIDGE LTD	OPTIMUS GLOBAL RECRUITMENT SOLUTIONS LIMITED Dissolved: 07/08/2013
	RECRUITMENT CAPITAL PARTNERS LLP	GLOBAL GENIUS LIMITED Dissolved: 07/08/2013
		LIGHTHOUSE TEST RESOURCES LIMITED Dissolved: 07/08/2013
		TEST MATCH SOLUTIONS LTD Dissolved: 11/05/2011
		FISHWORKS PLC Dissolved: 19/10/2012
		LIGHTHOUSE TESTING LIMITED Dissolved: 19/10/2012
		HELIX MANAGED SERVICES LIMITED Dissolved: 07/08/2013
		INTERNAL PARTNERS LIMITED Dissolved: 07/08/2013

* This entity lies within the Positive Healthcare family of companies.

^ This entity lies within the InterQuest family of companies.

Director	Current Directorships and/or Partnerships	Former Directorships and/or Partnerships within the five years prior to the date of this Document
Christopher Paul Ledbury	RECRUITMENT CAPITAL PARTNERS LLP	THE EXSURGO PARTNERSHIP LIMITED
	HENLEY RECRUITMENT MANAGERS LIMITED	RIDA HUMAN CAPITAL LTD
	POSITIVE MENTAL HEALTH LIMITED	ONE WAY RESOURCING LTD
	CFM VENTURES LIMITED	DANIEL WILLIAMS RETAIL CONSULTANTS LIMITED
		DREAMWORKS INTERNATIONAL LIMITED
		LEDBURY SEARCH LIMITED Dissolved: 19/04/2012
		APTUS RESOURCING LIMITED Dissolved: 14/09/2011

Director	Current Directorships and/or Partnerships	Former Directorships and/or Partnerships within the five years prior to the date of this Document
Gareth Maitland Edwards	HI-PER-MAC LIMITED	PINSENT MASONS LLP
	PINSENT MASONS DIRECTOR LIMITED	PINSENT MASONS GERMANY LLP
	PINSENT MASONS SECRETARIAL LIMITED	XTREME MATERIALS LIMITED Dissolved: 15/12/2010
		R55 SOLAR LIMITED Dissolved: 29/08/2012
		PINSENT MASONS FRANCE LLP

Director	Current Directorships and/or Partnerships	Former Directorships and/or Partnerships within the five years prior to the date of this Document
Alan William Found	New Generation Learning Limited	InterQuest Group plc

2.5.5 Chris Ledbury was a director of Ledbury Search Limited ("LSL"), which was placed into voluntary liquidation on 10 December 2009. The cause of LSL's voluntary liquidation was the non-payment of approximately £45,000 in debts owed to LSL and as a result LSL was unable to pay its creditors as

and when they fell due. Upon its dissolution on 19 April 2012, Ledbury Search Limited had debts of approximately £36,000.

2.5.6 Gary Ashworth was a director of Fishworks PLC ("Fishworks"), which was placed in administration on 20 January 2009 and compulsory liquidation on 26 January 2011. In February and April 2007 Gary Ashworth subscribed for approximately £750,000 in shares in Fishworks as part of a placing and, in connection with that subscription, became a director of Fishworks. Upon its dissolution on 19 October 2012, Fishworks PLC had debts of £2,130,000.

2.5.7 Save as set out in sections 2.5.5 and 2.5.6 of this Document, none of the Directors have:

- (i) any unspent convictions in relation to indictable offences;
- (ii) been a director of any company which has been placed in receivership, insolvent liquidation or administration or been subject to a voluntary arrangement whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (iii) had any bankruptcy order made against him or entered into any individual voluntary arrangements;
- (iv) been a partner in any partnership which has been placed in receivership, insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (v) been publicly criticised or sanctioned by any statutory or regulatory authority (including designated professional bodies); or
- (vi) been disqualified by a court from acting in the management or conduct of the affairs of a company.

2.5.8 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

2.6 Directors' Service Contracts and Letters of Appointment

2.6.1 On 10 November 2015, Chris Ledbury entered into a service agreement with the Company to act as CEO. The appointment shall continue until terminated by either party to the agreement giving the other party to the agreement not less than 6 months' prior written notice. The agreement provides for an annual salary of £60,000 and he is required to devote sufficient time to fulfil his obligations to the Company for the proper performance of his duties. There is no provision for any benefits upon termination of his employment.

2.6.2 On 10 November, Gary Ashworth entered into a service agreement with the Company to act as Chairman. The appointment shall continue until terminated by either party to the agreement giving the other party to the agreement not less than 6 months' prior written notice. The agreement provides that there shall be no remuneration until such time as the Company reports Earnings Before Interest and Tax of £500,000 or more in its annual accounts when his annual salary will be £40,000. He is required to devote sufficient time to fulfil his obligations to the Company for the proper performance of his duties. There is no provision for any benefits upon termination of his employment.

2.6.3 On 10 November 2015, Gareth Edwards entered into a letter of appointment with the Company, to act (conditional upon Admission) as Non-Executive Director of the Company without remuneration, until such time as the Company reports Earnings Before Interest and Tax of £500,000 or more in its annual accounts when his fees will be £25,000 per annum. There is no provision for any benefits upon termination of his service.

2.6.4 On 10 November 2015, Alan Found entered into a letter of appointment with the Company, to act (conditional upon Admission) as Non-Executive Director of the Company for an annual salary of £6,000 per annum. There is no provision for any benefits upon termination of his service.

- 2.6.5 Save as disclosed above, there are no service contracts, letters of appointment, engagement letters or other terms of service, existing or proposed, between any Director and the Company.

