

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

A copy of this prospectus, which constitutes a prospectus relating to GLI Finance Limited (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (“FCA”) made under Section 84 of FSMA, has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

The Company and the Directors, whose names are set out on page 35 of this prospectus, accept responsibility for the information contained in this prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Applications will be made to the UK Listing Authority and to the London Stock Exchange respectively for admission of the 2020 ZDP Shares to be issued pursuant to the Issue: (i) to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules); and (ii) to the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that unconditional dealings in such 2020 ZDP Shares will commence on the London Stock Exchange at 8.00 a.m. on 22 December 2015.

Applications will be made to the UK Listing Authority and to the London Stock Exchange respectively for admission of the 2020 ZDP Shares to be issued pursuant to the Placing Programme: (i) to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules); and (ii) to the London Stock Exchange’s main market for listed securities. It is expected that Subsequent Admission will become effective and that unconditional dealings in such 2020 ZDP Shares will commence on the London Stock Exchange during the period from 23 December 2015 to 2 December 2016.

Investors should read this prospectus in its entirety. In particular, your attention is drawn to the Risk Factors set out on pages 14 to 27 of this prospectus.

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# GLI FINANCE LIMITED

*(a non-cellular company limited by shares incorporated in Guernsey with registered number 43260)*

## **Placing and Open Offer of up to 40 million 2020 ZDP Shares at 100 pence per share**

### **Placing Programme of 2020 ZDP Shares**

#### ***Placing Agent***

#### **PANMURE GORDON (UK) LIMITED**

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Panmure Gordon (UK) Limited (“Panmure Gordon”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to each Admission, the Issue, the Placing Programme and the other arrangements referred to in this prospectus. Panmure Gordon will not regard any other person (whether or not a recipient of this prospectus) as its client in relation to any Admission, the Issue or the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Panmure Gordon or for providing any advice in relation to any Admission, the Issue, the Placing Programme, the contents of this prospectus or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Panmure Gordon for the accuracy of any information or opinions contained in this prospectus or for the omission of any material information, for which it is not responsible.

**Completed Application Forms and payments under the Open Offer must be received by 11.00 a.m. on 18 December 2015. The procedure for application and payment is set out on pages 63 to 84 of this prospectus.**

The Issue and the Placing Programme are conditional on the approval of Ordinary Shareholders. A notice convening the Extraordinary General Meeting is set out in a circular to Ordinary Shareholders dated 3 December 2015.

The 2020 ZDP Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of any province or territory of Australia, Canada, New Zealand, the Republic of South Africa or Japan. Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The 2020 ZDP Shares have not been and will not be offered or sold in the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan or to or for the account or benefit of any person resident in the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan and this prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for 2020 ZDP Shares in such jurisdictions or in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. These materials may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan. The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves of and observe any restrictions.

Application will be made for the 2020 ZDP Shares to be admitted to the standard segment of the Official List. A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to a Premium Listing, which are subject to additional obligations and to additional eligibility criteria under the Listing Rules.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA or Rule 3.4 of the Prospectus Rules, the publication of this prospectus does not create any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of this prospectus. Notwithstanding any reference herein to the Company’s website, the information on the Company’s website does not form part of this prospectus.

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## SUMMARY

*Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A-E (A.1-E.7).*

*This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.*

### Section A – Introduction and warnings

<b>A.1</b>	Warning	<p><b>This summary should be read as an introduction to this prospectus. Any decision to invest in the 2020 ZDP Shares should be based on consideration of this prospectus as a whole.</b></p> <p>Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this prospectus before legal proceedings are initiated.</p> <p>Civil liability attaches to those persons responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or it does not provide, when read together with the other parts of this prospectus, key information in order to aid investors when considering whether to invest in the 2020 ZDP Shares.</p>
<b>A.2</b>	Use of prospectus by financial intermediaries	Not applicable. The Company has not given consent for the use of this prospectus for subsequent resale or final placement of the 2020 ZDP Shares by financial intermediaries.

### Section B – The Company

<b>B.1</b>	Legal and Commercial Name	The Company’s legal and commercial name is GLI Finance Limited.
<b>B.2</b>	Domicile/Legal Form/ Legislation/Country of Incorporation	The Company was incorporated and registered in Guernsey on 9 June 2005 as a limited liability company and the principal legislation under which the Company operates is The Companies (Guernsey) Law 2008, as amended.
<b>B.3</b>	Nature of issuer/ Current operations/ Principal activities	The Ordinary Shares are quoted on AIM. The 2019 ZDP Shares are admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s main market for listed securities. The principal activity of the Company and its Group is the provision of finance to SMEs.
<b>B.4A</b>	Known trends	The current market in which the Company participates is competitive and rapidly changing. The Company may face increasing competition for access to loans and Platforms as the peer-to-peer and peer-to-business lending industry continues to evolve.

B.5	Group structure	The Group’s assets are held through subsidiaries. GLI Finance Limited is the ultimate parent entity.																																																
B.6	Notifiable interests	<p>So far as is known to the Company by virtue of the notifications made to it pursuant to the Articles, as at the Latest Practicable Date the following persons held directly or indirectly three per cent. or more of the Company’s voting rights:</p> <table><thead><tr><th>Name</th><th>Number of voting rights held</th><th>Percentage of voting rights</th></tr></thead><tbody><tr><td>Artemis Investment Management</td><td>23,249,515</td><td>10.84</td></tr><tr><td>AXA Investment Managers</td><td>21,563,000</td><td>10.05</td></tr><tr><td>Hargreaves Lansdown Asset Managers</td><td>14,906,449</td><td>6.95</td></tr><tr><td>Waverton Investment Management</td><td>10,100,700</td><td>4.71</td></tr><tr><td>Unicorn Asset Management</td><td>9,600,000</td><td>4.47</td></tr><tr><td>SHL Employee Benefit Trust</td><td>8,067,219</td><td>3.76</td></tr><tr><td>Barclays Wealth</td><td>7,311,535</td><td>3.41</td></tr><tr><td>Ravenscroft</td><td>6,498,414</td><td>3.03</td></tr></tbody></table> <p>None of the shareholders referred to in the table above has different voting rights from any other holder of shares in respect of any shares held by them.</p> <p>The Company is not aware of any person who directly or indirectly, jointly or severally, owns or could exercise control over the Company.</p>	Name	Number of voting rights held	Percentage of voting rights	Artemis Investment Management	23,249,515	10.84	AXA Investment Managers	21,563,000	10.05	Hargreaves Lansdown Asset Managers	14,906,449	6.95	Waverton Investment Management	10,100,700	4.71	Unicorn Asset Management	9,600,000	4.47	SHL Employee Benefit Trust	8,067,219	3.76	Barclays Wealth	7,311,535	3.41	Ravenscroft	6,498,414	3.03																					
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B.7	Historical financial information	<p>The key figures that summarise the Group’s financial condition for the periods ended 31 December 2012, 2013 and 2014 and for the six months ended 30 June 2014 and 2015 are set out below:</p> <table><thead><tr><th></th><th>Year ended 31 December 2012</th><th>Year ended 31 December 2013</th><th>Year ended 31 December 2014</th><th>Six months ended 30 June 2015</th><th>Six months ended 30 June 2014</th></tr></thead><tbody><tr><td>Total assets (£m)</td><td>215.29</td><td>227.40</td><td>154.48</td><td>171.61</td><td>85.14</td></tr><tr><td>Total liabilities (£m)</td><td>(145.43)</td><td>(152.33)</td><td>(79.94)</td><td>(78.00)</td><td>(22.11)</td></tr><tr><td>Net assets (£m)</td><td>69.86</td><td>75.06</td><td>74.54</td><td>93.61</td><td>63.03</td></tr><tr><td>Net asset value per share (pence)</td><td>58.09</td><td>52.81</td><td>42.45</td><td>43.32</td><td>44.02</td></tr><tr><td>Retained earnings/(losses) carried forward (£m)</td><td>6.65</td><td>1.51</td><td>(19.16)</td><td>(23.20)</td><td>(12.77)</td></tr><tr><td>Total comprehensive income/(loss) for period (£m)</td><td>(8.15)</td><td>1.54</td><td>(12.98)</td><td>0.02</td><td>(9.45)</td></tr><tr><td>Dividends per share (pence)</td><td>4.7</td><td>5.0</td><td>5.0</td><td>2.5</td><td>2.5</td></tr></tbody></table> <p>Save as disclosed below, there has been no significant change to the Group’s financial condition and operating results during the period covered by the historical financial information.</p> <p>On 15 June 2015, the Company entered into an amendment and restatement agreement relating to a loan facility to borrow up to £30 million (the “Loan Facility”) through Sancus Limited, a subsidiary of the Company. Interest on the Loan Facility, which is secured over the Group’s assets, is charged at 11 per cent. per annum. The current balance outstanding on the Loan Facility is £24.89 million.</p>		Year ended 31 December 2012	Year ended 31 December 2013	Year ended 31 December 2014	Six months ended 30 June 2015	Six months ended 30 June 2014	Total assets (£m)	215.29	227.40	154.48	171.61	85.14	Total liabilities (£m)	(145.43)	(152.33)	(79.94)	(78.00)	(22.11)	Net assets (£m)	69.86	75.06	74.54	93.61	63.03	Net asset value per share (pence)	58.09	52.81	42.45	43.32	44.02	Retained earnings/(losses) carried forward (£m)	6.65	1.51	(19.16)	(23.20)	(12.77)	Total comprehensive income/(loss) for period (£m)	(8.15)	1.54	(12.98)	0.02	(9.45)	Dividends per share (pence)	4.7	5.0	5.0	2.5	2.5
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		<p>On 16 March 2015, a total of 34,500,000 new Ordinary Shares were placed at a price of 58 pence per Ordinary Share (raising in aggregate approximately £20 million) with new and existing institutional and other investors.</p> <p>On 4 March 2015, the Company sold its entire holding of 34,298,425 ordinary shares in FOIF at a price of US\$0.9425 per share, raising gross proceeds of approximately US\$32.3 million.</p> <p>In December 2014, the Company acquired the entire issued share capital of Sancus for total consideration of £37.75 million, satisfied by the issue of 20,000,000 ZDP Shares and 31,415,930 new Ordinary Shares to Sancus Holdings Limited. During 2014, the Company also sold its remaining direct CLO investments, a process which concluded with the sale, in June 2014, of the Company's remaining CLO assets to FOIF for total consideration of US\$54.7 million.</p> <p>Save as disclosed below there has been no significant change to the Company's financial condition and operating results subsequent to the period covered by the historical financial information.</p> <p>On 21 July 2015, the Directors declared a dividend of 1.25p per Ordinary Share for the second quarter of 2015. The dividend was payable to Ordinary Shareholders on the register on the record date of 31 July 2015.</p> <p>On 13 August 2015, the Loan Facility was amended with the final repayment dated being extended to 15 March 2017. All other terms and conditions of the Loan Facility remain unchanged.</p> <p>On 18 August 2015, the Company completed the increase of its stake in Platform Black Limited, an associate of the Company, to 43.9 per cent., through the acquisition of shares from existing Platform Black Limited shareholders.</p> <p>On 18 September 2015, 128,022 new Ordinary Shares were issued relating to shareholders who elected to take shares in lieu of cash from the Company's 2015 second quarter dividend.</p> <p>On 23 September 2015, the Company sold loans with a value of approximately £40.3 million from its SME loan book to GLIAF. GLIAF is a newly launched investment fund to which the Company's wholly-owned subsidiary, GLIAM, acts as investment manager. Its IPO completed on approximately 23 September 2015 through the issue of approximately 52.7 million new ordinary shares at a price of 100p per share, which were admitted to trading on the Specialist Fund Market of the London Stock Exchange. In</p>
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		<p>consideration for the sale, the Company received 40,270,763 of the new ordinary shares in the capital of GLIAF, representing approximately 76 per cent. of GLIAF's issued ordinary share capital.</p> <p>On 8 October 2015, the Company transferred certain loans to GLIAF for a total consideration of £5,925,000.</p> <p>On 8 October 2015, the Company entered into an agreement with Verus360 Limited, a Bibby Line Group company, to provide it with a £5 million convertible loan facility.</p> <p>On 19 October 2015, the Directors of the Company declared a dividend of 1.25p per Ordinary Share for the third quarter of 2015. The dividend was payable to shareholders on the register on the record date of 30 October 2015.</p> <p>On 21 October 2015, the Company sold from treasury 2,392,865 Ordinary Shares, at a price of 50 pence per share.</p>
<b>B.8</b>	Pro forma financial information	Not applicable. No pro forma financial information has been included in this prospectus.
<b>B.9</b>	Profit forecast	Not applicable. No profit forecast or estimate is made in this prospectus.
<b>B.10</b>	Qualifications in the audit report	Not applicable. No qualified audit report.
<b>B.11</b>	Working capital insufficiency	<p>Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this prospectus.</p> <p>If the Placing and Open Offer raise substantially less than £40 million, and no other additional capital is obtained before March 2017, the Company would plan to repay in full the Loan Facility in March 2017. The Company has assets comprising (a) a portfolio of Platform loans made to SMEs amounting to approximately £50 million, (b) an investment with a market value currently of approximately £35 million directly held in GLIAF, a quoted fund which in turn makes investments in SME loans and (c) investments in its Portfolio Companies currently valued at approximately £65 million. In making arrangements to fund repayment of the Loan Facility, assuming it could not be rolled over or its terms amended, the Company would realise assets having regard, <i>inter alia</i>, to their relative liquidity. Accordingly, the Board could anticipate taking the necessary steps to realise assets within the above categories while safeguarding the remaining assets for the benefit of all Shareholders. The repayment date of the Loan Facility falls outside the period covered by the working capital statement.</p>

### Section C – Securities

<b>C.1</b>	Type and class of securities admitted to trading	<p>The Company intends to issue 2020 ZDP Shares of no par value each pursuant to the Placing, the Open Offer and the Placing Programme.</p> <p>The ISIN of the 2020 ZDP Shares is GG00BZ08Z707. The SEDOL of the 2020 ZDP Shares is BZ08Z70.</p> <p>The ISIN of the Basic Entitlements is GG00BDB6CS98.</p>
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		The ISIN of the Excess CREST Open Offer Entitlements is GG00BYM95M96.
<b>C.2</b>	Currency of the securities issue	Sterling
<b>C.3</b>	Number of shares issued	As at the Latest Practicable Date, there were 214,559,865 Ordinary Shares and 20,791,418 2019 ZDP Shares of no par value each in the capital of the Company (fully paid) in issue.
<b>C.4</b>	Description of the rights attaching to the 2020 ZDP Shares	<p>Subject to Admission, the 2020 ZDP Shares will have a Final Capital Entitlement of 143.563 pence per share on 22 December 2020, the Maturity Date.</p> <p>As with the 2019 ZDP Shares, the 2020 ZDP Shares carry no right to any dividends but instead entitle the holders to a fixed capital return on the Maturity Date. The ZDP Shares, in general, carry no right to vote at general meetings of the Company save in respect of a resolution to vary the rights attached to the ZDP Shares. In addition, ZDP Shareholders shall have the right to vote, at a separate class meeting, to approve certain specified matters which would be likely to affect materially the position of the ZDP Shareholders.</p> <p>On a return of capital or other winding-up: first, there shall be paid to the holders of 2019 ZDP Shares an amount equal to 100 pence per 2019 ZDP Share as increased each day from 16 December 2014 up to and including the Maturity Date of 5 December 2019 at the daily compound rate which results in a Final Capital Entitlement of 130.696 pence per 2019 ZDP Share on the Maturity Date; second, there shall be paid to the holders of 2020 ZDP Shares an amount equal to 100 pence per 2020 ZDP Share as increased each day from the Issue Date up to and including the Maturity Date of 22 December 2020 at the daily compound rate which results in a Final Capital Entitlement of 143.563 pence per 2020 ZDP Share on the Maturity Date and third, subject to the terms of the Articles, there shall be paid to the holders of the Ordinary Shares in proportion to their holdings the surplus assets of the Company available for distribution.</p> <p>Certain corporate actions will be subject to the prior approval of holders of 2020 ZDP Shares unless the Cover Test is met or A Cover is otherwise increased as a result of such action.</p>
<b>C.5</b>	Restrictions on the free transferability of the securities	<p>The Board may, in its absolute discretion and without giving any reason, refuse to register the transfer of a 2020 ZDP Share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis.</p> <p>The Directors may, in their absolute discretion, refuse to register a transfer of any shares to a person that they have reason to believe is (i) an employee benefit plan (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Title 1 of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state, local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that</p>

		<p>investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and the Investment Manager (or other persons responsible for the investment and operation of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each of (i), (ii) and (iii), a Plan) or (iv) any person in circumstances where the holding of shares by such person would (a) give rise to an obligation on the Company to register as an "investment company" under the Investment Company Act; (b) preclude the Company from relying on the exception to the definition of investment company contained in Section 3(c)(7) of the Investment Company Act; (c) give rise to an obligation on the Company to register under the Exchange Act, as amended; or (d) result in the Company not being considered a Foreign Private Issuer as that term is defined by Rule 3b-4(c) promulgated under the Exchange Act.</p> <p>The Board may only decline to register the transfer of an uncertificated share in the circumstances set out in regulations issued for this purpose under the Companies Law, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.</p>
<b>C.6</b>	Admission	<p>Applications will be made to the UK Listing Authority and to the London Stock Exchange respectively for admission of the 2020 ZDP Shares to be issued pursuant to the Issue to: (i) the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules); and (ii) trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings will commence on 22 December 2015.</p> <p>Applications will also be made to the UK Listing Authority and to the London Stock Exchange respectively for admission of the 2020 ZDP Shares to be issued pursuant to the Placing Programme to: (i) the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules); and (ii) trading on the London Stock Exchange's main market for listed securities. It is expected that any Subsequent Admission will become effective and that dealings will commence between 23 December 2015 and 2 December 2016.</p>
<b>C.7</b>	Dividend policy	<p>The Company aims to provide Ordinary Shareholders with a stable and predictable dividend and a double digit return on equity. A resolution was passed at the annual general meeting of the Company held on 30 April 2015 to authorise the Board, in respect of any dividends declared for any financial period or periods of the Company ending prior to the annual general meeting of the Company to be held in 2016, to offer Ordinary Shareholders the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of any dividend(s) declared in respect of any such period or periods.</p> <p>The Directors intend to adopt the following dividend policy for the Company going forward. It is intended that aggregate dividends declared in respect of each annual accounting period are paid out of the net income of the Company in respect of that annual accounting</p>



		<p>period, such policy to be measured at the end of each accounting period. The Board may, however, exceptionally pay dividends and special dividends out of capital.</p> <p>The ability to pay dividends is dependent on a number of factors, including the level of income returns from the Company's portfolio of investments. There can be no guarantee that the Company's portfolio of investments will achieve the target rates of return referred to in this prospectus or that dividends will be paid in respect of any year or period.</p> <p>No dividends will be paid in respect of the ZDP Shares.</p>
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## Section D – Risks

<b>D.1</b>	Key information on the key risks that are specific to the issuer or its industry	<p>The Company believes that the key risk factors relating to the Group and the provision of finance to SMEs are those listed in this section. The existence or occurrence of these circumstances or any of them, in part or whole, may negatively affect the performance of the Company and/or could have a material adverse effect on the Group's financial position, results of operations, business prospects, returns to investors and the ability to pay the Final Capital Entitlement on the Maturity Date.</p> <ul style="list-style-type: none"> <li>• If the Placing and Open Offer raise substantially less than £40 million, and no other additional capital is obtained before March 2017, the Company would plan to repay in full the Loan Facility in March 2017. The Company has assets comprising (a) a portfolio of Platform loans made to SMEs amounting to approximately £50 million, (b) an investment with a market value currently of approximately £35 million directly held in GLIAF, a quoted fund which in turn makes investments in SME loans and (c) investments in its Portfolio Companies currently valued at approximately £65 million. In making arrangements to fund repayment of the Loan Facility, assuming it could not be rolled over or its terms amended, the Company would realise assets having regard, <i>inter alia</i>, to their relative liquidity. Accordingly, the Board could anticipate taking the necessary steps to realise assets within the above categories while safeguarding the remaining assets for the benefit of all Shareholders.</li> <li>• There can be no guarantee that the Company will meet its stated objective or that its portfolio will generate the rates of return referred to in this prospectus.</li> <li>• The Company is reliant on the effective operation of the IT systems operated by its Portfolio Companies for the loan acquisition process through their Platforms. Any IT systems failure could have a material adverse effect on the ability to acquire and realise investments.</li> <li>• The Group may borrow money which exposes it to risks associated with borrowings.</li> <li>• The past performance of the Group is not a reliable indicator of future performance.</li> <li>• Loans acquired through Platforms are subject to risks of borrower default. The default history for loans is limited and actual defaults may be greater than indicated by historical data.</li> </ul>
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		<ul style="list-style-type: none"> <li>• The Portfolio Companies are smaller, unlisted companies. Smaller companies, in comparison to larger companies, often have higher risk profiles. Investments in unlisted equity involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities and may be more difficult to realise.</li> <li>• Any change in the Company's tax status or in taxation legislation or practice in the United Kingdom, Guernsey or elsewhere could adversely affect the Company's ability to meet its obligations in respect of the ZDP Shares.</li> </ul>
<b>D3</b>	Key information on the key risks that are specific to the securities	<p>The key risk factors relating to the 2020 ZDP Shares are:</p> <ul style="list-style-type: none"> <li>• The 2020 Final Capital Entitlement is not guaranteed. The Company's ability to pay the 2020 Final Capital Entitlement is dependent on it having sufficient cash resources to meet such obligation. Events or changes that will have a material adverse effect on the business of the Group may have a material adverse effect on the Company's ability to meet its obligations to ZDP Shareholders.</li> <li>• The ZDP Shares have differing priorities on a return of capital, with the holders of 2019 ZDP Shares ranking in priority to the holders of the 2020 ZDP Shares.</li> <li>• Admission should not be taken as implying that there will be a liquid market for the 2020 ZDP Shares.</li> <li>• The market value of the 2020 ZDP Shares will be affected by, <i>inter alia</i>, changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of the 2020 ZDP Shares and by the financial performance of the Company, including any erosion of the Cover.</li> <li>• All of the Group's assets are held directly by the Company or by subsidiary undertakings of the Company. The Company's obligation to pay the 2020 Final Capital Entitlement is subordinated to its own current and future liabilities as well as the liabilities of its subsidiary undertakings and any relevant lenders may have recourse against particular assets of the Group. Accordingly, if there are defaults under such facilities and the lenders were to enforce that security, it could have a material adverse effect on the Company's ability to meet its obligations to the ZDP Shareholders. If the Company were to issue convertible unsecured loan stock prior to the Maturity Date, this would rank in priority to the Final Capital Entitlement of the ZDP Shares.</li> <li>• Any change in tax legislation in the UK or Guernsey could affect the taxation of returns derived from investing in 2020 ZDP Shares. Statements in this prospectus concerning the taxation of investors are based on current law and practice, which is subject to change.</li> </ul>

## Section E – Offer

<b>E.1</b>	Net proceeds and costs of the Issue	<p>The net proceeds of the Issue and the Placing Programme are dependent on the level of take up under the Issue and the Placing Programme.</p> <p>On the assumption that 40 million 2020 ZDP Shares are issued under the Issue, the expenses of the Issue and Admission are expected to be approximately £1.2 million and will be met out of the gross proceeds of the Issue, reducing the net proceeds to an estimated £38.8 million.</p> <p>The new 2020 ZDP Shares to be issued pursuant to the Placing Programme will be issued at a price which is not less than the aggregate of the Accrued Capital Entitlement of a 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission.</p>
<b>E.2a</b>	Reason for offer and use of proceeds	<p>The Issue is being undertaken to provide GLI with additional capital to repay all or part of its Loan Facility. To the extent that the net proceeds of the Issue are sufficient, any additional net proceeds will be used to expand its loan portfolio which is mostly sourced through its family of Platforms, as well as to continue to invest in those Platforms and, if suitable opportunities arise, to make further Platform investments.</p> <p>The net proceeds of the Issue and the Placing Programme are dependent on the level of take up under the Issue and the Placing Programme. On the assumption that 40 million 2020 ZDP Shares are issued under the Issue, the net proceeds of the Issue are estimated to be £38.8 million.</p>
<b>E.3</b>	Terms and conditions of the offer	<p>The Placing, the Open Offer and the Placing Programme will not proceed unless the Resolution to be proposed at the Extraordinary General Meeting to be held on 21 December 2015 is duly passed.</p> <p>The Issue is further conditional upon: (i) admission of the 2020 ZDP Shares to be issued pursuant to the Issue to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities on or before 8.00 a.m. on 22 December 2015 (or such time and/or date as the Company and Panmure Gordon may agree, being not later than 29 January 2016); (ii) the Placing Agreement becoming unconditional in all respects (save for conditions relating to Admission) and not having been terminated in accordance with its terms before Admission; and (iii) the minimum net proceeds of the Issue being £10 million, or such lower amount as the Company and Panmure Gordon may agree.</p> <p>The Issue Price for the 2020 ZDP Shares is 100 pence per share.</p> <p><b>Open Offer</b></p> <p>Ordinary Shareholders and ZDP Shareholders are being offered the opportunity to apply to acquire up to 20 million 2020 ZDP Shares at the Issue Price <i>pro rata</i> to their holdings of Shares as at the Record Date on the following basis:</p> <p>0.08498 2020 ZDP Shares for each Ordinary Share and/or 2019 ZDP Share</p>

		<p>(the “Basic Entitlement”).</p> <p>Entitlements to apply to acquire 2020 ZDP Shares under the Open Offer will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.</p> <p>Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 20 million Open Offer Shares in aggregate. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly. Any 2020 ZDP Shares not taken up under the Open Offer will be made available under the Placing.</p> <p>Existing Shareholders should be aware that the Open Offer is not a rights issue and entitlements under the Open Offer cannot be traded. The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is expected to be 11.00 a.m. on 18 December 2015 with Admission and commencement of dealings in 2020 ZDP Shares expected to take place at 8.00 a.m. on 22 December 2015.</p> <p>Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer.</p> <p><b><i>Placing</i></b></p> <p>The Company and Panmure Gordon have entered into the Placing Agreement pursuant to which Panmure Gordon has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the 2020 ZDP Shares made available under the Placing at the Issue Price. The maximum number of 2020 ZDP Shares that may be issued under the Placing is 40 million, less any 2020 ZDP Shares taken up pursuant to the Open Offer.</p> <p>The Placing commences as at the date of this prospectus and commitments under the Placing must be received by Panmure Gordon (acting on behalf of the Company) no later than 3.00 p.m. on 18 December 2015. The Directors may, with the prior approval of Panmure Gordon, alter the closing date of the Placing and thereby shorten or lengthen the placing period, to a date no later than 29 January 2016.</p> <p><b><i>The Placing Programme</i></b></p> <p>The Company may, pursuant to the Placing Programme, issue up to such number of 2020 ZDP Shares as is equal to 40 million less the number of 2020 ZDP Shares issued pursuant to the Issue. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue 2020 ZDP Shares over a period of time.</p>
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		<p>No new 2020 ZDP Shares will be issued at less than the aggregate of the Accrued Capital Entitlement of a 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission.</p> <p>Each allotment and issue of 2020 ZDP Shares pursuant to the Placing Programme is conditional on: (i) (save with the consent of 2020 ZDP Shareholders) meeting the Cover Test or A Cover otherwise being increased as a result of the issue; (ii) the Placing Agreement not having been terminated prior to any such allotment; (iii) admission of those 2020 ZDP Shares to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities; (iv) a valid supplementary prospectus being published by the Company if such is required pursuant to the Prospectus Rules; and (v) the Placing Programme Price being not less than the aggregate of the Accrued Capital Entitlement of a 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission.</p>
<b>E.4</b>	Material interests	Not applicable. There are no interests known to the Company that are material to the Issue or the Placing Programme and no conflicting interests.
<b>E.5</b>	Name of person selling securities/lock up agreements	Not applicable. No person or entity is offering to sell 2020 ZDP Shares as part of the Issue or Placing Programme.
<b>E.6</b>	Dilution	<p>No dilution will result from the Placing or the Open Offer. No 2020 ZDP Shares are currently in issue.</p> <p>The percentage holding of a holder of 2020 ZDP Shares will be diluted to the extent that they do not participate in any placing of 2020 ZDP Shares pursuant to the Placing Programme.</p>
<b>E.7</b>	Expenses charged to the investor	<p>The estimated expenses of the Issue and Admission of £1.2 million (assuming that 40 million 2020 ZDP Shares are issued under the Issue) are expected to be met out of the gross proceeds of the Issue.</p> <p>The new 2020 ZDP Shares to be issued pursuant to the Placing Programme will be issued at a price which is not less than the aggregate of the Accrued Capital Entitlement of a 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission.</p> <p>No additional expenses will be charged to investors under the Issue or the Placing Programme.</p>

## RISK FACTORS

**You should consider carefully the risks set out below and the other information contained in this prospectus with respect to the Company and the ZDP Shares. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Company and the Group, which, in turn, could have a material adverse effect on the amount which investors will receive in respect of the ZDP Shares. In addition, each of the risks highlighted below could adversely affect the trading price of the ZDP Shares or the rights of investors under the ZDP Shares and, as a result, investors could lose some or all of their investment.**

**You should note that the risks described below are not the only risks the Company and the Group face. Described below are only those risks relating to the Company, the Group and the ZDP Shares that are considered to be material. There may be additional risks that the Company and the Group currently consider not to be material or of which the Company or the Group is not currently aware, and any of these risks could have the effects set out above.**

**An investment in the ZDP Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount of their investment) that may result from such an investment. An investment in the ZDP Shares should constitute part of a diversified investment portfolio.**

**You should read this prospectus in its entirety. Investing in the ZDP Shares involves certain risks.**

### **1 Risks relating to the ZDP Shares**

#### ***Loan commitments***

If the Placing and Open Offer raise substantially less than £40 million, and no other additional capital is obtained before March 2017, the Company would plan to repay in full the Loan Facility in March 2017. The Company has assets comprising (a) a portfolio of Platform loans made to SMEs amounting to approximately £50 million, (b) an investment with a market value currently of approximately £35 million directly held in GLIAF, a quoted fund which in turn makes investments in SME loans and (c) investments in its Portfolio Companies currently valued at approximately £65 million. In making arrangements to fund repayment of the Loan Facility, assuming it could not be rolled over or its terms amended, the Company would realise assets having regard, *inter alia*, to their relative liquidity. However it may be noted in this context firstly that a proportion of the individual loans making up the SME loan portfolio have a term of twelve months or less; in any event there are Platforms that offer a secondary market in loans and it is likely that with forward planning, positions can be sold on the secondary market in order to meet any Group cash requirements. Secondly, the Directors are confident that the shareholding in GLIAF is saleable and could be used to realise funds within twelve months if necessary. Accordingly, the Board could anticipate taking the necessary steps to realise assets while safeguarding the remaining assets for the benefit of all Shareholders. The repayment date of the Loan Facility falls outside the period covered by the working capital statement.

#### ***Consequences of a Standard Listing***

A Standard Listing affords Shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

The Ordinary Shares are quoted on AIM and therefore the Company is subject to the AIM Rules.

#### ***The Final Capital Entitlement is not guaranteed***

ZDP Shareholders only have the right to receive the Final Capital Entitlement on the Maturity Date. ZDP Shareholders wishing to realise their investment earlier will have to dispose of their ZDP Shares through the market. The Final Capital Entitlement is not guaranteed. The Company's ability to pay such amounts is dependent on it having sufficient cash resources to meet such obligation at the relevant time. If the Company does not have sufficient cash resources to pay the Final Capital Entitlement, ZDP Shareholders may lose some or all of their investment. ZDP Shares are not a protected or guaranteed investment.



The ability of the Company to meet its obligations to pay the Final Capital Entitlement depends on its ability to realise value from its subsidiary undertakings or to borrow or otherwise raise funds at the relevant time. Events or changes that will have a material adverse effect on the business of the Company and its subsidiary undertakings may have a material adverse effect on the Company's ability to meet such obligations.

The Final Capital Entitlement is based on a number of assumptions which may or may not materialise. The assumptions used are not guarantees of future performance and involve uncertainties that are hard to predict.

***Subordination of ZDP Share obligations to the Group's other obligations***

All the Group's assets are held directly by the Company or by subsidiary undertakings of the Company. The Company's obligation to pay the Final Capital Entitlement is subordinated to its own current and future liabilities as well as the liabilities of its subsidiary undertakings and any relevant lenders may have recourse against particular assets of the Group. Accordingly if there are defaults to the Group under any of the Group's loan facilities and the lenders were to enforce that security, it could have a material adverse effect on the Company's ability to meet its obligations to the ZDP Shareholders.

If the Company were to issue convertible unsecured loan stock prior to the Maturity Date, this would rank in priority to the Final Capital Entitlement of the ZDP Shares.

***No guarantee that a listing will be maintained***

Listing Rule 14.2.2 requires a minimum of 25 per cent. of the ZDP Shares to be in public hands. Persons in the same group or acting in concert who have an interest in 5 per cent. or more of the ZDP Shares will be excluded from the calculation of the public hands requirement.

If the number of ZDP Shares in public hands falls below the requisite threshold after Admission, then the listing of the ZDP Shares may not be capable of being maintained and this is likely to reduce the liquidity of the ZDP Shares and to have a material adverse effect on the ability to sell the ZDP Shares for value prior to the Maturity Date.

***There is no guarantee an active trading market will develop for the ZDP Shares***

Admission should not be taken as implying that there will be a liquid market for the ZDP Shares. The ZDP Shares may not be widely distributed and there is currently no active trading market for the ZDP Shares.

There can be no guarantee that an active trading market will develop or be sustained for the ZDP Shares after Admission. If an active trading market is not developed or maintained, the liquidity and trading prices of the ZDP Shares could be adversely affected.

***Interest rate rises may lead to reductions in the market value of the ZDP Shares***

The market value of the ZDP Shares will be affected by changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of the ZDP Shares.

***The ZDP Shares may trade at a discount***

If the ZDP Shares are traded after Admission, they may trade at a discount to their Accrued Capital Entitlement, depending upon factors including prevailing interest rates, the market for similar securities, general economic conditions and the financial condition and prospects of the Group. The value of the ZDP Shares can go down as well as up.

***Other factors that may impact on market price and the realisable value of the ZDP Shares***

The market price and the realisable value of the ZDP Shares will be affected by interest rates, supply and demand for the ZDP Shares, market conditions and general investor sentiment. As such, the market value and the realisable value (prior to redemption) of the ZDP Shares will fluctuate and may vary considerably. In addition, the published market price of the ZDP Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the ZDP Shares and the price at which the ZDP Shares can be sold, there is no guarantee that the realisable value of the ZDP Shares will be the same as the published market price.

### ***The ZDP Shares have differing priorities on a return of capital***

In the event that the Company is wound up prior to 5 December 2019, holders of 2019 ZDP Shares will rank in priority to holders of 2020 ZDP Shares in respect of their Accrued Capital Entitlements.

### ***Structural conflicts of interest***

The different rights and expectations of the Ordinary Shareholders and the ZDP Shareholders may give rise to conflicts of interest between them. Holders of ZDP Shares can be expected to have little or no interest in the revenue produced by the Group's assets, save to the extent that the Company's operating costs exceed that revenue. ZDP Shareholders can be expected to want the Group's assets to be sufficient to repay the Final Capital Entitlement of the ZDP Shares on the Maturity Date, but can be expected to have little or no interest in any growth in the Group's assets in excess of that amount. Conversely, holders of Ordinary Shares can be expected to be interested in both the revenue that the Group's assets produce (and hence the level of dividends which will be capable of being paid on the Ordinary Shares) and increases in the value of the Group's assets in the period to the Maturity Date, and beyond.

In certain circumstances, such as a major fall in the value of the Group's assets such that the Final Capital Entitlement of the ZDP Shares is significantly uncovered but where the Group's assets are still generating revenue, the interests of ZDP Shareholders and the Ordinary Shareholders may conflict. The ZDP Shareholders may wish more revenue to be retained in order to meet their Final Capital Entitlement while the holders of Ordinary Shares may recognise that they then have little prospect of a sizeable capital return and so may be more concerned with maximising dividends in the period to the Maturity Date.

In such circumstances, the Directors may find it impossible to meet fully both sets of expectations and so will need to act in a manner which they consider to be fair and equitable to both Ordinary Shareholders and ZDP Shareholders but having regard to the entitlements of each class of Shares.

## **2 Risks relating to the Group and its Business Strategy**

### ***The Company may not meet its objective***

The Company may not achieve its objective of a 10 to 15 per cent. return on equity. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

There can be no guarantee that the Group's portfolio will achieve the target rates of return referred to in this prospectus or that it will not sustain any capital losses through its investments.

### ***The effects of both normal market fluctuations and the current global economic crisis may impact the Group's business, operating results or financial condition***

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Group's portfolio. Changes in economic conditions in the US, UK and Europe where the Group predominantly invests (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, unemployment, consumer spending, consumer sentiment and other factors) could substantially and adversely affect the Group's prospects.

### ***Borrowing and interest rate risk***

The Company has introduced a maximum allowable gearing of 500 per cent. of the net asset value of the Company and its subsidiaries on a consolidated basis.

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value when the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the Group's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Group and accordingly will have an adverse effect on the Company's ability to pay dividends to Ordinary Shareholders.

The Group will pay interest on any borrowing it incurs. As such, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable by the Company and the interest payable on the Group's variable rate borrowings (if any). In the event that interest rate movements lower the level of income receivable or raise the interest required to be paid by the Group, returns to investors will be reduced.

The Group may utilise debt facilities in order to finance some of its loans that it makes to borrowers. Although the Company is not currently in breach of any covenants set forth in any agreements related to its debt facilities, if in future the Group were to experience the occurrence of events of default or breaches of financial or performance covenants under its financing arrangements, this could result in the amortisation, default and/or acceleration of such facilities and could reduce or terminate the Group's access to institutional funding. If such an event were to occur, the Group may have to curtail its investment in loans, which could have a material adverse effect on its business, financial condition, operating results and cash flow.

***The Company is reliant on the performance of its executive directors and senior employees***

The Group's ability to achieve its strategy is partially dependent on the performance of the executive directors and the Group's senior employees. Failure by the executive directors or the senior employees to manage the investment and operation of the Group's assets effectively could materially adversely affect the Group's business, assets or results of operations and, consequently, have a material adverse effect on the Company's ability to meet its obligations to ZDP Shareholders.

Consequently, the future ability of the Company to successfully pursue its strategy may, among other things, depend on the Company retaining its existing executive directors, senior employees and other staff and/or recruiting individuals of similar experience and calibre. Whilst the Company has endeavoured to ensure that the executive directors and senior employees are suitably incentivised, the retention of executive directors and senior employees cannot be guaranteed. Furthermore, in the event of a departure of an executive director or senior employee, there is no guarantee that the Company would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company.

***Past performance***

The past performance of the Group is not a reliable indication of future performance.

***Ability to re-invest in Platform loans***

The Company is proposing to raise up to £40 million pursuant to the Placing and Open Offer, but if substantially less than this is raised and no other additional capital is obtained by the Company, this would restrict the Company's ability to re-invest the cash it is due to receive from the repayment of its existing loan portfolio as the loans fall due, into new loans, in excess of funding commitments already in place with Platforms. The effect of this would be to impair the Company's ability to implement its plans to grow its business through further investment in Platforms and in Platform loans.

***The Group is reliant on the IT systems operated by its Portfolio Companies to facilitate the loan acquisition process***

The Portfolio Companies have developed their own bespoke software and infrastructure to facilitate the loan acquisition process through their Platforms. The Portfolio Companies and, ultimately, the Group is reliant on the functionality of such systems. Any failure of the IT systems developed and maintained by any Portfolio Company could have a material adverse effect on the ability to acquire and realise investments and therefore impact the Group's results of operations.

The IT systems of the Platforms are outside the control of the Company. Technology complications associated with lost or broken data fields as a result of Platform-level changes to the software used by the Platforms may impact the Company's ability to receive and process the data received from the Platforms.

The Company relies extensively on computer systems and proprietary programs to evaluate and purchase loans, to monitor its portfolios and to generate reports that are critical to the oversight of its loans. These programs or systems may be subject to certain defects, failures or interruptions, including those caused by computer "worms", viruses and power failures. Such failures could cause the evaluation and purchase of loans to fail, lead to inaccurate accounting, recording or processing of transactions relating to loans

and cause inaccurate reports which may affect the Company's ability to monitor its loans and risks as well as its ability to deploy capital. Any such defect or failure could cause the Company to suffer financial loss, the disruption of its business, regulatory intervention or reputational damage.

***The Group may experience fluctuations in its operating results***

The Group may experience fluctuations in its operating results due to a number of factors, including changes in the values of the loans made by the Group, changes in the amount of interest paid in respect of loans in the portfolio, changes in the Group's operating expenses, the degree to which the Group encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Group's results for a particular period not to be indicative of its performance in a future period.

***Changes in laws or regulations governing the Group operations may adversely affect the Group's business***

The Group is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and required to comply with certain regulatory requirements that are applicable to companies admitted to a Standard Listing on the Official List and to AIM. The Company must comply with certain of the Listing Rules and the Disclosure and Transparency Rules and with the AIM Rules.

Any change in the law and regulation affecting any entity in the Group may have a material adverse effect on the ability of the Group to carry on its business and successfully pursue its business strategy and on the value of the Company and the Shares.

***Currency risk***

The assets of the Group are invested in assets which are denominated in US Dollars, Euros, Sterling or other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

***Valuation risk***

The Group's investments are largely unquoted and the valuation of such investments involves the exercise of judgement. There can be no guarantee that the basis of calculation of the value of the Group's investments used in the valuation process will reflect the actual value on realisation of those investments.

***FATCA***

The Company may be subject to 30 per cent. withholding on certain US source and other payments under The Foreign Account Tax Compliance Act ("FATCA"). FATCA is US legislation aimed at promoting tax compliance by US citizens. In broad terms, FATCA requires financial institutions outside the US to pass information about their US customers to the US tax authorities. A 30 per cent. withholding tax is imposed on the US source income (and, beginning after 2018, on the gross proceeds from the sale of assets that produce US source income) of any foreign financial institution that fails to comply with this requirement. In addition, withholding tax under FATCA may, depending on future guidance provided by the IRS, also apply on certain non-US source payments received after 31 December 2016 from other non-US financial institutions. The Company is a financial institution for these purposes. Guernsey and the United States have entered into an inter-governmental agreement ("US-Guernsey IGA") on 13 December 2013 to facilitate compliance by Guernsey resident financial institutions with the reporting requirements imposed by FATCA. Under the US-Guernsey IGA, as implemented in Guernsey through domestic legislation, instead of providing information directly to the US tax authority the Company will be required, subject to applicable exemptions, to report certain information about shareholders and other accountholders to the Guernsey authorities, who will in turn provide the information to the US authorities.