2.7 Material contracts

- 2.7.1 By an engagement letter dated 10 November 2015, Alfred Henry Corporate Finance Limited was appointed to approve the offer document for the purposes of s.21 FSMA and assist the Company with its application to the ISDX Growth Market for a fee of £20,000 plus VAT.
- 2.7.2 By a corporate adviser agreement dated 10 November 2015, Alfred Henry Corporate Finance Limited were appointed to act as the ISDX corporate adviser for a quarterly fee of £2,500 plus VAT.
- 2.7.3 The Bonds are subject to the terms of the trust deed dated 15 December 2015 ("Trust Deed"), made between the Company and the Trustee, the terms and conditions of which are set out in Part IV of this Document.
- 2.7.4 Payment and repayment of all sums due in respect of the Bonds is secured by a security deed creating a fixed and floating charge over all the Company's assets dated 15 December 2015 ("Security Deed"), made between the Company and the Trustee. Section 2.3.5 contains further details of the charges and the circumstances in which they would crystallise.
- 2.7.5 By a trustee fee agreement between the Company and the Trustee dated 10 November, the Trustee agreed to serve as trustee for the Company under the Trust Deed and the Security Deed for an initial period of one year and for an annual fee of £5,000 payable quarterly in advance. The initial term of the Trustee's appointment is for one year and will renew automatically for additional one-year periods on each anniversary of execution of the agreement subject to the rights of the Trustee to resign, as set out in the Trust Deed.
- 2.7.6 By a custody agreement between the Company and the Trustee dated 10 November 2015, the Trustee agreed to provide custody services to the Company in consideration for an initial one-off take-on fee of £2,500 plus VAT and a further fee of £1,250 per calendar month plus VAT.
- 2.7.7 By an engagement letter dated 4 November 2015, SLC Registrars was appointed to act as registrars for the Company for such fees as are specified in the fee schedule attached to the engagement letter. The level of fees will be dependent upon the number of Bondholders plus additional fees based on the number of transactions and number of Bondholders. For example, SLC Registrars' annual fee for 1 to 450 bondholders is £1,252, its annual fee for 751 to 1000 bondholders is £2,500 and its charge for CREST transfers is £0.55 per transfer. The appointment is for an initial period of 12 months and thereafter may be terminated by either party giving not less than three months notice.
- 2.7.8 By an engagement letter dated 3 November 2015, Mackrell Turner Garrett was appointed to act as legal adviser to the Company in relation to the proposed Admission of the Bonds for a fee of £12,000 plus VAT and disbursements.
- 2.7.9 On 15 December 2015 the Company and Alfred Henry Corporate Finance Limited as the Company's ISDX Corporate Advisor entered into a relationship agreement with Gary Ashworth (as detailed at section 1.9 of Part I of this Document) pursuant to which Gary Ashworth has undertaken to the Company (i) to exercise all voting rights and powers of control available to him in relation to the Company in order that all transactions, agreements or arrangements entered into between the Company and himself and any other shareholder will be made at arm's length and on a normal commercial basis, (ii) not to undertake any activity which would conflict with the Company or would render the Company incapable of carrying on its business independently, and (iii) to procure that the business of the Company be conducted for the benefit of the Bondholders. The agreement will terminate if, in aggregate, Gary Ashworth ceases to hold 50 per cent. or more of the voting rights in the Company.
- 2.7.10 Pursuant to a Lock-in Agreement dated 15 December 2015 between (1) each of the Directors, (2) the Company and (3) Alfred Henry Corporate Finance Limited, each of the Directors has undertaken that he will not, except in certain limited circumstances, dispose of any of the Ordinary Shares held by him for a period of 12 months from the date of Admission. The circumstances in which a Director may dispose of his Ordinary Shares are in connection with a general offer for the ordinary share capital of the Company (including the provision of an irrevocable undertaking to accept such an offer), pursuant to a compromise or arrangement under Part 26 of the Companies Act 2006 which agreed by the requisite majority of the members of the Company and sanctioned by the court;

pursuant to any sale, transfer or arrangement under section 110 of the Insolvency Act 1986 in relation to the Company; pursuant to a transfer required by an order made by a court of competent jurisdiction; where the Board and Alfred Henry Corporate Finance Limited permit the shareholder (and subject the ISDX Growth Market Rules) to make a disposal; or where the Bonds cease to be admitted to trading on ISDX.

- 2.7.11 Pursuant to two loan agreements each dated 12 March 2014 between Positive Mental Healthcare Limited (“**PHML**”) and (i) Recruitment Capital Partners LLP (“**RCP**”) and (ii) Harjit Johal, RCP and Harjit Johal each agreed to make available to PHML interest free loans of up to £198,214 and £34,000 respectively. As at the date of this document the amount outstanding in respect of these loans is approximately £166,000 and £33,000 respectively. The loans are payable on demand except that neither lender will demand repayment of their loan unless the PHML board determine that PHML has sufficient cash funds to meet its obligations to all other creditors as they fall due, in which case any surplus funds that remain after allowing for payment of such creditors shall be used to repay the loans on a pro rata basis. On 6 December 2015 RCP agreed that it would not seek repayment of the loan to the Company until the Group has sufficient net profits to cover bond interest.
- 2.7.12 On 6 November 2015 the Company acquired the entire share capital of Positive Mental Health Limited, from Recruitment Capital Partners LLP, a partnership under the control of Gary Ashworth, for £100, being the par value of the shares of Positive Mental Health Limited.
- 2.7.13 Other than as set out in sections 1.9 and 2.6 and this section 2.7, no contracts have been entered into by the Company or Positive Mental Healthcare Limited, other than contracts entered into in the ordinary course of business, during the period since the incorporation of the relevant company and the date of this Document.

2.8 Taxation

2.8.1 United Kingdom taxation

The following summary is intended only as a general guide and outlines certain aspects of UK taxation which apply to persons who are the beneficial owners of Bonds. It is based on a summary of the Company's understanding of current law and practice in the United Kingdom and is not a complete or exhaustive analysis. It does not constitute advice. Some aspects do not apply to certain classes of person (such as dealers, certain professional investors and persons connected with the Company) to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may therefore differ to that set out below or may be subject to change in the future. Prospective Bondholders who are in any doubt over their tax position or may be subject to tax in a jurisdiction other than the United Kingdom, should seek their own professional advice. This summary only deals with the matters expressly set out below.

2.8.2 Withholding tax on the Bonds

Other than in the circumstances below, an amount must generally be withheld from payments of interest on the Bonds on account of United Kingdom income tax at the basic rate (currently 20 per cent.). If interest is paid under deduction of United Kingdom income tax, taxpayers not chargeable to UK income tax on interest income may reclaim the tax withheld.

Interest on the Bonds may usually be paid without withholding or deduction on account of United Kingdom tax to UK companies believed to be chargeable to UK corporation tax on the interest or non-resident companies believed to be similarly chargeable carrying on a UK trade through a permanent establishment. HM Revenue and Customs (“HMRC”) can however require tax to be withheld in limited circumstances. Interest may also be paid without withholding tax or subject to a reduced rate of withholding tax where the Company has received a direction from HMRC in respect of such relief as may be available under the provisions of any relevant double taxation treaty.

2.8.3 United Kingdom Income Tax

Interest on the Bonds constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax even where paid without withholding.

However, interest with a United Kingdom source properly received without deduction or withholding on account of United Kingdom tax may not be chargeable to United Kingdom tax in the hands of a Bondholder

(other than certain trustees) who is not resident for tax purposes in the United Kingdom other than in certain limited circumstances, for example where the Bondholder carries on a trade in the UK.

2.8.4 United Kingdom Corporation Tax Payers

Companies which are within the charge to United Kingdom corporation tax (including non-resident companies whose Bonds are used, held or acquired for the purposes of trade carried on in the United Kingdom through a permanent establishment) will be charged to corporation tax on the interest.

2.8.5 Provision of information and EU Savings Directive

HMRC has power to obtain information (including the name and address of the Bondholder) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of a Bondholder who is an individual. Such information can be exchanged by HMRC with the tax authorities of the jurisdiction in which the Bondholder is tax resident.

Under the Savings Directive, Member States are generally required to provide to the tax authorities of another Member State details of payments of interest paid by a person within its jurisdiction to (or for the benefit of) an individual or certain other entities resident or established in that other Member State.

The Savings Directive is currently under review by the European authorities.

2.8.6 Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No United Kingdom stamp duty or SDRT is payable on the issue or transfer by delivery of the Bonds.

2.9 Litigation and Arbitration

The Company is not involved in any legal, governmental or arbitration proceedings which may have or have had since incorporation, a significant effect on the Company's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

2.10 Related Party Transactions

Other than as disclosed in sections 1.9, 2.6 and section 2.7 of this Document, there are no related party transactions to which the Company is a party.

2.11 General

There is no other information of which the Company or the Directors are aware that they consider (acting reasonably) would be reasonably required in order to make an informed assessment of the Company, its financial position and business activities.

2.12 Reporting accountants

Alfred Henry Corporate Finance Limited, the Company's corporate advisor, is 50% owned by the reporting accountants Jeffreys Henry LLP. Both firms have appropriate safeguards in place to avoid any perceived conflicts in interest.

2.13 Working Capital

The Board is of the opinion that, having made due and careful enquiry, the working capital available to the Group will be sufficient for its requirements that is for at least the next 12 months from the date of Admission.

2.14 Significant Change

There has been no significant change in the financial or trading position of the Company since incorporation, with the exception of the acquisition of the entire share capital of Positive Mental Health Limited on 6 November 2015. There has been no significant change in the financial or trading position of Positive Mental Health Limited since 30 June 2015.

2.15 Availability of Documents

This Document is available for review on the Company's website at www.positiveplc.co.uk. In addition, copies of this Document will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office, which is located at Warlies Park House, Horseshoe Hill, Upshire, Essex EN9 3SL.

PART III Risk Factors

Prospective investors should consider carefully all the information in this Document including the risks described below. The risks and uncertainties described below are the material risk factors facing the Company and which are currently known to the Directors. These risks and uncertainties are not the only ones facing the Company and additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Company's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Company's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Company and its shareholders to the extent that investors in the Bonds may not receive the expected income and may lose some or all of their investment.

Although the Bonds are secured, neither the interest payable nor the investment amount is guaranteed. If the Company were to become insolvent there is the risk that (a) some or all the nominal value of the Bonds will not be redeemed; and (b) some or all the interest due on the Bonds will not be paid.

3.1 General Risks

An investment in the Bonds may not be suitable for all recipients of this Document. Accordingly, investors are strongly advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000.

An investment in the Bonds are only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment.

An investment in the Bonds is subject to a number of risks. Accordingly, prospective investors should consider carefully the risks attaching to the Bonds prior to making any investment decision.

Although the Company has applied for the Bonds to be admitted to trading on the ISDX Growth Market, the Company's securities are not currently listed on a market and therefore it may be difficult for an investor to realise his investment and he may receive less than the amount paid for it and, as such, the Bonds should not be considered suitable as a short term investment. Investment in Bonds carries a higher degree of risk than an investment in bonds quoted on a regulated exchange.

Investors must be prepared to take a medium to long term view of their investment. There is no guarantee that the application to have the Bonds admitted to trading on the ISDX Growth Market will be successful or that there will be a liquid market for the Bonds if the application is successful. Substantial movement in the price of the Bonds should not be expected until sufficient time has elapsed for the Company to demonstrate its ability to achieve returns on its investments.

In the event of a Bondholder wishing to sell his Bonds, there is no guarantee that there will be a purchaser with whom to match the bargain. Investors should therefore regard their investment in the Bonds as of an illiquid nature and closed ended and one that may require to be held for the full five-year term to the Redemption Date.

Prospective investors should consider with care whether an investment in the Bonds is suitable for them in the light of their personal circumstances and the financial resources available to them.

An investment in the Bonds should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Bonds will occur or that the trading objectives of the Company will be achieved. Investors may not get back the full amount initially invested if any or a combination of the following risks materialise because the Company's business, financial condition, operational performance could be materially and adversely affected.

The price of securities and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

Any alteration in general economic conditions and trends including, for example, changes to interest rates, rates of inflation, industry conditions, political and diplomatic events, tax laws, regulation and other factors can substantially and adversely affect equity investments and the Company's prospects.

3.2 Risks Relating to the Company and its Business

In addition to the other relevant information available to investors, the Directors consider the following risk factors to be of particular relevance to the Company's activities and to any investment in the Bonds. These risks could affect the Company's ability to meet its obligations in relation to the payment of interest on the Bonds and the redemption of the Bonds. It should be noted that this list is not exhaustive and that other risk factors may apply.

3.2.1 Operating History

Although its management is experienced, the Group has some history in this marketplace upon which an evaluation of the Company and its prospects can be based. The Company's business must also be considered in light of the risks, expenses and problems frequently encountered by companies at an early stage of development. Failure to achieve predicted returns on investments may result in income growing more slowly than anticipated or not materialising at all. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.2 Ability to Generate Income

The business is at an early stage of income generation and as a result, aspects of its business strategy are not proven. At this stage, the Company cannot, with certainty, say that it will generate the returns to the extent it has projected. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.3 Forward-looking Statements

Certain statements in this Document may constitute forward-looking statements relating to such matters as business prospects, new products, services and similar matters. A variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements.