Under the US-Guernsey IGA and Guernsey's implementation of that agreement, securities that are "regularly traded" on an established securities market are not considered financial accounts and are not subject to reporting. For these purposes, the ZDP Shares will be considered "regularly traded" if there is a meaningful volume of trading with respect to the ZDP Shares on an ongoing basis. Notwithstanding the foregoing, from 1 January 2016, a ZDP Share will not be considered "regularly traded" and will be considered a financial account if the holder of the ZDP Shares (other than a financial institution acting as an intermediary) is registered as the holder of the ZDP Share on the Company's share register. Such

ZDP Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA. Additionally, even if the ZDP Shares are considered regularly traded on an established securities market, ZDP Shareholders that own the ZDP Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA. Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the ZDP Shares are considered regularly traded on an established securities market, ZDP Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA. The Company's FATCA diligence and reporting obligations will be governed by the US-Guernsey IGA and the applicable Guernsey implementing legislation.

Following the US implementation of FATCA, certain other jurisdictions are in the process of implementing or have implemented their own versions of FATCA, such as the United Kingdom, which has entered into intergovernmental agreements with its Crown Dependencies and Overseas Territories, including Guernsey. In addition, in February 2014 the Organisation for Economic Co-operation and Development released the "Common Reporting Standard", designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. Over 50 jurisdictions, including Guernsey and the UK, are due to implement the Common Reporting Standard with effect from 1 January 2016, and other jurisdictions are expected to implement the Common Reporting Standard in the future. Certain disclosure requirements may be imposed in respect of certain Shareholders in the Company falling within the scope of measures that are similar to FATCA, including the Common Reporting Standard. As a result, Shareholders may be required to provide any information that the Company determines is necessary to allow the Company to satisfy its obligations under such measures.

It should be noted, however, that the Company's compliance with FATCA and other similar regimes relies on Shareholders providing the requisite information to the Company so compliance by the Company cannot be guaranteed and there can be no assurance that the Company in the future will not be subject to withholding tax under FATCA or required to deduct withholding tax under FATCA. Were the 30 per cent. withholding tax to be imposed on any US source payments received by the Company, this could have a material adverse effect on the level of returns to all Shareholders.

**FATCA is particularly complex and the above description is based in part on regulations, official guidance and the US-Guernsey IGA, all of which are subject to change. All prospective investors should consult with their respective tax advisers regarding the possible implications of FATCA, the Common Reporting Standard and any other similar legislation and/or regulations on their investments in the Company. If a Shareholder fails to provide the Company with information that is required to allow it to comply with any of the above reporting requirements, or any similar reporting requirements, adverse consequences may apply.**

### **3 Risks relating to Platforms**

#### ***Changes in a Platform's policies may adversely impact the Group's investments***

While the Company will review the policies and procedures of the Platforms through which the Group invests, there can be no assurances that the Platforms will continue to adhere to such policies and procedures. The Group will have differing levels of transparency with respect to the loans originated through or issued by various Platforms, and no assurances can be given that the Company will become aware of changes in a Platform's policies and procedures in a timely manner or at all and any such changes to the policies and procedures may result in the Group's portfolio being materially adversely affected.

#### ***Lack of Platform operating history***

The Platforms through which the Group invests generally have a limited operating history and track record upon which the Company may base an evaluation of the Platform's operations, historical default rates and/or performance of loans or categories of underlying borrowers. No assurances can be given that the amount of data available is sufficient to assess market cycles or long term developments.



### ***Due diligence***

Prior to investing in loans through a Platform, the Company will perform due diligence on the proposed Platform. In doing so, it will typically rely on information from the Platform as part of this due diligence. To the extent that the Company underestimates or fails to identify risks and liabilities associated with Platforms through which the Group invests, this may impact on the profitability of any investment through the Platform.

## **4 Risks relating to compliance and regulation of P2P participants**

### **(a) *Risks relating to compliance and regulation of P2P participants in the UK***

On 1 April 2014, the regulation of the consumer credit market transferred from the Office of Fair Trading to the FCA, including responsibility for regulating peer-to-peer lending Platforms.

There is a regulated activity of ‘operating an electronic system in relation to lending’. The UK Platforms through which the Company invests must hold interim permission or authorisation from the FCA for this activity. The FCA has introduced application periods, giving firms with interim permission a three-month window in which they must apply to the FCA for full authorisation. If any Platform through which the Company invests were to fail to obtain full authorisation, this may result in the Platform being forced to cease its operations and may cause disruption to the servicing and administration of loans in which the Company has invested through that Platform. Any such disruption may impact the quality of debt collection procedures in relation to those loans and may result in reduced returns to the Group from those investments.

The FCA has introduced regulatory controls for Platform operators, including the application of conduct of business rules (in particular, around disclosure and promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take reasonable steps to ensure existing loans continue to be administered if the firm goes out of business. The introduction of these regulations and any further new laws and regulations could have a material adverse effect on the UK Platforms’ businesses and may result in interruption of operations by the Platforms or these Platforms seeking to pass increased regulatory compliance costs to their lender members, such as the Company, through the lender fees charged to them.

### **(b) *Risks relating to compliance and regulation of P2P participants in the US***

*The loan industry in the US is highly regulated*

The loan industry in the US is highly regulated. Loans made through US Platforms are subject to extensive and complex rules and regulations issued by various federal, state and local government authorities. These authorities also may impose obligations and restrictions on the US Platforms’ activities. In particular, these rules require extensive disclosure to, and consents from, applicants and borrowers, prohibit discrimination and may impose multiple qualification and licensing obligations on US Platform activities. In addition, one or more US regulatory authorities may assert that the Company, as a lender member of the US Platforms, is required to comply with certain laws or regulations which govern the commercial loan industry. If the Company were required to comply with additional laws or regulations, this would likely result in increased costs for the Company and may have an adverse effect on its results or operations or its ability to invest in loans through the US Platforms. The US Platforms’ failure to comply with the requirements of applicable US rules and regulations may result in, among other things, the US Platform (or its lender members) being required to register with governmental authorities and/or requisite licences being revoked, or loan contracts being voided, indemnification liability to contract counterparties, class action lawsuits, administrative enforcement actions and/or civil and criminal liability. Determining the applicability of and effecting compliance with such requirements is at times complicated by the US Platforms’ novel and various business models. Moreover, these requirements are subject to periodic changes. Any such change necessitating new significant compliance obligations could have an adverse effect on the US Platforms’ compliance costs and ability to operate. The US Platforms would likely seek to pass through any increase in the US Platforms’ costs to their lender members such as the Company.



Some of the US Platforms originate loans through third-party banks which then sell the originated loan to the US Platform after a certain period of time. While it is not clear if regulations relating to exportation of interest rates applies to these loans, if such banks exportation of the interest rates, and related terms and conditions, permitted under an applicable state's law to borrowers in other states were determined to violate applicable lending laws, this could subject the US Platforms to the interest rate restrictions, and related terms and conditions, of the lending laws of all of the US states which a US Platform's business touches in any way. The result would be a complex patchwork of regulatory restrictions that could materially and negatively impact the US Platforms' operations and potentially make them no longer able to operate, in which case they could terminate their business and all activities. This could have a material adverse effect on all lender members of the US Platform because the volume of loans available to invest in would potentially be drastically reduced. In addition, a US Platform that acquires a loan from a national bank may not be able to enforce the interest rate and other terms of the loan to the same extent as the national bank can enforce the terms because of federal law pre-emption privileges of national banks that may not transfer to the US Platform when it acquires the loan (for example, interest rate exportation).

In addition, different US Platforms adhere to different business models, resulting in uncertainty as to the regulatory environment applicable to the US Platforms. Raiseworks, for example, owns a registered broker/dealer in order to comply with US regulations regarding the issuance and trade of securities. Other US Platforms, however, either structure their business model so as to avoid registration requirements, or operate under the assumption that their activities do not implicate the regulations.

#### *US state licensing requirements*

The Company is not currently required to hold a licence in connection with the acquisition of loans as a lender member through the US Platforms. However, one or more states could take the position that US Platform lender members are required to be licensed. Lender members becoming licensed could subject lender members to a greater level of regulatory oversight by state government as well as cause lender members to incur additional costs. If unable to obtain any required licences, lender members could be required to cease investing in loans issued to borrowers in the states in which they are not licensed.

#### *Risk of the Company being deemed the true lender*

The risk that either the US Platforms, or the Company or another member of the Group (as lender member) is deemed the true lender in any jurisdiction exists with respect to loans made to businesses, although US courts have rarely analysed questions regarding true lenders in the context of business loans. It is expected that US courts' true lender analysis would be the same for both consumer and business loans, however, additional uncertainty exists as to how US courts would analyse questions regarding true lenders in a business loan context.

Although the Directors are not currently aware that any state regulators have taken the position that the US Platforms are the actual providers of loans to borrower members, any action undertaken by state regulators to assert such a position could have a material adverse effect on the lending model utilised by the US P2P industry and, consequently, the ability of the Company to pursue a significant part of its strategy in the US.

In addition to the possible initiation of proceedings by governmental authorities, borrower members could also challenge the legality of the business conducted by the US Platforms or by the Company. The severity of the risks associated with this possibility depends substantially upon whether the borrower member is in a position to assert claims on a class basis.

In certain instances, courts have analysed the third-party bank loan originated arrangement whereby loans or participations in loans are sold to non-bank vendors to determine the true lender, and accordingly, what legal principles apply to the true lender. In one 2014 case involving a California-based vendor that marketed loans originated by a bank chartered in South Dakota and then purchased the loans from the bank three days after origination, the West Virginia Supreme Court determined that the vendor was the true lender because the vendor held the predominant economic interest in the loans originated by the bank. The vendor's sole owner and stockholder

guaranteed the vendor's obligations to the bank, the vendor indemnified the bank against all losses arising out of the arrangement, the vendor dictated the loan underwriting guidelines to be followed for loans to be purchased, and for financial reporting purposes, the loans were treated as if the vendor had funded the loans. This case illustrates the types of facts and circumstances that a court might use in determining whether the US Platforms or their lender members may be characterised as the true lender, rather than the bank originating the loans under the program. While this case involved consumer loans, as opposed to SME loans, it is unclear whether the same reasoning might be applied to SME loans. If the same reasoning is applied to SME loans, it could subject the US Platforms to adverse regulatory action, undermine their basic business models and render borrower loans unenforceable if any terms of the US Platforms' respective lending programs are found to violate lending rules or if the costs associated with regulatory compliance are too high.

#### *OFAC and Bank Secrecy Act*

The US Platforms may be required to implement the various anti-money laundering and screening requirements of applicable US federal law. The Company is not able to control or monitor the compliance of the US Platforms with these regulations. Moreover, in the Company's participation with the US Platforms, it is subject to compliance with OFAC (Office of Foreign Assets Control), the USA PATRIOT Act and Bank Secrecy Act regulations applicable to all businesses, which for the Company generally involves cooperation with US authorities in investigating any purported improprieties. Any material failure by any of the US Platforms or the Company to comply with OFAC and other similar anti-money laundering restrictions or in connection with any investigation relating thereto could result in additional fines or penalties that, depending on the violations, could amount to US\$1,000 to US\$25,000 per violation. Such fines or penalties could have a material adverse effect on the Company directly, for amounts owed for fines or penalties, or indirectly, as a negative consequence of the decreased demand for loans from the US Platforms as a result of any such adverse publicity and other reputational risks associated with any such fines and penalties assessed against the US Platforms.

#### *Investment Company Act compliance*

The Group may be required to constrain its business activities to avoid being deemed an investment company under the Investment Company Act of 1940 (the Investment Company Act).

In general, a company that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities may be deemed to be an investment company under the Investment Company Act. The Investment Company Act contains substantive legal requirements that regulate the manner in which "investment companies" are permitted to conduct their business activities. The Directors believe that the business has been conducted, and continues to be conducted, in a manner that does not result in the Company being characterised as an investment company under the Investment Company Act. However, there is no guarantee that the United States Securities Exchange Commission will agree. If the Company is deemed an investment company under the Investment Company Act, the Company may not be able to broaden its investments, which could require it to forego attractive opportunities. In such event, while the Company may be able to apply for formal exemptive relief to provide additional clarity on its status under the Investment Company Act, it may not receive such relief on a timely basis, if at all, and such relief may require it to modify or curtail its operations. If the Company were deemed to be an investment company under the Investment Company Act, it may be required to institute burdensome compliance requirements and its activities may be restricted, which would materially adversely affect its business, financial condition and results of operations.

#### *Investment Advisers Act compliance*

If any of the US Portfolio Companies were found to be registered investment advisors, their ability to raise sufficient investor commitments to meet borrower demand could be impaired.

In some circumstances, US Portfolio Companies could be deemed to be acting as an advisor within the meaning of the Investment Advisers Act of 1940, as amended (Advisers Act) to certain investors. Registered investment advisers are subject to a number of regulatory and legal requirements, including conflicts of interest, advertising restrictions and custody requirements.

The Directors believe that the US Portfolio Companies have conducted, and intend to continue to conduct, their business in compliance with the Advisers Act. If, however, they are deemed to have breached any of their obligations under the Advisers Act, their activities could be restricted, suspended or even terminated. If this were to occur, the Company's investment in those Portfolio Companies could be materially and adversely impacted.

#### *Broker/Dealer regulatory compliance*

If any of the US Portfolio Companies were required to register as a broker-dealer under US federal or state law, their costs could significantly increase or the Group's operations could be impaired.

US regulators may view the US Portfolio Companies as engaged in the business of effecting transactions in securities for the account of others. If the US regulators were to prevail in such a position, some of the US Portfolio Companies may be required to become, or operate through, a registered broker-dealer. In such event, such US Portfolio Companies could be subject to fines, rescission offers or other penalties, and their compliance costs and other costs of operation could increase significantly. Such costs could materially and adversely affect the Group's returns from such companies.

## **5 Risks relating to the Group's portfolio**

### ***Competition and portfolio concentration risks***

The current market in which the Group participates is competitive and rapidly changing. The Group faces increasing competition for access to loans as the peer-to-peer and peer-to-business lending industry continues to evolve. The Group faces competition from other institutional lenders such as fund vehicles and commercial banks that are substantially larger and have considerably greater financial, technical and marketing resources than the Company. In the US, there are a number of private funds, commercial banks and managed accounts which have already deployed capital in the P2P lending space. In the UK, there are a number of funds that have also entered the space. Other institutional sources of capital may enter the market in both the UK and US. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company. There can be no assurance that the competitive pressures the Company faces will not erode the Company's ability to deploy capital and thus impact the financial condition and results of the Group.

### ***Lack of suitable inventory***

The Company intends to continue to build relationships with and enter into agreements with additional Platforms. However, if there are not sufficient qualified loan requests through any Platform, the Company may be unable to deploy its capital in a timely or efficient manner. In such event, the Company may be forced to invest in cash or other assets that are generally expected to offer lower returns than the Company's target returns.

There can be no guarantee that the rapid origination growth experienced by certain Platforms in recent periods will continue. Without sufficient number of new qualified loan requests, there can be no assurances that the Group will be able to compete effectively for loans with other market participants.

#### **(a) *The following risks are specific to the Group's investments in loans:***

##### ***Risk of borrower default***

The ability of the Group to earn revenue is completely dependent upon payments being made by the borrower of the loan acquired by the Group through a Platform or by borrowers of a Platform to which the Company has provided a credit facility. The Company or relevant member of its Group (as a lender member) will receive payments under any loans it acquires through a Platform only if the corresponding borrower through that Platform (borrower member) makes payments on the loan.

The Platforms and designated third party collection agencies may be limited in their ability to collect on loans. The Group relies on the collection efforts of the Platforms and designated collection agencies.

The Platform will retain from the funds received from the relevant borrower and otherwise available for payment to the Group any insufficient payment fees and the amounts of any attorney's fees or collection fees it, a third party service provider or collection agency imposes in connection with such collection efforts.

The return on the Group's portfolio of loans depends on borrower members fulfilling their payment obligations in a timely and complete manner. Borrower members may not view the lending obligations facilitated through a Platform as having the same significance as other credit obligations arising under more traditional circumstances, such as loans from banks. If a borrower neglects its payment obligations on a loan or is unable or chooses not to repay its loan entirely, the Group may not be able to recover any portion of its outstanding principal and interest under such loan.

All loans are credit obligations of individual borrowers and the terms of the borrower members' loans may not restrict the borrowers from incurring additional debt. If a borrower member incurs additional debt after obtaining a loan through a Platform, that additional debt may adversely affect the borrower's creditworthiness generally, and could result in the financial distress or insolvency of the borrower. This circumstance could ultimately impair the ability of that borrower to make payments on its loan and the Group's ability to receive the principal and interest payments that it expects to receive on those loans. To the extent borrower members incur other indebtedness that is secured, such as a mortgage, the ability of the secured creditors to exercise remedies against the assets of that borrower may impair the borrower's ability to repay its loan or it may impair the Platform's ability to collect on the loan if it goes unpaid. The Group will not be made aware of any additional debt incurred by a borrower, or whether such debt is secured.

There is a possibility of material misrepresentation or omission on the part of a borrower or a Platform when a borrower enters into a loan. Such inaccuracy or incompleteness may adversely affect the valuation of the Group's investments.

#### *Inadequacy of collateral*

In relation to any loans which are secured by specific collateral, there can be no assurance that the liquidation of any such collateral would satisfy a borrower's obligation in the event of non-payment of principal payments or scheduled interest in respect of the loan. In addition, in the event of the insolvency of a borrower, the Group could experience delays or limitations with respect to its ability to realise the benefits of the collateral. Moreover, the Group's security interests may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, the Group may not have priority over other creditors as anticipated.

#### *Loan default rates may be affected by a number of factors outside the Group's control and actual default rates may vary significantly from historical observations*

Loan default rates may be significantly affected by economic downturns or general economic or political conditions beyond the Company's control. In particular, default rates on loans may increase due to factors such as the general interest rate environment, the value of the US Dollar, Euro or Sterling, energy prices, insolvencies, disruptions to the credit markets and other factors. The significant downturn in the global economy over the past several years has caused default rates on loans to increase, and a continuation of the downturn may result in continued high or increased loan default rates.

The default history for loans originated via Platforms is limited and actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

#### *Prepayment risk*

Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time without penalty. In the event of a prepayment of the entire remaining unpaid principal amount of a borrower loan acquired by a Group entity, the relevant Group entity will receive such prepayment but further interest will not accrue on such loan after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance interest will cease to accrue on the prepaid portion, and the relevant Group entity will not receive all of the interest payments that it expected to receive.

### *Limited secondary market and liquidity*

Peer-to-peer loans generally have a maturity between 1 to 5 years. Investors acquiring P2P loans directly through Platforms and hoping to recoup their entire principal must generally hold their loans through maturity. There is currently no formal secondary market operated by any of the Platforms through which the Group invests in relation to the sale of loans. Peer-to-peer loans are not at present listed on any national or international securities exchange. Until an active secondary market develops, the Group will primarily adhere to a “lend and hold” strategy and will not necessarily be able to access significant liquidity. In the event of adverse economic conditions in which it would be preferable for the Group to sell certain of its assets, the Group may not be able to sell a sufficient proportion of its portfolio as a result of liquidity constraints. In such circumstances, the overall returns to the Group from its investments may be adversely affected.

### *Risks associated with the Platforms’ credit scoring models*

A prospective borrower is assigned a loan grade by a Platform based on a number of factors, including the borrower’s credit score and credit history. A credit score or loan grade assigned to a borrower member by a Platform may not reflect that borrower’s actual creditworthiness because the credit score may be based on outdated, incomplete or inaccurate reporting data.

Additionally, it is possible that, following the date of any credit information received, a borrower member may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained other adverse financial events.

The Company is reliant on the borrower credit information provided to it by the Platforms which may be out of date or inaccurate. Unlike traditional lending, the Company is unable to perform any independent follow-up verification with respect to a borrower member, as the borrower member’s details remain confidential.

### **(b) *The following risks are specific to the Group’s investments in trade receivables:***

The Group invests in trade receivables originated by Platforms and will therefore be subject to the Platforms’ ability to sufficiently source deals that fall within the Company’s investment and risk parameters. The Group will be subject to the Platforms’ ability to monitor and curtail factoring fraud which typically stems from the falsification of invoice documents. False invoices can easily be created online to look like they have been issued by legitimate debtors or are otherwise created by legitimate debtors at inflated values. The Group’s investment in trade receivables through Platforms will therefore be reliant on the Platforms’ ability to carry out appropriate due diligence on all parties involved such that no losses occur due to fraudulent activity.

The Group will be reliant on the internal credit ratings produced by the Platform. In the event of insolvency of any debtor where invoices have been purchased by the Group, the relevant Group entity may only rank as unsecured creditor. Where invoices have been advanced, in the case of insolvency by the creditor, the debtor is made aware that the invoice has been advanced and is obliged to make payment to the relevant Group entity. However, the relevant Group entity will be subject to the risk of payment being delayed or not made.

Platforms that lend to corporations conduct due diligence but do not always conduct on-site visits to verify that the business exists and is in good standing. For this reason, the risk of fraud may be greater with corporate trade receivables.