3.2.4 Risks relating to Taxation

This Document is prepared in accordance with current legislation, rules and practice. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any such changes, and in particular, any changes to the basis of taxation, tax relief, rates of tax or an investor's tax position may affect the availability of tax reliefs and deferrals and may also affect the return made by the Company or by the investors from the Company as the case may be. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.5 Risks related to Returns

The level of return to investors in respect of the Bonds, being the fixed coupon of 7% and the additional 1% redemption premium may be affected by the economic performance of the investments made by the Company. Therefore assumptions, projections, intentions or targets included within this Document cannot and do not constitute a definitive forecast of how the Company will perform but have been prepared upon assumptions which the Directors consider reasonable.

The nominal value of the Bonds will not vary but the market value of the Bonds may decrease as well as increase. Investors may therefore realise less than their original investment if they sell their investment prior to the Redemption Date.

The Company and its wholly owned subsidiary, Positive Mental Health Limited, have no longstanding trading records on which investors can evaluate their potential future profitability. The realisation of such profit and the extent of any profit realised is, however, dependent on a number of factors and there can be no guarantee as to profitability. The payment of any coupon on the Bonds or repayment of the principal on redemption is dependent upon the Company generating sufficient income and return on its acquired companies.

3.2.6 Exchange Rate Risks and Exchange Controls

The Company will pay principal and interest on the Bonds in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls.

An appreciation in the value of the investor's currency relative to Sterling would decrease (i) the investor's currency-equivalent yield on the Bonds, (ii) the investor's currency-equivalent value of the principal payable on the Bonds and (iii) the investor's currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.7 Interest Rate Risks

The Bonds bear interest at a fixed rate. Potential investors should note that if interest rates rise, then the income payable on the Bonds might become less attractive and the price that investors could realise on a sale of the Bonds may fall. However, the market price of the Bonds from time to time has no effect on the total income investors receive on maturity of the Bonds if the investor holds the Bonds until the maturity date. Further, inflation will reduce the real value of the Bonds over time, which may affect what investors could buy with their investment in the future and may make the fixed rate payable on the Bonds less attractive in the future, again affecting the price that investors could realise on a sale of the Bonds.

3.2.8 Dependence on Amount Raised

Investors should note that if the Company is unable to issue further Bonds in the future and achieve sufficient scale, the Company may be unable to carry out its business plan in full. Accordingly, the Company's growth and profitability may be adversely affected. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.9 Dependence on Directors

The Company's ability to be a successful and profitable company depends, to a significant extent, on the continued service of its Directors. The loss of service of one or more of these key employees could materially and adversely affect the Company's business and prospects. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.10 Regulation

A change in law or regulation in the jurisdiction in which the business operates could adversely affect the business and prospects. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.11 Redemption of the Bonds and Security

The Bonds will be secured by way of a floating charge on the assets of the Company. The Company's assets will principally comprise shares in Positive Mental Health Limited and other companies that it may acquire in the future and surplus cash. It will have no other assets or sources of revenue available for payment of any or its obligations under the Bonds. No assurance can be made that the proceeds available for and allocated to the repayment of the Bonds at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Bonds. If the net proceeds of liquidation received by the Company on liquidation of all of the Company's assets or the proceeds of enforcement of any secured assets received by the Trustee for the benefit of the Bondholders prove insufficient to make payments on the Bonds, no other assets will be available for payment of the deficiency, and following distribution of the proceeds of such realisation, the Company will have no further obligation to pay any amounts in respect of such deficiency. Payment of any redemption amount will only be made after the distribution of the amounts described in the terms and conditions of the Bonds. In addition, only the Trustee may enforce the security over the charged assets in accordance with, and subject to, the terms of the Trust Deed. None of the Bondholders nor any other secured party will be entitled at any time to proceed against the Company unless the Trustee having become bound to proceed, fails or neglects to do so. No person other than the Company will be obliged to make payments on the Bonds.

3.2.12 Risks Relating to Company's Ability to Attract and Retain Candidates

The Company's success depends in significant part on its ability to attract qualified candidates, who can be hard to find, particularly in the highly "in-demand" healthcare sector. The Company's performance is dependent on the Company's ability to retain qualified candidates by finding desirable positions on a timely basis. Any one or a combination of such factors could adversely affect the Company's trading which, in turn, would have an adverse effect on the value and return on the investment. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.13 Risks Relating to Company's Ability to Find and Fill Vacancies

The Company's success depends in significant part on its ability to find vacancies that need filling, which involves having in place the most advantageous supply agreements direct with customers (in some cases with exclusivity), being approved on as many NHS frameworks as possible (i.e., obtaining preferred supplier status), and putting in place all the processes and automated systems (i.e., portals) through which customers invite agencies to submit candidates.

The Company's success also depends in significant part on its ability to fill the vacancies, which requires being proactive and dynamic in quickly identifying suitable candidates for a given vacancy and submitting them to the client. Often a candidate will be known to more than one agency, in which case the first agency putting forward the successful candidate will always be the one receiving the fee. Having the brightest and best-motivated recruiters, allied to the best software to assist with the process of collecting information on the vacancy, narrowing down the search and then submitting candidates is vital.

Any one or a combination of such factors relating to finding and filling vacancies could adversely affect the Company's trading which, in turn, would have an adverse effect on the value and return on the investment. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.2.14 Risks attaching to this investment

The Company has offered for subscription unquoted securities comprising its Bonds. Investments in a small unquoted company such as the Company involve greater risk than investments in quoted securities or shares. Unquoted securities may be subject to transfer restrictions and may be difficult to sell. It may be difficult to obtain information as to how much an investment is worth or the degree of risk to which the investment is subject at any given time. Although the Company intends to apply for the Bonds to be quoted on the ISDX Growth Market, there is no guarantee the application for Admission will be successful or that there will be a liquid market for the Bonds if the listing is successful. The value of investments can go down as well as up and prospective investors may not get back the full amount originally invested. An investment should, therefore, only be considered by those persons who are prepared to sustain a loss on their investment. Investors should be aware of the risks of investment in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Before investing, prospective investors are strongly recommended to consult an authorised person specialising in advising on investments of the kind described in this Document.

IN ADDITION, THE FOLLOWING SPECIFIC FACTORS SHOULD BE CONSIDERED CAREFULLY IN EVALUATING WHETHER TO MAKE AN INVESTMENT IN THESE BONDS. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE OR THE CONTENTS OF THIS BOND, YOU SHOULD SEEK YOUR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES FROM YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED BY THE FCA TO CONDUCT INVESTMENT BUSINESS.

WHILST THE BONDS ARE SECURED, IF THE COMPANY WERE TO BECOME INSOLVENT THERE IS THE RISK THAT (A) SOME OR ALL OF THE NOMINAL VALUE OF THE BONDS WILL NOT BE REDEEMED; AND (B) SOME OR ALL OF THE INTEREST RETURN DUE ON THE BONDS WILL NOT BE PAID.

BONDHOLDERS MAY RECEIVE LESS THAN THE ORIGINAL AMOUNT INVESTED.

THE BONDS ARE HELD IN THE NAME OF THE COMPANY. THE COMPANY IS DEPENDENT UPON ITS INVESTMENTS PERFORMING IN ORDER FOR IT TO BE ABLE TO FUND THE INTEREST PAYMENTS DURING THE BOND'S FIXED TERM AND REPAY THE CAPITAL AMOUNT ON REDEMPTION.

INVESTMENT IN A SECURITY OF THIS NATURE, BEING AN ILLIQUID INVESTMENT, IS SPECULATIVE, INVOLVING A DEGREE OF RISK. IT MAY NOT BE POSSIBLE TO REDEEM THE BONDS PRIOR TO THE FINAL REDEMPTION DATE. THERE MAY NOT BE BUYERS WILLING TO PURCHASE THE BONDS IN THE MARKET.

THE BONDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL POTENTIAL BONDHOLDERS.

3.2.15 Financial Risks and Liquidity

The Company's results and financial condition are entirely dependent on the trading performance of the Company's investments. The Company's ability to pay the interest and repay the principal amount on

redemption will depend upon the level of profit, if any, made on the Company's development projects.

3.2.16 Factors which are material for the purpose of assessing the investment risks associated with the Bonds

The Bonds may not be a suitable investment for all potential applicants. Each potential applicant of the Bonds must determine the suitability of that investment in light of his own circumstances.

In particular each potential applicant should:

- with the help of an authorised independent financial adviser have sufficient knowledge and experience to make a meaningful evaluation of the Bond, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this invitation or any applicable supplement;
- with the help of an authorised independent financial adviser have access to, and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- with the help of an authorised independent financial adviser understand thoroughly the terms of the Bonds; and
- be able to evaluate, with the help of an authorised independent financial adviser, possible scenarios for economic, interest rates and other factors that may affect its investment and its ability to bear the applicable risks.

3.2.17 Risks Related to the Structure of the Bonds – Modification, determination, waivers and substitution

The terms of the Trust Deed provide that the Trustee may without the consent of Bondholders and subject to the provisions of the Trust Deed, agree to any modification of, or to the waiver or authorisation of any breach of any of the provisions of the Trust Deed which is (in the opinion of the Trustee) not materially prejudicial to the interests of the Bondholders or is of a formal, minor or technical nature or which is made to correct a manifest error.

3.2.18 Change of Law

The Trust Deed is based on English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the entering into of the Trust Deed.

3.2.19 Financial Services Compensation Scheme (FSCS)

The Bond is not protected from loss by the Financial Services Compensation Scheme.

3.2.20 Tax And Individual Savings Accounts (ISA)

Bondholders should seek their own tax advice as to the consequences of owning the Bonds as well as receiving returns from them. No representation or warranty, express or implied, is given to Bondholders as to the tax consequences of their acquiring, owning or disposing of the Bonds and neither the Company or its employees/directors will be responsible for any tax consequences for any such applicants. Any commentary is general in nature and is intended as a guide only to the United Kingdom taxation consequences of the acquisition, ownership or redemption of the Bonds by a Bondholder resident in the United Kingdom.

3.2.21 Interest Rate Risks

The Bond is a fixed rate obligation and involves the risk that Bondholders will not benefit from any subsequent increases in market interest rates.

3.2.22 Transferability or Early Redemption

The Bond is transferable.

Save for the death of a SIPP beneficiary, there are no provisions for early redemption, with the principal amount plus interest for the final year being paid on the Redemption Date into the account nominated by the Bondholder at issue.

THE FOREGOING FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS AND SIGNIFICANT CONSIDERATIONS INVOLVED IN INVESTING IN THE BONDS. ACCORDINGLY AND AS NOTED ABOVE ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE COMPANY MAY ALSO HAVE AN ADVERSE EFFECT ON THE COMPANY'S BUSINESS AND PROSPECTS.

PART IV
Terms and Conditions of Bonds

The terms and conditions contained in this part have been extracted from the Trust Deed, and are presented in a summary fashion. To view copies of the Trust Deed or Security Deed in full, please request copies from the Company in writing at the Company's registered office.

The following are the terms and conditions applicable to the Original Stock (these "**Conditions**").

The Bonds (the "**Original Stock**") of Positive Healthcare plc (the "**Company**") are constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") and secured by a Security Deed (as defined below), each dated 15 December 2015, and made between the Company and Beaufort Asset Clearing Services Limited (as trustee pursuant to both the Trust Deed and the Security Deed, the "**Trustee**", which expression shall include any successor as Trustee) as trustee for each Registered Stockholder (as defined below).

Copies of the Trust Deed and the Security Deed are available for inspection during normal business hours at the registered office for the time being of the Company being at the date of the issue of the Original Stock at Warlies Park House, Horseshoe Hill, Upshire, Essex EN9 3SL and at the registered office of the Trustee. The Registered Stockholders are entitled to the benefit of, and are deemed to have notice of, all the provisions of the Trust Deed and the Security Deed.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes these Conditions) and the Security Deed. In the event of any conflict between these Conditions and the Trust Deed or the Security Deed, the Trust Deed or the Security Deed, as applicable, shall govern.

1. DEFINITIONS

Capitalised terms used herein without definition shall have the same meanings ascribed to such terms in the Trust Deed unless the context otherwise requires or unless otherwise stated.