The Platforms seek to validate that the debtor has received the goods or services and is willing to pay the creditor before making the receivables available for investment. There can however be no assurance that the debtor will not subsequently dispute the quality or price of the goods or services and elect to withhold payments. Fraud, delays or write-offs associated with such disputes could directly impact the earnings of the Group on its investments in trade receivables.



(c) ***The following risks are specific to the Portfolio Companies:***

The Portfolio Companies are smaller companies. Smaller companies, in comparison to larger companies, often have a more restricted depth of management and higher risk profiles. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments in such companies and any such realisations that may be achieved may be at considerably lower values than expected.

Investments in unlisted equity, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities and therefore may be more difficult to realise.

In comparison with listed and quoted investments, unlisted companies are subject to further particular risks, including that they:

- may have shorter operating histories and smaller market shares, rendering them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- often operate at a financial loss;
- are more likely to depend on the management talents and efforts of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of such companies, this could have a material adverse impact on their business and prospects and the investment in them made by the Company; and
- generally have less predictable operating results and may require significant additional capital to support their operations, expansion or competitive position.

Investments which are unlisted at the time of acquisition may remain unlisted and may therefore be difficult to value and/or realise.

## **6 Risk relating to taxation**

### ***Changes in tax status, legislation or practice***

Any change in the Company's tax status, or in tax legislation or practice in the United Kingdom, Guernsey or elsewhere could affect the ability of the Company to meet its obligations in respect of the ZDP Shares.

Any change in taxation legislation or practice in the United Kingdom or elsewhere could also affect the tax treatment of the ZDP Shares and the tax treatment of the Final Capital Entitlement, such as treating gains realised on sale of ZDP Shares as income, which is currently taxed at higher rates than capital gains.

Similarly, if the Company is deemed to be engaged in a trade or business in the US or elsewhere, and is subject to tax on its income from such jurisdictions, this could affect the ability of the Company to meet its obligations in respect of the ZDP Shares.

Statements in this prospectus concerning the taxation treatment of ZDP Shareholders are based upon current UK and Guernsey tax law and published practice, which law and practice are in principle subject to change (potentially with retrospective effect) that could adversely affect the Company and/or the Group and/or post-tax returns to ZDP Shareholders.

### ***Tax residence***

Failure by the Company to maintain its non-UK tax resident status may subject the Company to additional taxes which may materially adversely affect the Company's business and results of operations. In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the Board of Directors of the Company and the location(s) in which the Board of Directors of the Company makes decisions will, *inter alia*, be important in determining and maintaining the non-UK tax resident status of the Company. Although the Company is established outside the United Kingdom and a majority of the Directors of the Company live outside the United Kingdom, continued attention must be given to ensure that major decisions are not made in the



United Kingdom or the Company may lose its non-UK tax resident status. If the Company was found to be UK tax resident this may adversely affect the financial condition of the Company and its results of operations.

***Passive Foreign Investment Company***

The Company has not determined whether it will be considered to be a passive foreign investment company within the meaning of the US Internal Revenue Code (“PFIC”). If the Company is considered to be a PFIC, US investors in the Company may be subject to certain adverse tax consequences.

## IMPORTANT NOTICES

### General

No person has been authorised to give any information or to make any representations in connection with the Issue, the Placing Programme or Admission other than the information and representations contained in this prospectus and, if any other information is given or representations are made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or Panmure Gordon. The delivery of this prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company and/or the Group since, or that the information contained herein is correct at any time subsequent to, the date of this prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon by FSMA or the regulatory regime established thereunder, Panmure Gordon accepts no responsibility whatsoever for the contents of this prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Group or the 2020 ZDP Shares. Panmure Gordon accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this prospectus or any such statement.

The contents of this prospectus or any subsequent communications from the Company, the Group or any of their respective affiliates, officers, advisers, directors, employees or agents are not to be construed as advice on legal, business, taxation, accounting, regulatory, investment or any other matters. Each investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice, as appropriate.

The distribution of this prospectus in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

The 2020 ZDP Shares may not be a suitable investment for all investors. An investment in the 2020 ZDP Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

The 2020 ZDP Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of any province or territory of Australia, Canada, New Zealand, the Republic of South Africa or Japan. Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The 2020 ZDP Shares have not been and will not be offered or sold in the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan or to or for the account or benefit of any person resident in the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan and this prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for 2020 ZDP Shares in such jurisdictions or in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. These materials may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States, Australia, Canada, New Zealand, the Republic of South Africa or Japan. The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves of and observe any restrictions.

This prospectus will not be registered in Guernsey under the Prospectus Rules 2008. The 2020 ZDP Shares may only be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended.

## Website

The contents of the Company's website [www.glifinance.com](http://www.glifinance.com) do not form part of this prospectus and investors should not rely on such information.

## Forward-looking statements

This prospectus includes statements that are, or may be deemed to be **"forward-looking statements"**. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms **"believes"**, **"estimates"**, **"plans"**, **"projects"**, **"anticipates"**, **"expects"**, **"intends"**, **"may"**, **"will"**, or **"should"** or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's financial condition and prospects.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the factors discussed in the sections entitled "Risk Factors" on pages 14 to 27 of this prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this prospectus reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group. Investors should specifically consider the factors identified in this prospectus which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Rules, the Listing Rules and Disclosure and Transparency Rules, the Company does not undertake any obligation publicly to release the result of any revisions to any forward-looking statements in this prospectus that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this prospectus. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 12 of Part IX of this prospectus.

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the 2020 ZDP Shares to be admitted to a Standard Listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. As a consequence, a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the UK Listing Authority. The Company is not required to comply with the Premium Listing Principles as set out in Chapter 7 of the Listing Rules as they only apply to companies which obtain a Premium Listing on the Official List.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25 per cent. of shares of that class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares must be admitted to trading on a regulated market at all times. Such companies must have a minimum number of shares of any listed class (25 per cent.) in public hands at all times in the relevant jurisdictions and must notify the FCA as soon as possible if these holdings fall below the stated level. There are a number of other continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company.

These include requirements as to:

- (a) the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;
- (b) the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure and Transparency Rules;
- (c) the form and content of temporary and definitive documents of title;
- (d) the appointment of a registrar;
- (e) Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues; and
- (f) compliance with, in particular, Chapters 4 and 6 of the Disclosure and Transparency Rules.

As a company with a Standard Listing, the Company is not required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to the Listing Principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars. However, as the Ordinary Shares are quoted on AIM, the Company is required to comply with the AIM Rules.

In addition to the additional obligations imposed on companies with a Premium Listing under the Listing Rules, there are additional eligibility criteria for such companies.

Chapter 6 of the Listing Rules contains additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing. Consequently, the Company does not intend to comply with such provisions.

The Company is not required, and does not intend, to appoint a listing sponsor under Chapter 8 of the Listing Rules to guide the Company in understanding and meeting its responsibilities under the Listing Rules.

The provisions of Chapter 9 of the Listing Rules (continuing obligations) will not apply to the Company. Chapter 9 includes provisions relating to transactions, including, *inter alia*, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information. The Company is not required to comply with Chapters 10, 11, 12 and 13 under the Listing Rules (significant transactions, related party transactions, dealing in own securities, treasury shares and the content of circulars).

In the event that the Company voluntarily decides to comply with any Listing Rules which are applicable solely to companies with a Premium Listing, it should be noted that neither the UK Listing Authority nor the London Stock Exchange will have the authority to monitor the Company's voluntary compliance with any of the Listing Rules applicable to companies with a Premium Listing (and will not do so) nor will they impose sanctions in respect of any breach of such requirements by the Company.

## EXPECTED TIMETABLE OF KEY EVENTS

Record Date for entitlements under the Open Offer	6.00 p.m. on 1 December 2015
Publication of this prospectus	3 December 2015
Placing and Open Offer opens	3 December 2015
Ex-entitlement date for Open Offer	8.00 a.m. 4 December 2015
Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of CREST Shareholders	4 December 2015
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 14 December 2015
Latest time and date for depositing Basic Entitlements and/or Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 15 December 2015
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 16 December 2015
Last time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 18 December 2015
Latest time and date for commitments under the Placing	3.00 p.m. on 18 December 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 19 December 2015
<b>Extraordinary General Meeting</b>	10.00 a.m. on 21 December 2015
Publication of results of the Issue	21 December 2015
Admission and dealings in the 2020 ZDP Shares commences	8.00 a.m. on 22 December 2015
CREST accounts credited with uncertificated 2020 ZDP Shares	22 December 2015
Placing Programme opens	23 December 2015
Where applicable, definitive share certificates despatched by post by	6 January 2016

The dates and times specified are subject to change and will be notified by the Company through a Regulatory Information Service. All references to times in this prospectus are to London times unless otherwise stated.



## PLACING AND OPEN OFFER STATISTICS

Issue Price per 2020 ZDP Share	100 pence
Basic Entitlement	0.08498 2020 ZDP Shares for each Ordinary Share and/or 2019 ZDP Share held at the Record Date
Aggregate number of Open Offer Shares to be offered for subscription by Ordinary Shareholders and ZDP Shareholders*	20 million
Number of 2020 ZDP Shares to be issued pursuant to the Placing	20 million plus any Open Offer Shares not taken up under the Open Offer
Gross proceeds of the Issue assuming full subscription	Up to £40 million
Estimated net proceeds of the Issue to be received by the Company assuming full subscription	£38.8 million

**The following illustrative financial statistics are based on, and should be read in conjunction with, the Assumptions set out in Part VIII of this prospectus. Prospective investors should note that the actual outcomes can be expected to differ from these illustrations. These illustrations are not guarantees of future performance and involve risks and uncertainties that are hard to predict. Investors should therefore not rely on the illustrations. The attention of prospective investors is also drawn to the risk factors set out on pages 14 to 27 of this prospectus.**

Final Capital Entitlement per 2020 ZDP Share	143.563 pence
2020 ZDP Share cover following the Issue**	2.6x

\* If applications under the Open Offer, including, for the avoidance of doubt, under the Excess Application Facility, exceed 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing will also be made available under the Open Offer.

\*\* Based on the A Cover of the 2020 ZDP Shares (as set out in the New Articles and summarised in Part IV of this prospectus), and assuming that the Issue is subscribed as to 20 million 2020 ZDP Shares. The actual number of 2020 ZDP Shares to be issued pursuant to the Issue, and therefore the gross proceeds of the Issue and the net proceeds of the Issue, is not known as at the date of this prospectus but will be notified by the Company via a Regulatory Information Service prior to Admission.

## PLACING PROGRAMME STATISTICS

Maximum size of the Placing Programme	such number of 2020 ZDP Shares as is equal to 40 million less the number of 2020 ZDP Shares issued pursuant to the Issue
Placing Programme Price	not less than the aggregate of the Accrued Capital Entitlement per 2020 ZDP Share at the time of allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission

## DEALING CODES

The dealing codes relevant to the 2020 ZDP Shares are as follows:

ISIN – 2020 ZDP Shares	GG00BZ08Z707
SEDOL – 2020 ZDP Shares	BZ08Z70
Ticker – 2020 ZDP Shares	GLZ2
ISIN – Basic Entitlements	GG00BDB6CS98
ISIN – Excess CREST Open Offer Entitlements	GG00BYM95M96

The dealing codes for the Ordinary Shares (which are quoted on AIM) are as follows:

ISIN – Ordinary Shares	GB00B0CL3P62
SEDOL – Ordinary Shares	B0CL3P6
Ticker – Ordinary Shares	GLIF.L

The dealing codes for the 2019 ZDP Shares (which are traded on the London Stock Exchange's main market for listed securities) are as follows:

ISIN	GG00BTDYD136
SEDOL	BTDYD13
Ticker	GLIZ.L

## DIRECTORS AND ADVISERS OF THE COMPANY

### Directors

Patrick Firth (*Non-Executive Chairman*)  
Frederick Forni (*Non-Executive Director*)  
James Carthew (*Non-Executive Director*)  
Geoff Miller (*Executive Director*)  
Emma Stubbs (*Executive Director*)  
Andrew Whelan (*Executive Director*)

all of

### Registered office

P.O. Box 296  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey GY1 1GR

### Placing Agent, nominated adviser, financial adviser and broker

Panmure Gordon (UK) Limited  
One New Change  
London EC4M 9AF  
United Kingdom

### Administrator and company secretary

PraxisIFM Trust Limited  
P.O. Box 296  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey GY1 4NA

### Reporting accountants

RSM Corporate Finance LLP  
25 Farringdon Street  
London EC4A 4AB  
United Kingdom

### Solicitors to the Company (*as to English Law*)

Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH  
United Kingdom

### Solicitors to the Placing Agent

Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH  
United Kingdom

### Solicitors to the Company (*as to Guernsey Law*)

Carey Olsen  
P.O. Box 98  
Carey House  
Les Banques  
St Peter Port  
Guernsey GY1 4BZ

### Registrar and Receiving Agent

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA  
United Kingdom

### Auditors

Grant Thornton Limited  
P.O. Box 313, Lefebvre House  
Lefebvre Street  
St Peter Port  
Guernsey GY1 3TF

## **PART I**

### **INFORMATION ON THE GROUP**

#### **Introduction and history**

The principal activity of the Group is the provision of finance to SMEs. The Company's primary objective is to achieve a return on equity of 10 to 15 per cent. per annum through the provision of finance to SMEs.

The Company was incorporated in 2005 in Guernsey and was admitted to trading on AIM in August 2005 as an externally managed investment company. The Company is quoted on AIM as an investing company. The Ordinary Shares were admitted to listing on the Channel Islands Stock Exchange in February 2011 and were subsequently de-listed from that exchange in December 2013. The Company was, until March 2015, authorised by the Guernsey Financial Services Commission as an authorised collective investment scheme. With effect from 27 March 2015, the Company has been registered with the Guernsey Financial Services Commission as a non-regulated financial services business.

In December 2014, the Company issued 20,000,000 2019 ZDP Shares to existing preference shareholders of Sancus in connection with its acquisition (see below under "Current trading"). The Company issued a further 791,418 2019 ZDP Shares in March 2015 in connection with the increase of its stake in TradeRiver Finance (see below under "TradeRiver Finance"). The 2019 ZDP Shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to the London Stock Exchange's main market for listed securities on 5 October 2015.

The Company is seeking to issue up to 40 million 2020 ZDP Shares pursuant to the Issue to provide GLI with additional capital to repay all or part of its Loan Facility. To the extent that the net proceeds of the Issue are sufficient, any additional net proceeds will be used to expand its loan portfolio which is mostly sourced through its family of Platforms, as well as to continue to invest in those Platforms and, if suitable opportunities arise, to make further Platform investments.

In addition, GLI is currently exploring the possibility of replacing its existing Loan Facility with an issue of convertible unsecured bonds ("CULS") at a lower running interest cost.

The 2020 ZDP Shares have a redemption value of 143.563 pence per share on their Maturity Date of 22 December 2020. The rights, which include class consents, attached to the 2020 ZDP Shares are set out in Part IV of this prospectus.

#### **Current trading**

The Company's primary objective has always been to achieve a return on equity of 10 to 15 per cent. per annum through the provision of finance to SMEs. The Company's strategy for achieving this objective has evolved over time with a move from the provision of SME lending primarily through US middle market lending, directly and through CLOs, to providing SME lending through a range of alternative finance Platforms ("Platforms") in which the Company has a material stake.

The Company has, over the past few years, established itself as a leading player in the rapidly growing alternative finance sector. This shift in strategic focus began in 2011 with the acquisition of Asset Management Investment Company plc and the move from being an externally managed investment company to an internally managed finance company, and accelerated in 2012 with the acquisition of BMS Finance, a senior lending business focused on SMEs. In 2014, the Company added eleven Platforms into its portfolio, including the acquisition of the entire issued share capital of Sancus for total consideration of £37.75 million. The acquisition of Sancus provides the Group with in-house loan origination and underwriting capability with an existing loan book and income stream from Sancus's existing loan book. Marking the transition in strategy, during 2014 the Company also sold its remaining direct CLO investments, a process which concluded with the sale, in June 2014, of the Company's remaining CLO assets to Fair Oaks Income Fund Limited ("FOIF") for total consideration of

US\$54.7 million (US\$20.4 million of cash and the remainder in shares in FOIF). In March 2015, the Company sold its entire holding of shares in FOIF at a price of US\$0.9425 per share, raising gross proceeds of approximately US\$32.3 million.

Through its family of Platforms, the Company is now a provider of finance to SMEs across three continents, with interests in nine Portfolio Companies in the UK, one in Jersey, three in Continental Europe, five in the USA and one in Africa. The Company gains access to origination of SME finance through its Portfolio Companies. This is reflective of the Company's strategy of seeking its own origination capability, rather than loans originated by third parties, which were historically the core of the Group's portfolio.

On 23 September 2015, the Company sold loans with a value of approximately £40.3 million from its SME loan book to GLI Alternative Finance plc ("GLIAF"). GLIAF is a newly launched investment fund to which the Company's wholly-owned subsidiary, GLIAM, acts as investment manager. Its IPO completed on 23 September 2015 through the issue of approximately 52.7 million new ordinary shares at a price of 100p per share, which were admitted to trading on the Specialist Fund Market of the London Stock Exchange. In consideration for the sale, the Company received 40,270,763 of the new ordinary shares in the capital of GLIAF, representing approximately 76 per cent. of GLIAF's issued ordinary share capital.

The Group currently derives its income primarily from the interest earned through its SME lending activities. The average net return on these loans is approximately 10 per cent. The main financial effect of the disposal of part of the SME loan book in exchange for shares in GLIAF and of the appointment of GLIAM as investment manager to GLIAF will be that the Company will receive dividend income and management fees in place of interest income.

As at 30 September 2015, the assets of the Company (unaudited) were split as follows:

Platforms Loans	£56.4 million	34.10%
Investment in GLIAF	£41.1 million	24.89%
Investment in Portfolio Companies	£64.7 million	39.11%
Cash	£0.3 million	0.15%
Other Assets	£2.9 million	1.75%

The Company's two principal business areas are: (i) its equity and debt investments in its Portfolio Companies; and (ii) its portfolio of loans, principally originated through Platforms operated by the Portfolio Companies.

An overview of the Company's current Portfolio Companies, all of which are unquoted, and Platforms is set out below:

<i>Category</i>	<i>UK (and Jersey)</i>	<i>Europe</i>	<i>US</i>	<i>Rest of the world</i>
<b>Term Lending:</b>	BMS Finance FundingKnight Finpoint Proplend Sancus	MytripleA	Raiseworks Liftforward The Open Energy Group	
<b>Short Term/Receivables Finance</b>	Platform Black	European Receivables Exchange Finexkap	The Credit Junction	Ovamba
<b>Trade Finance:</b>	TradeRiver		TradeRiver USA	
<b>Multi-Asset/Other Assets</b>	CrowdShed UK Bond Network Funding Options			



### ***BMS Finance***

The Company has a 62.50 per cent. equity stake in GBHL which at 30 June 2015 had an equity value of £1.8 million. GBHL consists of a 100 per cent. interest in BMS Finance AB Ltd (“BMS”) the UK operating business, a 100 per cent. interest in Noble Venture II Nominees Ltd and a 95 per cent. interest in NVF Tech Ltd (previously named HiWave UK). BMS provides senior secured lending between £0.5 million and £5 million to predominantly UK SMEs at or approaching profitability. The funding for the BMS loan portfolio is derived partly from its own balance sheet, partly from GLI and partly through the British Business Bank, under a matched funding agreement. In addition, GLI has a £18.1 million loan note with GLI BMS Holdings Limited that is repayable in November 2018.

### ***FundingKnight***

The Company currently has a 24.81 per cent. equity interest in Funding Knight Holdings Limited, with an original investment in July 2013 of £1.5 million for a combination of ordinary and preference shares for a 20 per cent. interest. A further 4.8 per cent. interest was acquired for £736,714 in February 2015 with an additional 66,974 ordinary shares purchased as part of a rights issue. FundingKnight provides SME finance through crowd lending from a broad base of investors. As well as business loans, FundingKnight provides finance for property bridging and green energy projects. The maximum loan size is £500,000 and the maximum term is five years.

### ***Platform Black***

The Company initially invested £2.0 million for a combination of ordinary and preference shares in September 2013, acquiring a 20 per cent. interest. It was announced on 1 June 2015 that this was increased to 31.9 per cent. as part of a disposal of equity by a founder of the company. The consideration for this issue was 511,529 Ordinary Shares. On 18 August 2015, the Company acquired further ordinary shares in Platform Black for £307,695.15. This acquisition has resulted in the Company’s interest in Platform Black increasing to 44 per cent. Platform Black is a UK based peer-to-peer invoice trading and supply chain finance business. Its investor base is exclusively sophisticated investors, funds or corporate entities and these investors bid for tranches of invoices from 5 per cent. of the principal upwards through Platform Black’s proprietary Platform.

### ***Raiseworks***

On 19 December 2013, GLI invested US\$1.5 million in the US peer-to-peer SME lending business, Raiseworks, LLC (“Raiseworks”) for an initial 50 per cent. holding (50,000 Class A Common Shares) which increased to 62.5 per cent. in October 2014 when GLI purchased a further 12.5 per cent. equity stake for a further 33,333 Class A Common Shares bringing the share issue to a total of 83,333 Class A Common Shares. In October 2015, the Company acquired the entire issued share capital of Raiseworks. The Raiseworks business began in 2011, to improve small business access to credit and to increase investment opportunities in small businesses. It provides term lending to SMEs through unsecured loans of up to US\$250,000.

### ***Sancus***

On 16 December 2014, GLI purchased Sancus Limited (“Sancus”), the operating subsidiary of Sancus Holdings Limited (SHL) for a total consideration of £37.75 million (£17.75 million in GLI’s Ordinary Shares (31,415,930 Ordinary Shares) and £20.0 million in ZDP Shares). Prior to this, GLI had a holding of 8.4 per cent. of Sancus’s ordinary shares and £4.75 million preference shares. Sancus’s target market is entrepreneurs, SMEs, high net worth individuals and professionals. Sancus will also co-invest in all deals, making its model somewhat similar to GLI itself, albeit focused on offshore jurisdictions.

### ***Finpoint UK***

Finpoint UK is a venture between CRX (the German company that owns Finpoint in Germany) and GLI. The Platform provides financial institutions with the opportunity to acquire loans direct from SMEs; a similar model to P2P, but with larger loan sizes and a solely institutional focus. On 24 January 2014, a new company was created called Finpoint Ltd whereby GLI purchased a 75 per cent. equity stake in the UK business for £0.75 million and CRX subscribed for the remaining 25 per cent. for £0.25 million. GLI also subscribed for £0.5 million of preference shares.

### ***TradeRiver Finance***

TradeRiver Finance is a non-bank online funding solution which finances trade, both cross-border and in the UK. It provides businesses with finance to purchase goods and services through an online Platform. GLI has provided TradeRiver with a subordinated loan facility and acquired a 10 per cent. stake in the equity of the business for £0.8 million on 11 February 2014. On 27 March 2015, GLI increased its stake to 46.398 per cent. of the ordinary shares and 100 per cent. of the preference shares in TradeRiver Finance by way of a stock swap with other existing investors. The consideration for the issue was 6,187,394 Ordinary Shares and 791,418 new ZDP Shares in GLI.

### ***European Receivables Exchange***

On 13 February 2014, the Company acquired a 5 per cent. equity stake in European Receivables Exchange for DKK4.5 million (£0.5 million). The company is an online invoice discounting business, currently operating principally in Denmark.

### ***CrowdShed***

CrowdShed is creating a new multi-faceted approach to crowd funding, bringing together rewards and donations with equity and commercial debt opportunities. GLI acquired an initial 46.8 per cent. equity stake in Crowdshed (expected to reduce to 25 per cent. over time) for £0.6 million on 21 February 2014, giving GLI exposure to the fast growing financial crowd funding industry. This equity stake reduced in July 2014 to 32.51 per cent. following investment by other investors.

### ***Proplend***

On 7 March 2014, the Company acquired a 22.5 per cent. stake in the ordinary shares of Proplend for £0.5 million and conditionally subscribed for £0.5 million of preference shares. Proplend is a secured P2P lending Platform that connects investors directly to borrowers with loans secured against UK income producing commercial property. The company focuses on loan sizes of typically between £100,000 and £5 million. GLI invested £965,000 on the Platform during 2014 and a further £1.6 million during the first half of 2015.

### ***Finexkap***

On 22 July 2014, the Company acquired an initial 36.6 per cent. stake in the ordinary shares of Finexkap for EUR3.0 million. This interest was reduced to 26.4 per cent. following a planned further issue of shares to other investors in November 2014. Finexkap is a web-based Platform providing a solution to working capital financing through an innovative financial securitisation structure. In order to provide a scalable solution, Finexkap finances the receivables through a securitisation structure, harnessing both demand for senior secured lower risk paper and for higher yielding investments.

### ***LiftForward***

In August 2014, GLI acquired a 20.9 per cent. interest in Series 'A' Preferred Stock Shares in LiftForward, Inc., a US software as a service ("SaaS") company which operates marketplace financing Platforms for organisations with a large number of small business customers or members. LiftForward's technology enables organisations to connect customers or members with various forms of capital. Services also include portal development, underwriting, servicing and reporting. The Platform and services can be customised to meet the specific needs of each client organisation and the small businesses they serve.

### ***UK Bond Network***

In October 2014, GLI invested £1.0 million for a 13.99 per cent. equity stake in UK Bond Network. The holding increased to 15.84 per cent. in June 2015 following a rights issue. UK Bond Network gives listed and unlisted businesses the opportunity to create a bespoke financing structure with terms that suit them, in the form of loans or bonds from £0.5 million to £4.0 million.

### ***The Credit Junction***

In September 2014, GLI made a US\$1.5 million investment in The Credit Junction. The Credit Junction is a Platform focused on providing working capital and supply chain financing solutions to US SMEs. The Credit Junction focuses on SMEs seeking loans of US\$200,000 to US\$2,000,000 within the aerospace and defence, oil and gas, automotive, power, transportation, agricultural services, construction and manufacturing sectors.

### ***Ovamba Solutions Inc***

In October 2014, GLI invested US\$1.3 million for a 20.48 per cent. equity stake in Ovamba Solutions Inc. The Company has also made available to Ovamba a EUR3.0 million revolving loan facility. Ovamba is the first peer-to-business lending Platform in francophone Africa, and also one of the first market lending Platforms to offer investment opportunities to individuals and institutions in Sub-Saharan Africa. Initially operating in Cameroon, Ovamba expects to roll out its offering across the continent over time.

### ***TradeRiver USA***

In 2015, GLI invested US\$1.5 million for a 30.25 per cent. equity stake in Trade River USA Inc and US\$0.5 million for preference shares with an 8 per cent. dividend per annum. TradeRiver USA is a non-bank online funding solution, which finances trade, both cross-border and in the US. It utilises the same software solution as TradeRiver Finance Limited, and is an associate of the UK business.

### ***Open Energy Group***

In March 2015, GLI invested US\$1.25 million in Open Energy Group, a US marketplace for commercial solar investment, in return for a 21.6 per cent. stake in the business. The Company has also extended a US\$5 million revolving loan facility to Open Energy Group to underwrite solar project loans.

### ***MytripleA***

At 31 March 2015, GLI held a convertible loan note with MytripleA for EUR675,000. On 5 May 2015, this was converted to a 9.9 per cent. equity stake in the business. MytripleA is a regulated Spanish peer to peer lending platform that facilitates the provision of alternative financing transactions between SMEs and lending investors. MytripleA offers insurance-guaranteed loans, non-guaranteed loans and receivables finance.

### ***Funding Options***

In May 2015, GLI invested £1.25 million in return for a 28.9 per cent. stake in the ordinary shares and £0.75 million in the preference shares of Funding Options Ltd, a so-called “neutral platform”. Funding Options uses online technology to scan the alternative finance market for the most suitable funding options available for SMEs.

## **Outlook**

The Directors believe that the majority of the Portfolio Companies have the ability to grow exponentially from a low base, although a few are still in start-up stage and therefore the exact mix of business as the Group develops the Portfolio Companies is difficult to predict. The Directors currently anticipate that the single largest geographical exposure within the Company’s portfolio will remain the US. This is a function of the size of the market opportunity, rather than any expectation of better growth prospects for the individual businesses. In the UK, the Board believes the supportive Government attitude to alternative finance should provide a positive backdrop. In Europe, the potential for alternative finance to grow is strong as it is relatively untapped.

The Directors believe that the broad range of Portfolio Companies brings with it opportunities to add value across the businesses, which the Group is just beginning to explore and to exploit. The Directors anticipate that cross-referral and cooperation is likely to enhance the value of the businesses.

The Group is now seeking strategic developments that can leverage its position in the alternative finance market. One such development is the ability to manage third party funds within the alternative finance sector. The Company recently established a new asset management entity, GLI Asset Management Limited (“GLIAM”), a non-cellular company limited by shares registered in Guernsey, as a wholly-owned subsidiary. GLIAM is licensed and regulated by the GFSC under the Protection of Investors (Bailiwick

of Guernsey) Law, 1987, as amended and is licensed to carry on the activities of promotion, subscription, registration, dealing, management, administration, advising and custody in connection with collective investment schemes and general securities and derivatives.

GLIAM acts as manager to GLIAF, a new investment fund that invests in a range of loans originated principally through the Platforms in which the Company holds a strategic equity investment. In the opinion of the Board, an asset manager with access to nineteen alternative finance platforms could be a useful recurring revenue stream, as well as providing significant capacity to the Portfolio Companies.

It is expected that a number of synergies will be present with GLIAM and GLI Finance Limited. GLIAM is expected to benefit from the experience, expertise and contacts of GLI. For example, from a regulatory point of view GLIAM is expected to benefit from GLI's experience and knowledge around FATCA registration and reporting requirements. Following the launch of GLIAF, GLIAM should also be able to benefit from the marketing and public relations experience which exists within the GLI team and GLIAF will be able to benefit from access to loans made available by the Portfolio Companies.

Competition in the alternative finance and online lending market is expected to increase as the industry matures. There are currently other fund vehicles that offer institutional investors indirect access to investments in, amongst other things, alternative finance SME loans.

GLIAM is dependent upon key individuals who have considerable knowledge of the industry as well as being respected and expert in their field. The management team is led by two key individuals, Geoff Miller, CEO of GLI and Andrew Whelan, director of lending at GLI. Both individuals are executive directors of GLI and in addition Geoff Miller has a board seat on all of the Portfolio Companies and Andrew Whelan is CEO of Sancus.

Other sensitivities to which GLI's plans, and the financial benefits which can accrue, are subject include the level of demand for loan finance from good quality SMEs, the general availability of investors' (including GLI) funds for such financing, and GLI's ability to avoid the need for significant provisioning against its loans.

### **Funding structure**

The Company has funded the expansion of its operations through a combination of equity capital raises (in the form of issues of Ordinary Shares), debt finance and more recently the introduction of zero dividend preference shares.

From time to time, the Company has utilised debt finance to provide additional resources, where the Board has been comfortable that the utilisation of such finance would be accretive to equity holders. At the Company level, the Board of GLI intend to keep such borrowings below £30 million. The protections afforded to ZDP Shareholders permit borrowings (without ZDP Shareholder consent) of up to £30 million (with certain exceptions such as borrowings arranged to redeem ZDP Shares). This £30 million restriction does not apply to borrowings by subsidiaries of GLI unless they are guaranteed by GLI. Accordingly, the Portfolio Companies have their own standalone funding arrangements.

The Loan Facility is for up to £30 million, of which currently £24.89 million is drawn down. It bears interest at 11 per cent. per annum (including the 1.0 per cent. administration fee paid to Sancus). The Company is currently exploring the possibility of replacing this with convertible unsecured bonds ("CULS") at a lower running interest cost. The conversion price of convertible unsecured bonds would be above the market price of the Ordinary Shares as at the date of issue. If converted, such funding would become permanent capital, but on a less dilutive basis than would be the case if new Ordinary Shares were issued at such time.

In December 2014, the Company issued 20 million 2019 ZDP Shares as part of the consideration for the acquisition of Sancus. The Board believes that zero dividend preference shares provide a funding structure which is appropriate for the funding of the Company's equity investment in Platforms, since the return objectives, of long term capital appreciation, are similar both in the assets themselves and in the ZDP Shares that fund them.

The Issue is being undertaken to provide GLI with additional capital to repay all or part of its Loan Facility. To the extent that the net proceeds of the Issue are sufficient, any additional net proceeds will be used to expand its loan portfolio which is mostly sourced through its family of Platforms, as well as to continue to invest in those Platforms and, if suitable opportunities arise, to make further Platform investments.

### **Dividend policy**

The Company aims to provide Ordinary Shareholders with a stable and predictable dividend and a double digit return on equity. The Board monitors the appropriate dividend level on a quarterly basis. A resolution was passed at the annual general meeting of the Company held on 30 April 2015 to authorise the Board, in respect of any dividends declared for any financial period or periods of the Company ending prior to the annual general meeting of the Company to be held in 2016, to offer Ordinary Shareholders the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of any dividend(s) declared in respect of any such period or periods.

The Directors intend to adopt the following dividend policy for the Company going forward. It is intended that aggregate dividends declared in respect of each annual accounting period are paid out of the net income of the Company in respect of that annual accounting period, such policy to be measured at the end of each accounting period. The Board may, however, exceptionally pay dividends and special dividends out of capital.

The ability to pay dividends is dependent on a number of factors, including the level of income returns from the Company's portfolio of investments. There can be no guarantee that the Company's portfolio of investments will achieve the target rates of return referred to in this prospectus or that dividends will be paid in respect of any year or period.

No dividends will be paid in respect of the ZDP Shares.

The Company paid a dividend of: (i) 5.0 pence per Ordinary Share for the year ended 31 December 2014 (amounting to £7.03 million); (ii) 5.0 pence per Ordinary Share for the year ended 31 December 2013 (amounting to £6.55 million); and (iii) 4.7 pence per Ordinary Share for the year ended 31 December 2012 (amounting to £4.89 million).

### **Share repurchases and issuance**

By special resolution of the Shareholders, passed at the Company's annual general meeting on 30 April 2015, the Company has been granted authority to purchase in the market up to 14.99 per cent. of its issued Ordinary Shares. This authority will expire at the annual general meeting of the Company to be held in 2016 or, if earlier, 30 October 2016. The Board intends to seek renewal of this authority from Shareholders at each annual general meeting. It should be noted however that the ability to repurchase Ordinary Shares may be limited by the need to maintain the Cover limits set out in the Articles and the New Articles.

By special resolution of the Shareholders, passed at the Company's annual general meeting on 30 April 2015, the Company has been granted authority to issue Ordinary Shares, on a non-pre-emptive basis, up to an aggregate number equivalent to 10 per cent. of its issued Ordinary Shares. This authority will expire at the annual general meeting of the Company to be held in 2016 or, if earlier, 30 October 2016.

### **Directors**

#### **Patrick Firth (*Non-Executive Chairman*)**

Patrick Firth qualified as a chartered accountant with KPMG in 1991 before building a career in fund administration with roles at Rothschild Asset Management (C.I.) Limited, BISYS where he became Managing Director of BISYS Fund Services (Guernsey) Limited, before joining Bank of Butterfield in 2002. Patrick left Butterfield Fulcrum in 2009 and has since taken on a number of non-executive positions in listed and private companies. Patrick is Chairman of the Guernsey International Business Association and a former Chairman of the Guernsey Investment Fund Association, a position he held for two years to March 2012, and a member of the AIC Offshore Funds Committee.



Mr Firth is Chairman of the Board. He is also a Director of GLIF BMS Holdings Limited, a company which forms part of the Group.

**Frederick Forni (*Non-Executive Director*)**

Mr Forni was a senior financial professional with Macquarie Holdings (USA) Inc., a United States affiliate of Macquarie Group Limited from October 1997 to October 2012 (and a Senior Managing Director from and after July 2004) where he was involved in (i) developing, marketing, executing and managing structured and conventional financial products transactions for the Macquarie Group, including the establishment of an NYSE listed USD 425m closed-end fund (Macquarie Global Infrastructure Fund; ticker: MGU) and the formation and management of specialised investment portfolios of CLO and CMBS securities aggregating in excess of USD 1 billion and (ii) structuring principal and advisory transactions principally from an income taxation perspective. Mr Forni acted as a non-executive director for numerous Macquarie Group entities, including an investment adviser under the Investment Company Act of 1940 and a fund incubation joint venture with M.D. Sass. From 1995 to 1997 Mr Forni was employed as a tax associate with Morgan, Lewis & Bockius LLP. Mr Forni holds a B.A. in Economics from Connecticut College, a J.D. awarded cum laude, from Georgetown University Law Center and an LL.M. in taxation from New York University Law School. Mr Forni held Series 24, Series 7 and Series 63 FINRA licenses and is admitted to practice law in both New York and Connecticut.

Mr Forni is Chairman of the Remuneration Committee.

**James Carthew (*Non-Executive Director*)**

James Carthew was for many years a fund manager. He now writes research on closed-end funds quoted in London. His career started at M&G in 1984, where he managed a number of UK equity income funds and the M&G Fund of Investment Trusts. He also covered a variety of sectors as an analyst for M&G, including the Financial Services sector. From 2001-2010 he managed the Advance UK Trust PLC, a quoted global fund of funds that specialised in the promotion of corporate governance within the closed-end fund industry. Today James is head of research at Marten & Co, a boutique specialising in the distribution of sponsored research on UK companies through its [quoteddata](#) and [martenandco](#) websites. James also writes articles on the closed-end fund industry on a freelance basis for Citywire and sits on the judging panel for the Investment Company of the Year Awards.

Mr Carthew is Chairman of the Audit Committee. He is also a Director of BMS Finance Limited, a company which forms part of the Group.

**Geoff Miller (*Executive Director*)**

Geoff Miller spent twenty years in the UK financial services industry, as an analyst and as a fund manager, focused within the Non-Bank Financials sector. As an analyst he led the number one-rated UK small and mid-cap Financials team, and as a fund manager ran the largest listed Financials fund in London. He moved offshore in 2007, working in Moscow and Singapore before moving to Guernsey.

In addition to leading the executive team at GLI, Geoff sits as an independent director on a number of boards of financial and investment companies, including GLI's investee companies.

**Emma Stubbs (*Executive Director*)**

Emma Stubbs was Head of Business Analysis and Projects at Sportingbet, an online gaming company from January 2007 to October 2013 where she was responsible for formulating strategy across Europe and Emerging Markets. She had a key role in providing business performance and analysis advice with regard to JVs, B2B, M&A and entering regulated markets. From November 2004 to January 2007 Emma worked as an Account Manager at Marsh Management Services (Guernsey) Limited, a Captive Insurance Company. Emma qualified as a Chartered Certified Accountant with Deloitte in Guernsey in July 2004 where she had been working in the Audit and Advisory department. She graduated from the University of the West of England with a BA Hons degree in Accounting and Finance. Emma is resident in Guernsey.

She sits on a number of investee companies' boards within the Group's investment portfolio.

### **Andrew Whelan (*Executive Director*)**

Andrew has over 25 years investment experience and is a Chartered Fellow of the Chartered Institute for Securities & Investment. Prior to founding Sancus in 2013, Andrew was a founding partner of Ermitage Group following its MBO in 2006 from Liberty Life, backed by Caledonia Investments. He left Ermitage following its successful sale to Nexar Capital Group in July 2011 and after a period of gardening leave joined International Asset Monitor as Managing Director to create a new Jersey Branch.

Andrew joined Liberty Ermitage in 2001 and was a Group Executive Director and Managing Director of Ermitage Global Wealth Management Jersey Limited. He was also CIO of Ermitage's Wealth Management business and products and during his 10 year tenure won multiple investment awards. Prior to Liberty Ermitage Andrew worked for Kleinwort Benson, part of the Dresdner Private Banking Group, and started his career with Morgan Grenfell in 1987.

He has been recognised in the Citywealth Leaders List in 2007, 2008, 2009, 2010 & 2011 and is also a member of the Retained Global Speaker programme for the CFA Society. Andrew is resident in Jersey.

### **Corporate governance arrangements**

The Company is committed to meeting high standards of corporate governance and as such the Board acknowledges its contribution to achieving management accountability, improving risk management and ultimately to creating shareholder value. The Ordinary Shares are quoted on AIM and the 2019 ZDP Shares are admitted by way of a Standard Listing on the Official List and therefore the Company does not need to comply with the UK Corporate Governance Code. However, the Board believes that applying the principles and reporting against the provisions of the UK Corporate Governance Code better reflects the nature, scale and complexity of the business and enables the Board to provide better information to Shareholders than would otherwise be possible by using an alternative corporate governance code. The Directors have also considered the provisions of the Finance Sector Code of Corporate Governance published by the Guernsey Financial Services Commission in September 2011.

### ***Operation of the Board***

The Board of Directors comprises the non-executive chairman, two other non-executive directors and three executive directors. The Board is responsible to the Company's shareholders for the proper management of the Company. The Directors meet on a quarterly basis and at other unscheduled times when necessary to assess Group operations and the setting and monitoring of strategy and performance. At management meetings, the Board receives from the Administrator and the executive team a full report on the Group's holdings and performance. The Board gives directions to the executive team as to the investment objectives and limitations, and receives reports in relation to the financial position of the Group.

The Board is responsible for monitoring and scrutinising the performance of the executive team and has formally defined the types of decision which must be taken at Board level from those which have been delegated. Matters reserved for the Board include (but are not limited to) those which affect long-term strategy, appointment and movement of senior personnel, key service providers and their remuneration, communication with shareholders, corporate actions, determining the value of the Company's investments and agreeing the terms for any borrowing arrangement.

### ***Board Committees***

The Board has established the following committees, each with defined terms of reference, procedures, responsibilities and powers.

#### ***Audit Committee***

The Audit Committee is chaired by James Carthew and its other members are Patrick Firth and Frederick Forni. The principal duties of the Audit Committee in discharging its responsibilities include reviewing the annual report and audited financial statements and half yearly report and financial statements, the valuation of the Company's investment portfolio, the system of internal controls and the terms of appointment of the external auditor together with their remuneration. The Audit Committee considers the appointment of the external auditor, discusses and agrees with the external auditor the

nature and scope of the audit, keeps under review the agreed scope, reviews the results and effectiveness of the audit and the independence and objectivity of the external auditor, and reviews the external auditor's letter of engagement and management letter.

The Audit Committee is responsible for monitoring the financial reporting process, including the appropriateness of the Company's accounting policies and the effectiveness of the Company's internal control and risk management systems by analysing the key procedures adopted by the Group's service providers. The Audit Committee is also responsible for overseeing the Company's relationship with the external auditor, including making recommendations to the Board on the appointment of the external auditor and their remuneration. The Audit Committee also reviews, considers and, if thought appropriate, recommends for the purposes of the Group's financial statements valuations prepared by the executive team.