In these Conditions:

"Applicable Issue Date" means, with respect to any Tranche, the date on which such Tranche is issued (which, in the absence of manifest error, is the date of first entry of such Tranche into CREST);

"Appointee" means any attorney, manager, agent, delegate, nominee, custodian, receiver or other person appointed by the Trustee under, or pursuant to, these Conditions, the Trust Deed or the Security Deed;

"Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the City of London;

"Company Security" has the meaning given to it in Condition 4 (*Security*);

"Events of Default" means the events detailed in Condition 12.1 (*Events of Default*) and **"Event of Default"** means any of them;

"Initial Issue Date" means 4 January 2016;

"Interest Payment Dates" means (i) 28 February and 31 August in each year during the Term of the Original Stock and (ii) the Maturity Date, and **"Interest Payment Date"** means any such date;

"Maturity Date" means 31 January 2021;

"Paying Agency Agreement" means (i) the letter of engagement dated 10 November between the Company and the Paying Agent for the making of all payments in respect of the Original Stock to Registered Stockholders on behalf of the Company, as amended and/or supplemented and/or restated from time to time and (ii) any paying agency agreement entered into between the Company and any additional or successor paying agent;

"Paying Agent" means the Registrar which expression shall include any additional or successor paying agent;

"Potential Event of Default" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request, would constitute an Event of Default;

"Registered Stockholder" means the person(s) in whose name an Original Stock is, or Original Stock is, registered (regardless of underlying beneficial ownership);

"Registrar" means SLC Registrars or such other registrar for the time being of the Company responsible for maintaining the Register;

"Relevant Date" means, with respect to any payment due in respect of the Original Stock, the date on which such payment first becomes due but, if the full amount of the money payable has not been received by the Paying Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect is duly given to the Registered Stockholders by the Company in accordance with Condition 13 (*Notices*);

"Reserved Matter" means a modification of the Maturity Date or any Interest Payment Date, a reduction or cancellation of the principal or interest payable in respect of the Original Stock or an alteration of the currency of payment of the Original Stock;

"Security Deed" means the fixed and floating charge security document dated 15 December 2015 made between the Company and the Trustee (as modified and/or supplemented and/or restated from time to time) securing the assets of the Company in favour of the Trustee as described therein;

"SIPP Beneficiary" means the beneficiary of a self invested personal pension;

"Taxes" has the meaning given to it in Condition 10.1 (*Withholding*);

"Term of the Original Stock" means the period commencing on the Initial Issue Date and ending on the Maturity Date;

"Tranche" means Original Stock ranking *pari passu* and having a common Maturity Date and having the same Applicable Issue Date, so that Original Stock with different Applicable Issue Dates shall be designated as different Tranches by reference to their respective Applicable Issue Dates, but shall constitute a single series.

2. **FORM AND DENOMINATION**

- (a) The Original Stock is in registered form, in the denomination of £1 and integral multiples thereof.
- (b) The Original Stock will not be represented by certificates. The person(s) in whose name(s) any Original Stock is registered in the register (the **"Register"**) relating to the Original Stock maintained by the Registrar will (to the fullest extent permitted by applicable law) be treated at all times for all purposes (including the purpose of making payments, whether or not any such payments are overdue) as the absolute owner thereof.

3. **STATUS**

The Original Stock are direct obligations of the Company, are secured in the manner set out in Condition 4 (*Security*), and rank *pari passu* without preference or priority amongst themselves.

4. **SECURITY**

The Company's obligations in respect of the Original Stock is secured pursuant to the Security Deed by way of charge and assignment in respect of the Charged Assets in favour of the Trustee for the benefit of itself and the Registered Stockholders, as more fully described in the Security Deed.

The security created by the Security Deed and/or pursuant to any deed or document supplemental thereto is referred to herein as the "**Company Security**".

The Company Security shall become enforceable upon the delivery of an Acceleration Notice (as defined in Condition 12).

5. **ORDER OF PAYMENTS**

Following the enforcement of the Company Security, the net proceeds of enforcement of the Company Security shall be applied in the following order of priority:

- (a) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any Appointee in preparing and executing the trusts under the Trust Deed or the Security Deed (including the costs of realising any Company Security and the Trustee's and any such Appointee's remuneration);
- (b) second, in payment of all amounts owing to the Paying Agent and the Registrar;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, to the Registered Stockholders of any interest due and payable in respect of the Original Stock;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, to the Registered Stockholders of any principal due and payable in respect of the Original Stock;
- (e) fifth, in payment of any other unpaid fees and expenses of the Company (in each case insofar as they relate to the Original Stock) on a *pro rata* and *pari passu* basis; and
- (f) sixth, in payment of any surplus to the Company.

6. **COVENANTS**

6.1 **General Covenants**

In addition to the covenants of the Company set out in the Trust Deed and the Security Deed, for so long as any of the Original Stock remains outstanding, the Company covenants that it will not without the consent in writing of the Trustee engage in any activity, or do anything other than:

- (a) carry out the business of a company which has as its purpose raising finance and using the proceeds to make and manage the Eligible Investments; and
- (b) perform any act incidental to or necessary in connection with (a) above.

The Company also covenants, for so long as any of the Original Stock remains outstanding, not to create or permit to subsist, over any of the security constituted by or created pursuant to the Security Deed, any mortgage or charge or any other security interest ranking in priority to the security created by or pursuant to the Security Deed, save as expressly permitted by the Security Deed.

6.2 **Information Covenants**

For so long as any of the Original Stock remain outstanding, the Company shall:

- (a) send (by conventional postal transmission in printed form or electronic means, as determined by the Company in its sole discretion) to each Registered Stockholder a copy of the annual report of the Company no later than six months after the Company's fiscal year end; and
- (b) at the request of Registered Stockholders holding not less than 75 per cent. in principal amount of the Original Stock for the time being outstanding, convene a meeting of the Registered Stockholders to discuss the financial position of the Company, **provided, however, that** the Company shall not be required to convene any such meeting pursuant to this Condition 6.2(b) more than once in any calendar year. Upon the request of Registered Stockholders to convene any such meeting, as aforesaid, the Company shall notify all Registered Stockholders of the date

(which date shall be no more than 21 days following such request), time and place of the meeting in accordance with Condition 13 (*Notices*). The Company shall act in good faith in addressing any questions regarding its financial position raised at any such meeting, **provided, however, that** the Company shall not be obliged to disclose any information which it, in its absolute discretion, considers to be of a confidential nature. For the avoidance of doubt, the provisions of this Condition 6.2(b) are in addition to the meetings provisions set out in Condition 14 (*Meetings of Registered Stockholders, Modification and Waiver*).

7. INTEREST

7.1 Interest Rate and Interest Payment Dates

The Original Stock will bear interest from (and including) the Applicable Issue Date at an annual rate of 6 per cent., payable in arrears on each Interest Payment Date in respect of the period from and including the immediately preceding Interest Payment Date to but excluding the current Interest Payment Date or, in relation to the first Interest Payment Date applicable to any Tranche, the period from and including the Applicable Issue Date for such Tranche to but excluding the first Interest Payment Date occurring after such Applicable Issue Date. Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year.