The Audit Committee is charged with reviewing the risk appetite, tolerance and strategy of the Company, in addition to overseeing current risk exposures and the future risk strategy. The Audit Committee reviews the Company's overall risk assessment processes used for the identification and management of new risks and monitoring risks of critical importance. The Audit Committee is responsible for ensuring timely reporting of information that aids the Board's decision making.

#### *Remuneration Committee*

The Remuneration Committee comprises Frederick Forni (Chairman), Patrick Firth and James Carthew. The key duties include agreeing a framework for Director remuneration, ensuring management staff are appropriately incentivised to enhance performance, and reviewing the effectiveness of the remuneration policy on an ongoing basis.

## PART II

### THE ISSUE

#### Overview of the Issue

The Company is seeking to raise up to £40 million pursuant to the Placing and the Open Offer. The Placing and the Open Offer are together referred to in this prospectus as the “Issue”. To the extent that fewer than 40 million 2020 ZDP Shares are issued pursuant to the Issue, the Company may issue such number of shares via the Placing Programme, details of which are set out in Part III of this prospectus.

The Issue Price for the 2020 ZDP Shares to be issued pursuant to the Issue is 100 pence per share. The actual number of 2020 ZDP Shares to be issued pursuant to the Issue, and therefore the gross and net proceeds of the Issue, are not known as at the date of this prospectus but will be notified by the Company via a Regulatory Information Service prior to Admission.

The net proceeds of the Issue are dependent on the level of take up under the Issue. On the assumption that 40 million 2020 ZDP Shares are issued under the Issue, the expenses of the Issue and Admission are expected to be approximately £1.2 million and will be met out of the gross proceeds of the Issue, reducing the net proceeds to an estimated £38.8 million.

Up to 20 million 2020 ZDP Shares will be offered to existing Ordinary Shareholders and ZDP Shareholders by way of the Open Offer. The Open Offer is structured to allow Ordinary Shareholders and ZDP Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Ordinary Shares and/or 2019 ZDP Shares on the Record Date. Shareholders may also make applications in excess of their Basic Entitlements.

2020 ZDP Shares will also be made available to investors under the Placing.

The Issue is conditional on, *inter alia*, the passing of the Resolution by Ordinary Shareholders. A Notice convening the Extraordinary General Meeting is set out in a circular to Shareholders dated 3 December 2015. The Issue is further conditional on: (i) Admission having become effective at or before 8.00 a.m. on 22 December 2015 or such later time and/or date as the Company and Panmure Gordon may agree (being not later than 8.00 a.m. on 29 January 2016); (ii) the Placing Agreement becoming unconditional in all respects (save for any conditions as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (iii) the minimum net proceeds of the Issue being £10 million, or such lower amount as the Company and Panmure Gordon may agree.

The Issue has not been underwritten.

Certain restrictions that apply to the distribution of this prospectus and the 2020 ZDP Shares being issued under the Placing and the Open Offer in certain jurisdictions are described in the section headed “Important Notices” on pages 28 to 29 of this prospectus.

#### 2020 ZDP Shares

The 2020 ZDP Shares are a new class of shares. The rights attaching to the 2020 ZDP Shares will, conditional on the passing of the Resolution, be set out in the New Articles and are also set out in Part IV of this prospectus. The 2020 ZDP Shares have a redemption value of 143.563 pence per share on their Maturity Date of 22 December 2020 compared to an initial right to capital of 100 pence per share at issue. The return over the period is expected to be equivalent to a gross annual return of 7.5 per cent. over their five year life.

#### The Open Offer

The Open Offer provides Ordinary Shareholders and ZDP Shareholders with the opportunity to apply for up to 20 million 2020 ZDP Shares at the Issue Price *pro rata* to their holdings of Shares as at the Record Date on the following basis:

**0.08498 2020 ZDP Shares for each Ordinary Share and/or 2019 ZDP Share**  
(the “Basic Entitlement”).

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.

Ordinary Shareholders and ZDP Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Shareholders, such Open Offer Shares will be available to satisfy such excess applications. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly. Any 2020 ZDP Shares not taken up under the Open Offer will be made available under the Placing.

Existing Shareholders should be aware that the Open Offer is not a rights issue and entitlements under the Open Offer cannot be traded.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is expected to be 11.00 a.m. on 18 December 2015 with Admission and commencement of dealings in 2020 ZDP Shares expected to take place at 8.00 a.m. on 22 December 2015.

The Open Offer is subject to the terms and conditions of the Open Offer which are set out in Part VI of this prospectus and should be read carefully before an application is made under the Open Offer. Shareholders should consult an independent financial adviser if they are in doubt about the contents of this prospectus or the action they should take.

### **The Placing**

The Company and Panmure Gordon have entered into a Placing Agreement pursuant to which Panmure Gordon has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the 2020 ZDP Shares made available under the Placing. The maximum number of 2020 ZDP Shares available under the Placing is 40 million less any Open Offer Shares taken up under the Open Offer. The terms and conditions which shall apply to any subscription for 2020 ZDP Shares procured by Panmure Gordon shall be set out in placing letters that will be provided to subscribers under the Placing.

The Issue will lapse if the Placing Agreement is terminated in accordance with its terms prior to Admission, in which case any amounts received in respect of the Placing or Open Offer will be returned to the applicants without interest.

The Placing commences as at the date of this prospectus and commitments under the Placing must be received by Panmure Gordon (acting on behalf of the Company) no later than 3.00 p.m. on 18 December 2015. The Directors may, with the prior approval of Panmure Gordon, alter the closing date of the Placing and thereby shorten or lengthen the placing period, to a date no later than 29 January 2016.

The Placing Agreement provides for Panmure Gordon to be paid commission by the Company in respect of the 2020 ZDP Shares to be allotted pursuant to the Issue. Any commissions received by Panmure Gordon may be retained, and any 2020 ZDP Shares subscribed for by Panmure Gordon may be retained or dealt in by it for its own benefit.

Further details of the Placing Agreement are set out in paragraph 9.1 of Part IX of this prospectus.

To the extent the time for applications and settlement under the Open Offer and placing period under the Placing are shortened or lengthened, the Company will notify Shareholders and other investors through the publication of a notice through a Regulatory Information Service.



## **Dealings**

Applications will be made to the UK Listing Authority and to the London Stock Exchange respectively for admission of the 2020 ZDP Shares to be issued pursuant to the Issue to: (i) the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules); and (ii) trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings will commence on 22 December 2015.

## **CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles (and the New Articles) permit the holding of Shares under the CREST system. The Company has applied for the 2020 ZDP Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the 2020 ZDP Shares following Admission may take place within the CREST system if any holder of 2020 ZDP Shares so wishes.

CREST is a voluntary system and holders of 2020 ZDP Shares who wish to receive and retain share certificates will be able to do so. An investor applying for 2020 ZDP Shares in the Issue may elect to receive or will receive 2020 ZDP Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

The Basic Entitlements will be registered with ISIN GG00BDB6CS98.

The Excess CREST Open Offer Entitlements will be registered with ISIN GG00BYM95M96.

When admitted to trading, the 2020 ZDP Shares will be registered with ISIN number GG00BZ08Z707 and SEDOL BZ08Z70. It is expected that CREST accounts will be credited with 2020 ZDP Shares on 22 December 2015. The names of subscribers or their nominees that invest through CREST will be entered directly on to the share register of the Company. Dealings in 2020 ZDP Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

## **Money laundering**

Pursuant to anti-money laundering laws and regulations with which the Company must comply, the Company and its agents, Panmure Gordon or the Receiving Agent, may require evidence of the identity of each investor in connection with any application for 2020 ZDP Shares, including further identification of the applicant(s), before any 2020 ZDP Shares are issued.

## **Overseas persons**

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase 2020 ZDP Shares nor should he in any event acquire, subscribe for or purchase 2020 ZDP Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase 2020 ZDP Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

Persons (including, without limitation, nominees and trustees) receiving this document must not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the 2020 ZDP Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States.

The Articles contain provisions designed to restrict the holding of 2020 ZDP Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal, regulatory, tax or other material administrative disadvantage.

Investors should additionally consider the provisions set out under the heading “Important Notices” on pages 28 to 29 of this document.

## PART III

### THE PLACING PROGRAMME

#### Introduction

Pursuant to the Placing Programme, conditional on the passing of the Resolution, the Company may issue up to such number of 2020 ZDP Shares as is equal to 40 million less the number of 2020 ZDP Shares issued pursuant to the Issue. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue 2020 ZDP Shares over a period of time. The Placing Programme is intended to satisfy continued market demand for the 2020 ZDP Shares and to raise further money to provide GLI with additional capital primarily to expand its loan portfolio which is mostly sourced through its family of Platforms, as well as to continue to invest in those Platforms and, if suitable opportunities arise, to make further Platform investments. The maximum number of new 2020 ZDP Shares available under the Placing Programme should not be taken as an indication of the number of 2020 ZDP Shares finally to be issued.

Subject, *inter alia*, to the Resolution being passed at the Extraordinary General Meeting, the Placing Programme will open on 23 December 2015 and will close on 2 December 2016 (or any earlier date on which it is fully subscribed).

2020 ZDP Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Placing Programme Price to investors, being not less than the aggregate of the Accrued Capital Entitlement per 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission.

The allotment of new 2020 ZDP Shares under the Placing Programme is at the discretion of the Directors. Allotments may take place at any time prior to the final closing date of 2 December 2016 (or any earlier date on which it is fully subscribed). An announcement of each allotment will be released through an RIS, including details of the number of new 2020 ZDP Shares allotted and the Placing Programme Price for the allotment.

There is no minimum subscription. The Placing Programme is not being underwritten and, as at the date of this prospectus, the actual number of 2020 ZDP Shares to be issued under the Placing Programme is not known.

#### The Conditions

Each allotment and issue of 2020 ZDP Shares pursuant to the Placing Programme is conditional on:

- (i) (save with the consent of 2020 ZDP Shareholders) the Cover Test being met immediately following such issue or A Cover otherwise being increased as a result of the issue;
- (ii) the issue price being not less than the aggregate of the Accrued Capital Entitlement of a 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission;
- (iii) the Placing Agreement not having been terminated prior to any such allotment;
- (iv) the Admission of those 2020 ZDP Shares; and
- (v) a valid supplementary prospectus being published by the Company if such is required pursuant to the Prospectus Rules.

In circumstances in which these conditions are not fully met, the relevant issue of 2020 ZDP Shares pursuant to the Placing Programme will not take place.

## **Admission**

Applications will be made to the UK Listing Authority and to the London Stock Exchange respectively for admission of new 2020 ZDP Shares issued pursuant to the Placing Programme to: (i) the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules); and (ii) trading on the London Stock Exchange's main market for listed securities. All 2020 ZDP Shares issued pursuant to the Placing Programme will be allotted conditionally on such Admission occurring.

The 2020 ZDP Shares issued pursuant to the Placing Programme will rank *pari passu* with the 2020 ZDP Shares then in issue. The new 2020 ZDP Shares will be issued in registered form.

It is anticipated that dealings in the new 2020 ZDP Shares will commence approximately three Business Days after their allotment. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all new 2020 ZDP Shares allotted pursuant to the Placing Programme will be issued in uncertificated form, if any new 2020 ZDP Shares are issued in certificated form it is expected that share certificates will be despatched approximately one week after the relevant allotment date.

## **Overseas persons**

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase 2020 ZDP Shares nor should he in any event acquire, subscribe for or purchase 2020 ZDP Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase 2020 ZDP Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

Persons (including, without limitation, nominees and trustees) receiving this document must not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the 2020 ZDP Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States.

The Articles contain provisions designed to restrict the holding of 2020 ZDP Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal, regulatory, tax or other material administrative disadvantage.

Investors should additionally consider the provisions set out under the heading "Important Notices" on pages 28 to 29 of this document.

## **PART IV**

### **THE ZDP SHARES**

The rights attaching to the 2020 ZDP Shares will be set out in the New Articles which contain provisions to the following effect:

#### **1.1 Rights as to dividends**

The 2019 ZDP Shares and the 2020 ZDP Shares carry no rights to receive dividends out of the revenue or any other profits of the Company.

#### **1.2 Rights as to capital**

1.2.1 The assets of the Company available for distribution to members after payment of all of the Company's liabilities in full will be applied as follows (and in each case distributed among the holders of shares of each class rateably according to amounts paid up on such shares held by them):

1.2.2

- (a) first, there shall be paid to the holders of 2019 ZDP Shares an amount equal to 100 pence per 2019 ZDP Share as increased each day from the Issue Date up to and including the Maturity Date at the daily compound rate which results in the Final Capital Entitlement per 2019 ZDP Share on the Maturity Date, and increasing thereafter (in the event that any 2019 ZDP Shares are not redeemed by the Maturity Date) on the same compounded basis in respect of any 2019 ZDP Shares not so redeemed;
- (b) second, there shall be paid to the holders of 2020 ZDP Shares an amount equal to 100 pence per 2020 ZDP Share as increased each day from the Issue Date up to and including the Maturity Date at the daily compound rate which results in the Final Capital Entitlement per 2020 ZDP Share on the Maturity Date, and increasing thereafter (in the event that any 2020 ZDP Shares are not redeemed by the Maturity Date) on the same compounded basis in respect of any 2020 ZDP Shares not so redeemed; and
- (c) third, subject to the terms of the Articles, there shall be paid to the holders of Ordinary Shares in proportion to their holdings the surplus assets of the Company available for distribution.

1.2.3 On a liquidation of the Company, to the extent that the relevant classes of ZDP Shares have not already been redeemed, the 2019 ZDP Shares shall rank in priority to the 2020 ZDP Shares in relation to the repayment of their Accrued Capital Entitlement as at the date of liquidation and thereafter.

#### **1.3 Rights as to voting**

1.3.1

- (a) The holders of the 2019 ZDP Shares and the holders of the 2020 ZDP Shares shall have the respective right to receive notice of general meetings of the Company but shall not have the right to attend or vote at any general meeting of the Company unless the business of the meeting includes any resolution to vary, modify or abrogate any of the special rights attached to the 2019 ZDP Shares or the 2020 ZDP Shares respectively and at any meeting where any such business is to be considered such holders shall be entitled to vote in relation to such business alone; and
- (b) where by virtue of the above provisions the holders of the 2019 ZDP Shares and/or the 2020 ZDP Shares are entitled to vote, every such holder present in person or by a duly authorised representative (if a corporation) at a meeting shall, in relation to such business, have one vote in respect of every 2019 ZDP Share and/or 2020 ZDP Share held by him.

### 1.3.2

- (a) Subject to (b) and (c) below, the Company shall not without the previous sanction of a resolution passed at a separate class meeting of the 2019 ZDP Shareholders convened and held in accordance with the provisions of the Articles:
- (i) pay dividends to holders of Ordinary Shares in excess of the aggregate of 5 pence per Ordinary Share per annum increased at the rate of 2.5 per cent. per annum from 12 December 2014;
  - (ii) issue further shares or securities, or rights to subscribe for or to convert or exchange any securities into shares or securities or reclassify issued share capital into shares or securities of a particular class where such shares or securities would on issue, conversion, exchange or reclassification rank as to capital in priority to or *pari passu* with the 2019 ZDP Shares, unless in respect of such issue, conversion, exchange or reclassification (a) the Cover Test would be met immediately following any such issue, conversion, exchange or reclassification; or (b) A Cover and B Cover is otherwise increased as a result of and upon such issue, conversion, exchange or reclassification;
  - (iii) pass a resolution releasing the Directors from their obligation to redeem the 2019 ZDP Shares on the Maturity Date in accordance with section 1.4 below;
  - (iv) other than the redemption of the 2019 ZDP Shares provided for in section 1.4 below, pass a resolution to reduce the capital of the Company in any manner, including any resolution authorising the Directors to purchase shares save that the Company may without such sanction take authority to make, and effect purchases of its own shares provided that in any event, (i) the Cover Test would be met immediately following any such purchase; or (ii) A Cover and B Cover is otherwise increased immediately following any such purchase;
  - (v) incur any borrowings in excess of £30 million (excluding any interest on any such borrowings and excluding Relevant Items being monies borrowed for temporary purposes only and in the ordinary course of business including, without limitation, for the purpose of refinancing existing borrowings or settling transactions and any monies borrowed for the purpose of paying the Final Capital Entitlement or then accrued entitlement of the 2019 ZDP Shares) or guarantee the indebtedness of any of its subsidiaries;
  - (vi) make any material change to the accounting policies adopted by the Directors which are in existence as at the Issue Date;
  - (vii) pass a resolution for the voluntary winding up or liquidation of the Company, such winding up to take effect prior to the Maturity Date;
  - (viii) make a material change to the business of the Company as a whole, which at the time of making such change, appears likely in the reasonable opinion of the Directors to be materially prejudicial to the holders of the 2019 ZDP Shares;
  - (ix) pass any resolution to vary, modify or abrogate any of the special rights attached to the 2019 ZDP Shares.

For the purpose of these provisions, the “**Cover Test**” is that the Directors shall have or shall have caused to be calculated that, in their opinion, were the actions detailed in (ii) or (iv) above (each an “**Action**”) to take place on the date specified by the Directors for such calculation, provided that such date shall not be one which is over 60 days prior to the date on which the relevant Action is due to take place (the “**Calculation Date**”), those 2019 ZDP Shares in issue immediately thereafter would have A Cover of not less than 1.7 times and B Cover of not less than 3.25 times (as adjusted in accordance with the provisions below).



For the purpose of these provisions:

- (1) the “**A Cover**” on the 2019 ZDP Shares shall represent a fraction where the numerator is equal to the gross assets of the Company less current liabilities and trade and non-borrowing related liabilities (not otherwise current liabilities) (other than the liabilities to ZDP Shareholders) as at the Calculation Date, as determined by the Directors, and the denominator is equal to the aggregate amount which would be paid to the holders of the 2019 ZDP Shares in issue on the Calculation Date as a class (and on all shares ranking as to capital in priority thereto or *pari passu* therewith) on the Maturity Date, plus the Company’s borrowings (if any) plus, to the extent not included in the current liabilities referred to above, the Directors’ estimate of the shortfall (if any) of the Group’s revenues less operational expenses (including dividends payable on the Company’s Ordinary Shares, finance costs and management expenses), excluding any fair value adjustments over the period from the Calculation Date to the Maturity Date; and
- (2) the “**B Cover**” on the 2019 ZDP Shares shall represent a fraction where the numerator is equal to the gross assets of the Company less current liabilities and trade and non-borrowing related liabilities (not otherwise current liabilities) and all borrowings (other than the liabilities to ZDP Shareholders) as at the Calculation Date, as determined by the Directors, and the denominator is equal to the aggregate amount which would be paid to the holders of the 2019 ZDP Shares in issue on the Calculation Date as a class (and on all shares ranking as to capital in priority thereto or *pari passu* therewith) on the Maturity Date provided always, that the B Cover of 3.25 times shall be adjusted downwards when and to the extent that the amount of the Company’s borrowings (excluding any interest on any such borrowings and excluding Relevant Items) is less than £30 million and in such event the amount of cover shall be reduced from 3.25 times by “**X**” where:

**X** =  $0.00000008 \times Y$ ; and

**Y** = the amount of the Company’s borrowings (as referred to above) below £30 million, so that, by way of illustration, if the amount of the Company’s borrowings (as referred to above) is £28 million as at the relevant Calculation Date the B Cover amount shall be 3.09 times.

In calculating such A Cover and B Cover, the Directors shall:

- (aa) use the portfolio valuations underlying the net assets value figure published by the Company at the end of the immediately preceding quarter (or on such other date as the Board in its absolute discretion may determine);
- (bb) assume that the Action had been undertaken at the end of the month prior to the Calculation Date (or on such other date as the Board in its absolute discretion may determine);
- (cc) adjust the aggregate net assets at the end of the said month (or on such other date as the Board in its absolute discretion may determine) by adding the minimum net consideration (if any) which would be received upon such Action and by deducting any consideration payable on such Action;
- (dd) aggregate the capital entitlements of the existing 2019 ZDP Shares and the capital entitlements of any new 2019 ZDP Shares to be issued or reclassified as aforesaid, in each case as at the Calculation Date;
- (ee) disregard any reduction in gross assets caused by the accounting for shares held in treasury held by the Company to the extent it is not matched by a corresponding adjustment to the calculation of the denominator; and
- (ff) make such other adjustments as they in their absolute discretion consider appropriate;

- (b) notwithstanding the above provisions, if any offer is made (whether by the Company or any other person, including proposals for a reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of shares of the relevant class or any shares issued in substitution therefor) to all the holders of the 2019 ZDP Shares (other than the offeror and/or persons acting in concert with the offeror) which becomes or is declared unconditional in all respects (or would so become or be declared subject only to the passing of any Recommended Resolution (as defined below)) prior to the Maturity Date, and which enables the holders of the 2019 ZDP Shares to receive no later than the relevant Maturity Date an amount in cash not less than that to which the Directors estimate (so far as practicable at the time and on the basis of such assumptions as they may reasonably deem appropriate) that the 2019 ZDP Shareholders would otherwise have been entitled on a redemption of their 2019 ZDP Shares or on a winding-up of the Company in each case on the relevant Maturity Date (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, the provisions of (d) below shall apply to the holders of the 2019 ZDP Shares in relation to any resolution or resolutions (a “**Recommended Resolution**”) proposed at any general meeting of the Company or at any separate meeting of the holders of the 2019 ZDP Shares save that the provisions of (d) below shall cease as regards such shareholders if either the Directors consider that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer;
- (c) notwithstanding the provisions above, if at any time on or before the Maturity Date a resolution (a “**Reconstruction Resolution**”) is proposed at any general meeting of the Company or at any separate meeting of any class(es) of shareholders to sanction any form of arrangement for the transfer of all or part of the Company’s assets to another entity or any proposals for the reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of any shares (including, without limitation, any further resolutions which the Directors consider to be necessary or desirable for the purposes of effecting such proposals) and which enables the holders of the 2019 ZDP Shares to receive, no later than the relevant Maturity Date, an amount in cash not less than that to which the Directors estimate (so far as practicable at the time and on the basis of such assumptions as they may reasonably deem appropriate) that the 2019 ZDP Shareholders would otherwise have been entitled on a redemption of their 2019 ZDP Shares or on a winding-up of the Company in each case on the relevant Maturity Date then (ignoring any option to receive their entitlements otherwise than in cash), provided such proposals are recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, the provisions of (d) below shall apply to the holders of the 2019 ZDP Shares in relation to such resolution(s), save that such provisions shall cease as regards such shareholders if the arrangement is not implemented in accordance with its terms;
- (d) where this paragraph applies in respect of any resolution, the 2019 ZDP Shareholders shall not be entitled to vote at any general meeting of the Company and the previous sanction of a special resolution of the holders of either class of the 2019 ZDP Shares shall not be required in any case, provided that where, notwithstanding the foregoing, such sanction(s) is/are required in any case by law, all the 2019 ZDP Shareholders present in person, by representative (if a corporation) or by proxy and entitled to vote at such meeting shall (in respect of the votes attached to all such shares) vote in favour of the resolution or resolutions recommended by the Directors and where any vote is not cast or is cast against any such resolution or resolutions recommended by the Directors it shall be deemed to have been cast in favour. The vote on any Recommended Resolution or Reconstruction Resolution shall be taken on a poll;

- (e) subject to (f) and (g) below, the Company shall not without the previous sanction of a resolution passed at a separate class meeting of the 2020 ZDP Shareholders convened and held in accordance with the provisions of the Articles:
- (i) pay dividends to holders of Ordinary Shares in excess of the aggregate of 5 pence per Ordinary Share per annum increased at the rate of 2.5 per cent. per annum from 12 December 2014;
  - (ii) issue further shares or securities, or rights to subscribe for or to convert or exchange any securities into shares or securities or reclassify issued share capital into shares or securities of a particular class where such shares or securities would on issue, conversion, exchange or reclassification rank as to capital in priority to or *pari passu* with the 2020 ZDP Shares, unless in respect of such issue, conversion, exchange or reclassification (a) the Cover Test would be met immediately following any such issue, conversion, exchange or reclassification; or (b) A Cover is otherwise increased as a result of and upon such issue, conversion, exchange or reclassification;
  - (iii) pass a resolution releasing the Directors from their obligation to redeem the 2020 ZDP Shares on the Maturity Date in accordance with section 1.4 below;
  - (iv) other than the redemption of the 2020 ZDP Shares provided for in section 1.4 below, pass a resolution to reduce the capital of the Company in any manner, including any resolution authorising the Directors to purchase shares save that the Company may without such sanction take authority to make, and effect purchases of its own shares provided that in any event, (i) the Cover Test would be met immediately following any such purchase; or (ii) A Cover is otherwise increased immediately following any such purchase;
  - (v) incur any borrowings in excess of £30 million (excluding any interest on any such borrowings and excluding Relevant Items being monies borrowed for temporary purposes only and in the ordinary course of business including, without limitation, for the purpose of refinancing existing borrowings or settling transactions and any monies borrowed for the purpose of paying the Final Capital Entitlement or then accrued entitlement of the 2019 ZDP Shares or the 2020 ZDP Shares) or guarantee the indebtedness of any of its subsidiaries;
  - (vi) make any material change to the accounting policies adopted by the Directors which are in existence as at the Issue Date;
  - (vii) pass a resolution for the voluntary winding up or liquidation of the Company, such winding up to take effect prior to the Maturity Date;
  - (viii) make a material change to the business of the Company as a whole, which at the time of making such change, appears likely in the reasonable opinion of the Directors to be materially prejudicial to the holders of the 2020 ZDP Shares;
  - (ix) pass any resolution to vary, modify or abrogate any of the special rights attached to the 2020 ZDP Shares.

For the purpose of these provisions, the “**Cover Test**” is that the Directors shall have or shall have caused to be calculated that, in their opinion, were the actions detailed in (ii) or (iv) above (each an “**Action**”) to take place on the date specified by the Directors for such calculation, provided that such date shall not be one which is over 60 days prior to the date on which the relevant Action is due to take place (the “**Calculation Date**”), those 2020 ZDP Shares in issue immediately thereafter would have A Cover of not less than 1.7 times (as adjusted in accordance with the provisions below).

For the purpose of these provisions:

the “**A Cover**” on the 2020 ZDP Shares shall represent a fraction where the numerator is equal to the gross assets of the Company less current liabilities and trade and non-borrowing related liabilities (not otherwise current liabilities) (other than the liabilities to ZDP Shareholders) as at the Calculation Date, as determined by the Directors, and the denominator is equal to the aggregate amount which would be paid to the holders of the 2020 ZDP Shares in issue on the Calculation Date as a class (and on all shares ranking as to capital in priority thereto or *pari passu* therewith) on the Maturity Date, plus the Company’s borrowings (if any) plus, to the extent not included in the current liabilities referred to above, the Directors’ estimate of the shortfall (if any) of the Group’s revenues less operational expenses (including dividends payable on the Company’s Ordinary Shares, finance costs and management expenses), excluding any fair value adjustments over the period from the Calculation Date to the Maturity Date.

In calculating such A Cover, the Directors shall:

- (aa) use the portfolio valuations underlying the net assets value figure published by the Company at the end of the immediately preceding quarter (or on such other date as the Board in its absolute discretion may determine);
  - (bb) assume that the Action had been undertaken at the end of the month prior to the Calculation Date (or on such other date as the Board in its absolute discretion may determine);
  - (cc) adjust the aggregate net assets at the end of the said month (or on such other date as the Board in its absolute discretion may determine) by adding the minimum net consideration (if any) which would be received upon such Action and by deducting any consideration payable on such Action;
  - (dd) aggregate the capital entitlements of the existing 2020 ZDP Shares and the capital entitlements of any new 2020 ZDP Shares to be issued or reclassified as aforesaid, in each case as at the Calculation Date;
  - (ee) disregard any reduction in gross assets caused by the accounting for shares held in treasury held by the Company to the extent it is not matched by a corresponding adjustment to the calculation of the denominator; and
  - (ff) make such other adjustments as they in their absolute discretion consider appropriate;
- (f) notwithstanding the above provisions, if any offer is made (whether by the Company or any other person, including proposals for a reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of shares of the relevant class or any shares issued in substitution therefor) to all the holders of 2020 ZDP Shares (other than the offeror and/or persons acting in concert with the offeror) which becomes or is declared unconditional in all respects (or would so become or be declared subject only to the passing of any Recommended Resolution (as defined below)) prior to the Maturity Date, and which enables the holders of the 2020 ZDP Shares to receive no later than the relevant Maturity Date an amount in cash not less than that to which the Directors estimate (so far as practicable at the time and on the basis of such assumptions as they may reasonably deem appropriate) that the 2020 ZDP Shareholders would otherwise have been entitled on a redemption of their 2020 ZDP Shares or on a winding-up of the Company in each case on the relevant Maturity Date (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, the provisions of (h) below shall apply to the holders of 2020 ZDP Shares in relation to any resolution or resolutions (a “**Recommended Resolution**”) proposed at any general meeting of the Company or at any separate meeting of the holders of 2020 ZDP Shares save that the

provisions of (h) below shall cease as regards such shareholders if either the Directors consider that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer;

- (g) notwithstanding the provisions above, if at any time on or before the Maturity Date a resolution (a “**Reconstruction Resolution**”) is proposed at any general meeting of the Company or at any separate meeting of any class(es) of shareholders to sanction any form of arrangement for the transfer of all or part of the Company’s assets to another entity or any proposals for the reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of any shares (including, without limitation, any further resolutions which the Directors consider to be necessary or desirable for the purposes of effecting such proposals) and which enables the holders of the 2020 ZDP Shares to receive, no later than the relevant Maturity Date, an amount in cash not less than that to which the Directors estimate (so far as practicable at the time and on the basis of such assumptions as they may reasonably deem appropriate) that the 2020 ZDP Shareholders would otherwise have been entitled on a redemption of their 2020 ZDP Shares or on a winding-up of the Company in each case on the relevant Maturity Date then (ignoring any option to receive their entitlements otherwise than in cash), provided such proposals are recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, the provisions of (h) below shall apply to the holders of the 2020 ZDP Shares in relation to such resolution(s), save that such provisions shall cease as regards such shareholders if the arrangement is not implemented in accordance with its terms; and
- (h) where this paragraph applies in respect of any resolution, the 2020 ZDP Shareholders shall not be entitled to vote at any general meeting of the Company and the previous sanction of a special resolution of the holders of either class of the 2020 ZDP Shares shall not be required in any case, provided that where, notwithstanding the foregoing, such sanction(s) is/are required in any case by law, all 2020 ZDP Shareholders present in person, by representative (if a corporation) or by proxy and entitled to vote at such meeting shall (in respect of the votes attached to all such shares) vote in favour of the resolution or resolutions recommended by the Directors and where any vote is not cast or is cast against any such resolution or resolutions recommended by the Directors it shall be deemed to have been cast in favour. The vote on any Recommended Resolution or Reconstruction Resolution shall be taken on a poll.

#### 1.4 Rights as to redemption

- 1.4.1 Unless the Directors have previously been released from their obligations to do so by a special resolution of the Company (such special resolution having been duly passed not earlier than the date falling one month prior to the relevant Maturity Date and having been sanctioned by necessary class approval(s)), the Company shall on each Maturity Date, compulsorily redeem all relevant ZDP Shares of the relevant class in issue at an amount equal to the relevant Final Capital Entitlement per ZDP Share.
- 1.4.2 In the event that, on any Maturity Date, the Company is not permitted to redeem any of the relevant ZDP Shares by reason of statutory restriction or otherwise by law, it shall redeem the ZDP Shares then due for redemption so soon thereafter as the Company is permitted lawfully to do so (and if the Company is not permitted lawfully to redeem all of the then relevant unredeemed ZDP Shares at one time, such redemption shall take place in tranches at such times as the Company is permitted lawfully to redeem some only of the then unredeemed relevant ZDP Shares, and the relevant ZDP Shares to be redeemed in such circumstances shall be selected *pro rata* to the holdings due to be redeemed at such time).
- 1.4.3 In the event that, on any Maturity Date, the Company is permitted to redeem some only of the relevant ZDP Shares by reason of statutory restriction or otherwise by law, it shall redeem such ZDP Shares at such time and shall redeem the remaining relevant ZDP Shares then due for redemption so soon thereafter as the Company is permitted lawfully to do so (and if the Company is not permitted lawfully to redeem all of the then relevant unredeemed ZDP Shares at one time, such redemption shall take place in tranches at such times as the Company is

permitted lawfully to redeem some only of the then relevant unredeemed ZDP Shares). The ZDP Shares to be redeemed in such circumstances shall be selected *pro rata* to the holdings due to be redeemed at such time.

- 1.4.4 During such time after any Maturity Date when any of the relevant ZDP Shares remains unredeemed, the Company shall not declare, make or otherwise pay any distributions (whether by way of dividend, redemption, repurchase of shares, reduction of capital or otherwise) to any of the holders of the Ordinary Shares. The rights of the 2019 ZDP Shares to redemption shall rank in priority to the 2020 ZDP Shares so that, without limit, no 2020 ZDP Shares shall be redeemed whilst any 2019 ZDP Shares remain liable to be redeemed.



## PART V

### FINANCIAL INFORMATION

The financial statements for the Group for the year ending on 31 December 2014 (the “**2014 Annual Report and Accounts**”), for the ending on 31 December 2013 (the “**2013 Annual Report and Accounts**”) and for the year ending on 31 December 2012 (the “**2012 Annual Report and Accounts**”) were audited by Grant Thornton Limited, whose reports were unqualified.

The financial statements for the Group for the six-month period ended 30 June 2015 (the “**2015 Interim Report and Accounts**”) were also audited by Grant Thornton, whose report was unqualified.

#### 1. Selected financial information

	<i>Year ended 31 December 2012</i>	<i>Year ended 31 December 2013</i>	<i>Year ended 31 December 2014</i>	<i>Six months ended 30 June 2015</i>	<i>Six months ended 30 June 2014</i>
Total assets (£m)	215.29	227.40	154.48	171.61	85.14
Total liabilities (£m)	(145.43)	(152.33)	(79.94)	(78.00)	(22.11)
Net assets (£m)	69.86	75.06	74.54	93.61	63.03
Net asset value per share (pence)	58.09	52.81	42.45	43.32	44.02
Retained earnings/(losses) carried forward (£m)	6.65	1.51	(19.16)	(23.20)	(12.77)
Total comprehensive income/(loss) for period (£m)	(8.15)	1.54	(12.98)	0.02	(9.45)
Dividends per share (pence)	4.7	5.0	5.0	2.5	2.5

#### 2. Operating and financial review

The Group’s 2014 Annual Report and Accounts, 2013 Annual Report and Accounts, 2012 Annual Report and Accounts and the 2015 Interim Report and Accounts (which are set out in the Company’s prospectus dated 28 September 2015 which has been incorporated in this prospectus by reference) included, on the pages of the prospectus specified in the table below, descriptions of the Group’s financial condition; details of the Group’s activity and exposure; and changes in its financial condition for that period.

	<i>2012 Annual Report and Accounts (Audited)</i>	<i>2013 Annual Report and Accounts (Audited)</i>	<i>2014 Annual Report and Accounts (Audited)</i>	<i>2015 Interim Report and Accounts (Audited)</i>
Chairman’s Statement	Page 78	Page 131	Page 206	Page 292
Chief Executive Officer’s Review	Page 81	Page 133	Page 209	Page 296
Strategic Review	—	Page 135	—	—
Chief Financial Officer’s Review	—	Page 137	Page 213	Page 300
Portfolio Statement of the Group	Page 121	—	—	—

### 3. Other financial information

The financial statements set out in the Company's prospectus dated 28 September 2015 and referred to above include the following information:

	<i>2012 Annual Report and Accounts (Audited)</i>	<i>2013 Annual Report and Accounts (Audited)</i>	<i>2014 Annual Report and Accounts (Audited)</i>	<i>2015 Interim Report and Accounts (Audited)</i>
Consolidated Statement of Comprehensive Income	Page 90	Page 156	Page 239	Page 321
Consolidated Statement of Financial Position	Page 92	Page 158	Page 241	Page 324
Consolidated Statement of Changes in Shareholders' Equity	Page 94	Page 160	Page 243	Page 326
Consolidated Statement of Cash Flows	Page 96	Page 162	Page 245	Page 329
Notes to the Financial Statements	Page 98	Page 164	Page 247	Page 331
Auditor's Report	Page 89	Page 154	Page 236	Page 319

### 4. Documents incorporated by reference

The above two tables comprise a cross-referenced list of information contained in the Company's prospectus dated 28 September 2015 which is being incorporated by reference. The parts of this document which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in this prospectus.

### 5. Availability of reports and accounts for inspection

The Group's 2014 Annual Report and Accounts, 2013 Annual Report and Accounts, 2012 Annual Report and Accounts and the 2015 Interim Report and Accounts which have been prepared in accordance with IFRS are available online at [www.glifinance.com](http://www.glifinance.com) and are also available for inspection at the address referred to in paragraph 15 of Part IX of this prospectus.

### 6. Capitalisation and indebtedness

#### *Capitalisation at 30 June 2015*

The information below has been extracted without adjustments from the 2015 Interim Report and Accounts of the Group as at 30 June 2015.

<i>Shareholders' equity</i>	<i>£ million</i>
Share Capital	81.6
Distributable reserve	34.8
<b>Total capitalisation</b>	<b>116.4</b>

Save as set out in paragraph 13 of Part IX of this prospectus, there has been no material change in the above since 30 June 2015.

### ***Indebtedness at 30 September 2015***

Set out below is a statement of (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) indebtedness of the Group as at 30 September 2015:

	<i>£ million</i>
<b>Current debt</b>	
Guaranteed	—
Secured	17.3
Unguaranteed/Unsecured	—
<b>Total current debt</b>	<u>17.3</u>
<b>Non-current debt</b>	
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	35.4
<b>Total non-current debt</b>	<u>35.4</u>

Save as set out in paragraph 13 of Part IX of this prospectus, there has been no material change in the above since 30 September 2015.

Set out below is a statement of net financial indebtedness of the Group (unaudited) as at 30 September 2015:

	<i>£ million</i>
Cash and cash equivalents	18.0
Trading securities	—
<b>Liquidity</b>	<u>18.0</u>
Current bank debt	—
Other current financial debt	(17.3)
<b>Current financial indebtedness</b>	<u>(17.3)</u>
<b>Net current financial liquidity</b>	<u>0.7</u>
Non-current bank debt	—
Other non-current loans	—
<b>Non-current financial indebtedness</b>	<u>(35.4)</u>
<b>Net financial indebtedness</b>	<u>(34.7)</u>

Save as set out in paragraph 13 of Part IX of this prospectus, there has been no material change in the above since 30 September 2015.

## PART VI

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1 Introduction

If the Resolution is passed at the Extraordinary General Meeting, the Company may issue up to 40 million 2020 ZDP Shares at the Issue Price under the Open Offer and Placing.

The Open Offer has been structured so as to allow Ordinary Shareholders and ZDP Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings. Ordinary Shareholders and ZDP Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Shareholders, such Open Offer Shares will be available to satisfy such excess applications. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly.

The Record Date for entitlements under the Open Offer for CREST Shareholders and Non-CREST Shareholders is 6.00 p.m. on 1 December 2015. Application Forms for Non-CREST Shareholders accompany this prospectus.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is expected to be 11.00 a.m. on 18 December 2015.

This prospectus and, for Non-CREST Shareholders only, the Application Form, contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraphs 4.1 and 4.2 of this Part VI which gives details of the procedure for application and payment for the 2020 ZDP Shares under the Open Offer.

Any Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares and/or 2019 ZDP Shares prior to 8.00 a.m. on 4 December 2015 (being the ex-entitlement date for the Open Offer) is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for 2020 ZDP Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

#### 2 The Open Offer

Subject to the terms and conditions set out herein (and, in the case of Non-CREST Shareholders, in the Application Form), Ordinary Shareholders and ZDP Shareholders are being given the opportunity under the Open Offer to apply for up to 20 million 2020 ZDP Shares at the Issue Price *pro rata* to their holdings of Shares as at the Record Date on the following basis:

##### **0.08498 2020 ZDP Shares for each Ordinary Share and/or 2019 ZDP Share**

(the “Basic Entitlement”).

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating Shareholders’ Basic Entitlements and will be aggregated and will be made available to Shareholders under the Excess Application Facility (described below). Valid applications by Shareholders will be satisfied in full up to their Basic Entitlements. Shareholders with fewer than 12 Shares will not be able to apply for Open Offer Shares.

Ordinary Shareholders and ZDP Shareholders may also make applications in excess of their Basic Entitlements. The Excess Application Facility enables Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Shareholder's Basic Entitlement. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly. Applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications for Excess Shares will be met in full or in part or at all.

Further details of the Excess Application Facility are set out in paragraphs 4.1.4 and 4.2.10 of this Part VI.

**Holdings of Ordinary Shares and 2019 ZDP Shares in certificated and uncertificated form may be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as may holdings under different designations and in different accounts.**

If you are a Non-CREST Shareholder, the Application Form shows the number of 2020 ZDP Shares available to you under your Basic Entitlement (in Box B). Non-CREST Shareholders who wish to subscribe for more than their Basic Entitlement should complete Box E on the Application Form.

CREST Shareholders will have their Basic Entitlements (and Excess CREST Open Offer Entitlements) credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part VI for information on the relevant CREST procedures. CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

**Shareholders should be aware that the Open Offer is not a rights issue. Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by CREST's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Shareholders under the Open Offer (including the Excess Application Facility) will be made available under the Placing.**

Application will be made for the Basic Entitlements (and Excess CREST Open Offer Entitlements) to be credited to CREST Shareholders' CREST accounts. The Basic Entitlements (and Excess CREST Open Offer Entitlements) are expected to be credited to CREST accounts on 4 December 2015.

Application has been made for the 2020 ZDP Shares to be admitted to CREST.

### **3 Conditions and further terms of the Open Offer**

The Open Offer is conditional upon: (i) the approval of the Resolution at the Extraordinary General Meeting; (ii) the Placing Agreement becoming unconditional in all respects (other than as to Admission); (iii) Admission becoming effective by not later than 8.00 a.m. on 22 December 2015 (or such later time and/or date as the Company and/or Panmure Gordon may determine, not being later than 8.00 a.m. on 29 January 2016); and (iv) the minimum net proceeds of the Issue being not less than £10 million, or such lower amount as the Company and Panmure Gordon may agree. A summary of the Placing Agreement is set out in paragraph 9.1 of Part IX of this prospectus.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued. Definitive certificates in respect of 2020 ZDP Shares are expected to be posted to Shareholders who have validly elected to hold their 2020 ZDP Shares in certificated form by 6 January 2016. In respect of those Shareholders who have validly elected to hold their 2020 ZDP Shares in uncertificated form, the 2020 ZDP Shares are expected to be credited to their stock accounts maintained in CREST on 22 December 2015.