7.2 Interest Accrual

Each Original Stock will cease to bear interest from (and including) its due date for redemption, unless payment of the principal in respect of the Original Stock is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in this Condition 7.

7.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period that ends prior to an Interest Payment Date, it shall be calculated on the basis of (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to (but excluding) the next following Interest Payment Date multiplied by 4, and multiplying this fraction by the rate of interest specified in Condition 7.1 (*Interest Rate and Interest Payment Dates*) and the relevant principal amount of the Original Stock.

8. PAYMENTS

8.1 Payments in respect of Original Stock

Payments of principal in respect of each Original Stock will be made by the Paying Agent to the relevant Registered Stockholder appearing on the Register on the date that is 15 calendar days prior to the due date for payment.

8.2 Payments of interest in respect of each Original Stock will be made by the Paying Agent to the relevant Registered Stockholder 15 calendar days after the Interest Payment Date to relevant Registered Stockholder appearing on the Register on the Interest Payment Date.

8.3 Method of Payment

Payments of principal and interest in respect of each Original Stock will be made by the Paying Agent by credit in Sterling to the account maintained by the relevant Registered Stockholder with CREST.

8.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Original Stock is subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

8.5 **Payment Day**

If the date for payment of any amount in respect of any Original Stock is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

8.6 **Initial Paying Agent**

The Paying Agent has been appointed under the Paying Agency Agreement. The Company reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the Paying Agency Agreement and/or to terminate the appointment of the Paying Agent and to appoint additional or other Paying Agents provided that there will at all times be at least one paying agent for the Original Stock.

Notice of any termination of appointment of a Paying Agent will be given to the Registered Stockholders promptly by the Company in accordance with Condition 13 (*Notices*).

9. **REDEMPTION AND PURCHASE**

9.1 **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified in these Conditions, the Original Stock will be redeemed by the Company at their principal amount with a one per centum redemption premium on the Maturity Date payable to the holder of the Bond on the Maturity Date.

9.2 **Registered Stockholder Put Request**

Following the death of a SIPP beneficiary, a Registered Stockholder may by notice accompanied by a copy of the death certificate of the relevant SIPP beneficiary request the Company to redeem some or all of the Original Stock attributable to such SIPP beneficiary (the "**Registered Stockholder Put Request**") not later than 180 days after the date on which the relevant request is given to the Company (the "**Put Request Date**"), together with any interest accrued up to but excluding the Put Request Date.

On the Put Request Date, the Company may in its discretion redeem all of the Original Stock in respect of which a Registered Stockholder Put Request has been exercised, at their aggregate principal amount together with any interest accrued up to but excluding the Put Request Date.

9.3 **Notice of Early Redemption**

Notice of any early redemption in accordance with Condition 9.2 (*Registered Stockholder Put Request*) above shall be given by the Company to the Trustee and the Paying Agent in accordance with Condition 13 (*Notices*), as promptly as practicable.

9.4 **Calculations**

Each calculation, by or on behalf of the Company, for the purposes of this Condition 9 shall, in the absence of manifest error, be final and binding on all persons. If the Company does not at any time for any reason calculate amounts referred to in this Condition 9, such amounts may be calculated by the Trustee, or an agent appointed (at the expense of the Company) by the Trustee for this purpose (without any liability accruing to the Trustee as a result) based on information supplied to it by the Company, and each such calculation shall be deemed to have been made by the Company.

9.5 **Purchase of Original Stock by the Company**

The Company may purchase Original Stock at any time.

9.6 **Cancellation of purchased or redeemed Original Stock**

All Original Stock redeemed by the Company pursuant to Condition 9.2 (*Registered Stockholder Put Option*) or purchased by the Company pursuant to Condition 9.5 (Purchase of Original Stock by the Company) shall be cancelled and may not be issued or resold.

10. TAXATION

10.1 Withholding

To the extent required by law, payments of principal and interest in respect of the Original Stock by or on behalf of the Company shall be made subject to withholding and/or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the United Kingdom or any political subdivision or authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or authority thereof or therein having power to tax to which the Company becomes subject in respect of payments made by it of principal and interest on the Original Stock.

10.2 No obligation to pay additional amounts

Neither the Company, the Trustee nor the Paying Agent shall be obliged to pay any additional amounts to the Registered Stockholders as a result of any withholding or deduction made in accordance with Condition 10.1 (*Withholding*).

11. PRESCRIPTION

Claims in respect of the Original Stock will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

12. EVENTS OF DEFAULT AND ENFORCEMENT

12.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 75 per cent.- in principal amount of the Original Stock then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being secured and/or indemnified to its satisfaction) shall (but in the case of the happening of any of the events described in paragraphs 12.1(b) and (i) below, only if the Trustee shall have certified in writing to the Company that such event is, in its reasonable opinion, materially prejudicial to the interests of the Registered Stockholders), give notice in writing (an "**Acceleration Notice**") to the Company that the Original Stock is, and the Original Stock shall thereupon immediately become, due and repayable at their principal amount together with accrued interest as provided in the Trust Deed if any of the following events (each, an "**Event of Default**") shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Original Stock or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Company fails in any material respect to perform or observe any of its other obligations under, or in respect of, these Conditions, the Trust Deed or the Security Deed or if any representation given by the Company to the Trustee in the Trust Deed or the Security Deed is found to be materially untrue, incorrect or misleading as at the time it was given and (except in any case where, in the reasonable opinion of the Trustee, the failure or inaccuracy is incapable of remedy) the failure or inaccuracy continues for a period of 30 days next following the service by the Trustee on the Company of notice requiring the same to be remedied; or
- (c) (A) any other present or future indebtedness of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised **provided that** the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds £100,000 or its equivalent in other currencies (as reasonably determined by the Trustee); or
- (d) if any order is made by any competent court or resolution passed for the winding-up or dissolution of the Company save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

- (e) if the Company ceases or threatens to cease to carry on the whole or, in the opinion of the Trustee, a substantial part of its business, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (f) if the Company stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (g) if (A) proceedings are initiated against the Company under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, liquidator, manager, administrator or other similar official, or an administrative or other receiver, liquidator, manager, administrator or other similar official is appointed, in relation to the Company or, as the case may be, in relation to all or substantially all of the Company's undertaking or assets, or an encumbrancer takes possession of all or substantially all of the Company's undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the Company's undertaking or assets and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (h) if the Company initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium); or
- (i) if the Company makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (j) if it is or will become unlawful for the Company to perform or comply with any of its obligations under or in respect of the Original Stock, the Trust Deed or the Security Deed.

12.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Company as it may think fit to enforce the provisions of the Trust Deed, the Security Deed or otherwise, but it shall not be bound to take any such proceedings or other steps or action in relation to the Trust Deed, the Security Deed or otherwise unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 75 per cent. in principal amount of the Original Stock then outstanding and (ii) it shall have been secured and/or indemnified to its satisfaction.

No Registered Stockholder shall be entitled to (i) take any steps or action against the Company to enforce the performance of any of the provisions of the Trust Deed, the Security Deed, or the Paying Agency Agreement or (ii) take any other action (including lodging an appeal in any proceedings) in respect of or concerning the Company, in each case unless the Trustee, having become bound so to take any such steps, actions or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

13. NOTICES

13.1 To Registered Stockholders

Notices to be given to Registered Stockholders regarding the Original Stock will be deemed to be validly given if sent by first class pre-paid letters to the Registered Stockholders at their addresses entered in the Register or by means of electronic communication if a Registered Stockholder has provided electronic communication details. Any such notices will be deemed to have been given on the date two days after the date of despatch of such letters or on the same day in the case of electronic transmission. The Company shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Original Stock is for the time being listed or by which they have been admitted to trading. If, in the opinion of the Trustee, publication as provided above is not practicable, a notice shall be validly given if published in a leading daily English language newspaper with general circulation in Europe.

13.2 From Registered Stockholders

Notices to be given by any Registered Stockholder shall be in writing and will be deemed to be validly given if sent by first class pre-paid letters to the then-current registered office of the Registrar.

14. MEETINGS OF REGISTERED STOCKHOLDERS, MODIFICATION AND WAIVER

14.1 Meetings of Registered Stockholders

The Trust Deed contains provisions for convening meetings of the Registered Stockholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the provisions of the Trust Deed (including these Conditions) or the Security Deed. Such a meeting may be convened by the Company or the Trustee and shall be convened by the Trustee if requested in writing by Registered Stockholders holding not less than 10 per cent. in principal amount of the Original Stock for the time being outstanding (other than in respect of a meeting requested by Registered Stockholders to discuss the financial position of the Company, which shall be requested in accordance with, and shall be subject to, Condition 6.2(b) (*Information Covenants*)).

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in aggregate at least 75 per cent. in principal amount of the Original Stock for the time being outstanding, or at any adjourned meeting one or more persons holding or representing in aggregate at least 75 per cent. in principal amount of the Original Stock for the time being outstanding, except that at any meeting the business of which includes a Reserved Matter, the quorum shall be one or more persons holding or representing in aggregate not less than 75 per cent. in principal amount of the Original Stock for the time being outstanding, or at any such adjourned meeting one or more persons holding or representing in aggregate not less than 75 per cent. in principal amount of the Original Stock for the time being outstanding.

The Trust Deed defines "Extraordinary Resolution" as a resolution expressed as such and passed at a duly convened meeting of the Registered Stockholders by a majority consisting of not less than 75 per cent. of the persons voting at such meeting upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75 per cent. of the votes given on such poll. An Extraordinary Resolution passed by the Registered Stockholders is binding on all the Registered Stockholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

- 14.2 A resolution in writing signed by or on behalf of Registered Stockholders holding not less than 75 per cent. in principal amount of the Original Stock for the time being outstanding or a consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of Registered Stockholders holding not less than 75 per cent. in principal amount of the Original Stock for the time being outstanding, shall, in each case, be as valid and effective as an Extraordinary Resolution passed at a meeting of the Registered Stockholders.

14.3 Modification, Waiver, Authorisation and Determination

The Trust Deed provides that the Trustee may agree, without the consent of the Registered Stockholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed (including these Conditions), the Security Deed or any other agreement relating to the Stock to which the Trustee is a party, or determine, without any such consent as aforesaid, that any Potential Event of Default or Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Registered Stockholders so to do or may agree, without any such consent as aforesaid, to any modification which, in the opinion of the Trustee, is of a formal, minor or technical nature or necessary to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, waiver, authorisation or determination shall be in writing, shall be binding on the Registered Stockholders and shall be notified to the Registered Stockholders in accordance with the notice provisions of the Security Deed as soon as practicable thereafter (unless the Trustee determines such notice is unnecessary).

14.4 Trustee to have regard to interests of Registered Stockholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall: (i) have regard to the general interests of the Registered Stockholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Registered Stockholders

whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Registered Stockholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Registered Stockholder be entitled to claim, from the Company, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Registered Stockholders and (ii) shall not be required to have regard to the interests of any other secured parties.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE COMPANY

The Trust Deed and the Security Deed contain provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless secured and/or indemnified to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into or be interested in any contract or financial or other transaction or arrangement with the Company or any subsidiary and (b) to accept or hold the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Company or any subsidiary.

The Trustee shall not be bound to take any step or action in connection with the Trust Deed, the Security Deed or the Original Stock or obligations arising pursuant thereto, where it is not satisfied that it is indemnified and/or secured against all its liabilities and costs incurred in connection with such step or action and may demand, prior to taking any such step or action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so as to indemnify it.

The Trustee shall have no responsibility for the validity, sufficiency or enforceability of the Company Security. The Trustee shall not be responsible for monitoring the compliance by the Paying Agent with its obligations under the Paying Agency Agreement, nor shall the Trustee be responsible for monitoring the compliance by the relevant counterparties with their respective obligations in connection with the Eligible Investments.

16. FURTHER STOCK

The Trust Deed provides that the Company has the power, without the consent of the Registered Stockholders, to create and issue further Stock ranking *pari passu* or junior in point of security with the Original Stock and carrying the same rights in all respects as the Original Stock and forming one class with the Original Stock or upon such terms as the Company may determine at the time of their issue. The Company is not permitted to issue any further Stock that is expressed to be and rank senior in point of security to the Original Stock.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person other than the Trustee shall have any right to enforce these Conditions under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW

The Trust Deed, the Security Deed and the Paying Agency Agreement and any non-contractual obligations or matters arising from or in connection with them are governed by English law.