Applications will be made for the 2020 ZDP Shares to be admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission is expected to occur on 22 December 2015, when dealings in the 2020 ZDP Shares are expected to begin.

All monies received by the Receiving Agent in respect of 2020 ZDP Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this prospectus, the Company will notify the FCA and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### **4 Procedure for application and payment in respect of the Open Offer**

The action to be taken by you in respect of the Open Offer depends on whether you hold your Ordinary Shares and/or 2019 ZDP Shares in certificated or uncertificated form.

Shareholders who hold all their Ordinary Shares and/or 2019 ZDP Shares in certificated form will receive the Application Form enclosed with this prospectus. The Application Form shows Shareholders the number of Open Offer Shares available under their Basic Entitlement that can be allotted in certificated form. Shareholders who hold all their Ordinary Shares and/or 2019 ZDP Shares in CREST will be allotted Open Offer Shares in CREST. Shareholders who hold some of their Ordinary Shares and/or 2019 ZDP Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Ordinary Shares and/or 2019 ZDP Shares in uncertificated form. However, it will be possible for Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2.6 of this Part VI.

CREST sponsored members should refer to their CREST sponsor as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply for Open Offer Shares in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Shareholders who do not wish to apply for 2020 ZDP Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.**

##### **4.1 *If you have an Application Form in respect of your entitlement under the Open Offer***

###### **4.1.1 *General***

Subject as provided in paragraph 6 of this Part VI in relation to certain Overseas Shareholders, Non-CREST Shareholders will have received an Application Form. The Application Form shows the number of Open Offer Shares available to them under their Basic Entitlement in Box B. Box C shows how much they would need to pay if they wish to take up their Basic Entitlement in full.



Any fractional entitlements to Open Offer Shares will be disregarded in calculating Non-CREST Shareholders' Basic Entitlements and will be aggregated and made available to Shareholders under the Excess Application Facility. Any Non-CREST Shareholders with fewer than 12 Shares will not receive a Basic Entitlement and will not be able to apply for Excess Shares pursuant to the Excess Application Facility. Non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Subject to availability, and assuming that Shareholders have accepted their Basic Entitlement in full, Non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Shareholder's Basic Entitlement by completing Box E of the Application Form. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly.

Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Non-CREST Shareholders.

#### 4.1.2 *Bona fide market claims*

Applications by Non-CREST Shareholders to acquire Open Offer Shares under the Open Offer may only be made on the Application Form and may only be made by the Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Shares through the market prior to the date upon which the Shares were marked "ex" the entitlement to participate in the Open Offer (being 8.00 a.m. on 4 December 2015). Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 16 December 2015. The Application Form is not a negotiable document and cannot be separately traded. A Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Shares prior to the date upon which the Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box H on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2.2 below.

#### 4.1.3 *Application procedures*

Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted in the accompanying pre-paid envelope (for use in the UK only) or returned by post or by hand (during normal business hours only) to the Receiving Agent, Equiniti Limited (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 18 December 2015, after which time Application Forms will not be valid. Non-CREST

Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Shareholders are recommended to allow at least two working days for delivery.

All payments must be in pounds Sterling and made by cheque or banker's draft made payable to "Equiniti Limited re GLI Finance Limited Open Offer A/C" and crossed "a/c payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or bankers drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Issue are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Issue does not become unconditional, no 2020 ZDP Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Issue.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (a) Application Forms received after 11.00 a.m. on 18 December 2015; or
- (b) applications in respect of which remittances are received before 11.00 a.m. on 18 December 2015 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted to a Non-CREST Shareholder and such Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Panmure Gordon shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to

and retained by the Company. Neither Panmure Gordon or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Non-CREST Shareholders.

#### 4.1.4 *The Excess Application Facility*

Provided that Non-CREST Shareholders have accepted their Basic Entitlement in full, Non-CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Non-CREST Shareholders wishing to apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Non-CREST Shareholder's Basic Entitlement may do so by completing Box E on the Application Form. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion (and with the prior consent of Panmure Gordon), and no assurance can be given that the applications for Excess Shares by Non-CREST Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

#### 4.1.5 *Effect of application*

By completing and delivering an Application Form the applicant:

- (a) represents and warrants to the Company and Panmure Gordon that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and Panmure Gordon that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (c) confirms to the Company and Panmure Gordon that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this prospectus, and the applicant accordingly agrees that no person responsible solely or jointly for this prospectus or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this prospectus, he will be deemed to have had notice of all information in relation to the Company contained in this prospectus (including matters incorporated by reference);
- (d) represents and warrants to the Company and Panmure Gordon that he is the Shareholder originally entitled to the relevant Basic Entitlement or that he received such Basic Entitlement by virtue of a *bona fide* market claim;
- (e) represents and warrants to the Company and Panmure Gordon that if he has received some or all of his Basic Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Basic Entitlement by virtue of a *bona fide* market claim;
- (f) requests that the Open Offer Shares, to which he will become entitled, be issued to him on the terms set out in this prospectus and the Application Form subject to the articles of incorporation of the Company;

- (g) represents and warrants to the Company and Panmure Gordon that he is not, nor is he applying on behalf of, any person who is in, or is a citizen or resident, or is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (h) represents and warrants to the Company and Panmure Gordon that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (i) confirms that in making the application he is not relying and has not relied on Panmure Gordon or any person affiliated with Panmure Gordon in connection with any investigation of the accuracy of any information contained in this prospectus or his investment decision.

#### 4.1.6 *Incorrect or incomplete applications*

If an Application Form includes a payment for an incorrect sum, the Company reserves the right:

- to reject the application in full and refund the payment to the applicant (without interest);
- in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the applicant (without interest); and
- in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the Application Form, refunding any unutilised sum to the applicant (without interest).

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Equiniti Limited on 0333 207 6334 or +44 121 415 0931 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Issue nor give financial, tax, investment or legal advice.

Non-CREST Shareholders who do not wish to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

A Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST (please see paragraph 4.2 below for more information).

## 4.2 ***If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST***

### 4.2.1 *General*

Subject as provided in paragraph 6 of this Part VI in relation to certain Overseas Shareholders, each CREST Shareholder will receive a credit to his stock account in CREST equal to the number of Open Offer Shares which represents his Basic Entitlement and also in respect of his Excess CREST Open Offer Entitlement. Please refer to paragraph 4.2.10 of this Part VI for further details of the Excess Application Facility. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Shareholders with fewer than 12 Shares will not receive a Basic Entitlement and will not be able to apply for Excess Shares pursuant to the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID specified in the section headed "Expected Timetable of Key Events" and below.

If for any reason the Basic Entitlements and Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of CREST Shareholders cannot be credited by 3.00 p.m. on 4 December 2015, or such later time and/or date as the Company and Panmure Gordon may decide, an Application Form will be sent to each CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this prospectus will be adjusted as appropriate and the provisions of this prospectus applicable to Non-CREST Shareholders with Application Forms will apply to CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlement to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on telephone number 0333 207 6334 or +44 121 415 0931 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Issue nor give financial, tax, investment or legal advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

### 4.2.2 *Market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Basic Entitlements and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and the Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.



#### 4.2.3 *Unmatched Stock Event (“USE”) instructions*

CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlements and Excess CREST Open Offer Entitlements must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with Basic Entitlements and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (a) above.

#### 4.2.4 *Content of USE instruction in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of shares comprised in the Basic Entitlement being delivered to the Receiving Agent);
- (b) the ISIN of the Basic Entitlement. This is GG00BDB6CS98;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 2RA21;
- (f) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RA222801;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 18 December 2015; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 December 2015.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.



CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 18 December 2015 in order to be valid is 11.00 a.m. on that day.

In the event that the Issue does not become unconditional by 8.00 a.m. on 22 December 2015 or such later time and date as the Company and Panmure Gordon determine (being no later than 8.00 a.m. on 29 January 2016), the Issue will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

#### 4.2.5 *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Excess Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (b) the ISIN of the Excess CREST Open Offer Entitlement – this is GG00BYM95M96;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent – this is 2RA23;
- (f) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent – this is RA222802;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction – this must be the full amount payable on application for the number of Excess Shares referred to in paragraph (a) above;
- (h) the intended settlement date – this must be on or before 11.00 a.m. on 18 December 2015; and
- (i) the Corporate Action Number for the Open Offer – this will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 December 2015.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 18 December 2015 in order to be valid is 11.00 a.m. on that day.

In the event that the Issue does not become unconditional by 8.00 a.m. on 22 December 2015 or such later time and date as the Company and Panmure Gordon determine (being no later than 8.00 a.m. on 29 January 2016), the Issue will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

#### 4.2.6 *Deposit of Basic Entitlements and Excess CREST Open Offer Entitlements into, and withdrawal from, CREST*

A Non-CREST Shareholder's Basic Entitlement as set out in his Application Form may be deposited into CREST (either into the account of the Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Non-CREST Shareholder is also a CREST member. Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under Basic Entitlements are reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the Basic Entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlement and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 December 2015.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, (i) the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 15 December 2015 and (ii) the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements or Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 14 December 2015 — in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlement and Excess CREST Open Offer Entitlement, prior to 11.00 a.m. on 18 December 2015.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in, or citizen(s) or resident(s) of, the United States or any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

#### 4.2.7 *Validity of application*

A USE instruction complying with the requirements as to authentication set out above which settles by no later than 11.00 a.m. on 18 December 2015 will constitute a valid application under the Open Offer.

#### 4.2.8 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above and settled by 11.00 a.m. on 18 December 2015. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### 4.2.9 *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

#### 4.2.10 *The Excess Application Facility*

Provided that a CREST Shareholder chooses to take up their Basic Entitlement in full, the Excess Application Facility enables CREST Shareholders to apply for Open Offer Shares in excess of their Basic Entitlements up to a maximum number of Excess Shares equal to 10 times the total number of Ordinary Shares and/or 2019 ZDP Shares held in such Shareholder's name as at the Record Date. If however CREST Shareholders wish to apply for more than 10 times the total number of Ordinary Shares and/or 2019 ZDP Shares held in such Shareholder's name as at the Record Date, the CREST Shareholder should contact Equiniti by telephone on the number stated on page 69 who will arrange for the additional Excess Shares to be credited to the relevant CREST account of the CREST Shareholder. Any such applications will be granted at the absolute discretion of the Company. In addition, to the extent that applications are received in respect of an aggregate of more than 20 million Open Offer Shares, any 2020 ZDP Shares not taken up under the Placing would be made available, but if excess applications exceed the aggregate of the number of 2020 ZDP Shares being made available pursuant to the Open Offer, being 20 million, plus any 2020 ZDP Shares not taken up under the Placing, they would be scaled back accordingly.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part VI in relation to Overseas Shareholders, the CREST accounts of CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purpose of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Process Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications for Excess Shares will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

#### 4.2.11 *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (a) represents and warrants to the Company and Panmure Gordon that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and Panmure Gordon to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent’s payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (c) agrees with the Company and Panmure Gordon that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (d) confirms to the Company and Panmure Gordon that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this prospectus, and the applicant accordingly agrees that no person responsible solely or jointly for this prospectus or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this prospectus, he will be deemed to have had notice of all the information in relation to the Company contained in this prospectus (including matters incorporated by reference);
- (e) represents and warrants to the Company and Panmure Gordon that he is the Shareholder originally entitled to the relevant Basic Entitlement or that he has received such Basic Entitlement by virtue of a *bona fide* market claim;
- (f) represents and warrants to the Company and Panmure Gordon that if he has received some or all his Basic Entitlement from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlement by virtue of a *bona fide* market claim;

- (g) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this prospectus, subject to the articles of incorporation of the Company;
- (h) represents and warrants to the Company and Panmure Gordon that he is not, nor is he applying on behalf of anyone who is in, or is a citizen or resident, or is a corporation, partnership or other entity created or organised in or under any laws of, the United States or any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in or to, or for the benefit of, any person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (i) represents and warrants to the Company and Panmure Gordon that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (j) confirms that in making the application he is not relying and has not relied on Panmure Gordon or any person affiliated with Panmure Gordon in connection with any investigation of the accuracy of any information contained in this prospectus or his investment decision.

#### 4.2.12 *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part VI;
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for 2020



ZDP Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

#### *4.2.13 Lapse of the Open Offer*

In the event that the Issue does not become unconditional by 8.00 a.m. on 22 December 2015 or such later time and date as the Company and Panmure Gordon may agree (being no later than 8.00 a.m. on 29 January 2016), the Issue will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## **5 Money laundering regulations**

### **5.1 *Holders of Application Forms***

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptors risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

**Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and Panmure Gordon from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.**



The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (d) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £10,600).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Equiniti Limited re GLI Finance Limited Open Offer A/C" and crossed "a/c payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the USA and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at the address set out on page 35 of this prospectus.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact the Receiving Agent on 0333 207 6334 or +44 121 415 0931 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Issue nor give financial, tax, investment or legal advice.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of the Sterling equivalent of €15,000 (approximately £10,600) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 18 December 2015, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent under instructions from the Company may, at its discretion, reject the relevant application, in which event the monies submitted in respect of that application will be

returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **5.2 Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST**

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Basic Entitlement and/or Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to the Company, the Receiving Agent and Panmure Gordon to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **6 Overseas Shareholders**

This prospectus has been approved by the FCA, being the competent authority in the United Kingdom. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

**The distribution of this prospectus and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to apply for Open Offer Shares under the Open Offer.**

No action has been or will be taken by the Company or Panmure Gordon or any other person, to permit a public offering or distribution of this prospectus (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares under the Open Offer) in any jurisdiction where action for that purpose may be required.

No public offer of 2020 ZDP Shares is being made by virtue of this prospectus or the Application Form into the United States or any Restricted Jurisdiction.

Receipt of this prospectus and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this prospectus and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Basic Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this prospectus and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this prospectus and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agent, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor Panmure Gordon, nor any of their respective representatives is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this prospectus and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this prospectus and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company or Panmure Gordon determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this prospectus and/or an Application Form and/or transfers Basic Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part VI and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected, or dispatched from or in relation to the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates relating to Open Offer Shares (or in the case of a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be), in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this prospectus or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in Sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a CREST Shareholder, through CREST.

## **6.2 *United States***

The 2020 ZDP Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and neither this prospectus nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any 2020 ZDP Shares in the United States. Neither this prospectus nor an Application Form, will be sent to, and no 2020 ZDP Shares will be credited to, a stock account in CREST of, any Shareholder with a registered address in the United States. Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring 2020 ZDP Shares and wishing to hold such 2020 ZDP Shares in registered form must provide an address for registration of the 2020 ZDP Shares issued upon exercise thereof outside the United States.

Any person who acquires 2020 ZDP Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this prospectus or the Application Form and delivery of the 2020 ZDP Shares, that they are not, and that at the time of acquiring the 2020 ZDP Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of 2020 ZDP Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the 2020 ZDP Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such 2020 ZDP Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any 2020 ZDP Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any 2020 ZDP Shares may be transferred. In addition, the Company and Panmure Gordon reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the 2020 ZDP Shares.

## **6.3 *Restricted Jurisdictions***

The 2020 ZDP Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. No offer of 2020 ZDP Shares is being made by virtue of this prospectus or the Application Form into any Restricted Jurisdiction.

#### 6.4 ***Other overseas territories***

Application Forms will be sent to Non-CREST Shareholders and Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of CREST Shareholders. Shareholders in jurisdictions other than the United Kingdom may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this prospectus and the Application Form.

**Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of countries other than the United Kingdom should consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.**

#### 6.5 ***Representations and warranties relating to Overseas Shareholders***

##### 6.5.1 *Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Panmure Gordon and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5.1.

##### 6.5.2 *CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part VI represents and warrants to the Company, Panmure Gordon and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a persons located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.



## **6.6 Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and/or Panmure Gordon in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

## **7 Withdrawal rights**

There are only limited rights of withdrawal associated with the Issue. Shareholders wishing to exercise or direct the exercise of statutory withdrawal rights pursuant to section 87Q (4) of FSMA after the issue by the Company of a prospectus supplementary to this prospectus must do so by lodging a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published. The withdrawal notice must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be deposited by post or by hand only (during normal business hours only) with the Receiving Agent, Equiniti Limited so as to be received before the end of the withdrawal period. Please call the Receiving Agent on 0333 207 6334 or +44 121 415 0931 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Issue nor give financial, tax, investment or legal advice. Notice of withdrawal given by any other means or which is deposited with the Receiving Agent after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the Open Offer Shares applied for in full and the allotment of such Open Offer Shares to such person becoming unconditional save to the extent required by statute. In such event, Shareholders are advised to seek independent legal advice.

## **8 Admission, settlement and dealings**

The result of the Issue is expected to be announced on 21 December 2015. Applications will be made for the 2020 ZDP Shares to be admitted to listing on the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the 2020 ZDP Shares, fully paid, will commence at 8.00 a.m. on 22 December 2015.

Application will be made for the 2020 ZDP Shares to be admitted to CREST.

Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 18 December 2015 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The Registrar will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be at 8.00 a.m. on 22 December 2015). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this prospectus, the Company reserves the right to send CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in



certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent and Registrar in connection with CREST.

For Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for, and any Excess Shares successfully applied for under the Excess Application Facility are expected to be despatched by 6 January 2016. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Application Form.

## **9 Times and dates**

The Company shall, in agreement with Panmure Gordon and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this prospectus and in such circumstances shall notify the FCA and make an announcement on a Regulatory Information Service approved by the FCA and, if appropriate, by Shareholders but Shareholders may not receive any further written communication.

## **10 Taxation**

Certain statements regarding United Kingdom taxation in respect of the 2020 ZDP Shares and the Open Offer are set out in Part VII of this prospectus. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

## **11 Further information**

Your attention is drawn to the further information set out in this prospectus and also, in the case of Non-CREST Shareholders and other Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

## **12 Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this prospectus, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this prospectus or the Application Form. By taking up Open Offer Shares by way of their Basic Entitlement or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this prospectus and, where applicable, the Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART VII

### TAXATION

The following summary of the expected tax treatment in the UK and Guernsey does not constitute legal or tax advice. It is intended as a general and non-exhaustive guide only. The following summary outlines certain aspects of current UK and Guernsey tax legislation and the published practice as at the date of this prospectus; no assurances can be given that courts or other authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. An update of this disclosure for subsequent changes or modifications of the law and regulations, or the judicial and administrative interpretations thereof, will not be made.

Any changes to the taxation environment or a change to the tax treatment of the Company may affect investment returns to Shareholders and each Shareholder will have to consider his own tax position and must take his own advice on the matter.

If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than the UK or Guernsey, you should consult your professional adviser immediately.

#### **1. UK Taxation**

The following will apply only to Shareholders who are resident and domiciled in the UK for tax purposes and who are the absolute beneficial owners of their shares and hold those shares as investments. It does not cover securities held in the course of a trade and does not cover investors who may be subject to special rules, for example, pension funds, insurance companies, brokers, intermediaries, persons holding 10 per cent. or more of the Shares and persons making or holding their investment with the purpose of obtaining a UK tax advantage. Shareholders who receive shares in connection with an employment contract with any member of the Group or as an office holder, should seek specific advice on their tax position.

##### **1.1 *The Company***

The Directors intend to continue to conduct the affairs of the Company so that it does not become resident in the UK for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated there), the Company should not be subject to UK income tax or corporation tax other than on certain types of UK source income.

##### **1.2 *ZDP Shareholders***

###### **1.2.1 *Dividends***

No dividends are payable on the ZDP Shares.

###### **1.2.2 *Redemption and disposals***

The ZDP Shares should not fall within the definition of an “offshore fund” for the purposes of UK tax legislation. Therefore, in principle, any profit on a disposal of ZDP Shares or on receipt of the Final Capital Entitlement by a UK resident ZDP Shareholder should be taxed as a chargeable gain for UK tax purposes, subject to applicable reliefs and allowances. Capital treatment for the ZDP Shares relies on interpretation of both Guernsey corporate law and UK case law rather than an expressly prescribed treatment under UK statute.

There are two exceptions to the treatment described in the preceding paragraph of which ZDP Shareholders should be aware:

###### **(a) ZDP Shareholders subject to UK Corporation Tax**

For ZDP Shareholders who are subject to UK Corporation Tax, if the Final Capital Entitlement is received otherwise than pursuant to a liquidation of the Company (for example, by a redemption of the ZDP Shares) the amount by which the Final Capital Entitlement exceeds the amount originally subscribed for the ZDP Shares will instead be treated as a “distribution” for UK corporation tax purposes.

A UK tax resident corporate holder of Shares which receives a dividend paid by the Company will not generally be subject to tax in respect of that dividend as long as they are not “small”. This is subject to anti-avoidance rules and certain exceptions.

For a company which is “small”, that distribution will be subject to corporation tax as income. A company is “small” for these purposes for any accounting period during which staff headcount is below 50 and either turnover or balance sheet total is less than or equal to c.£10 million.

(b) Disguised Interest

The “Disguised Interest Rules” are UK statutory provisions intended to make returns which are economically equivalent to interest subject to income tax as income.

HMRC considers that the Disguised Interest Rules are in principle capable of applying to zero dividend preference shares. However, there is an exception for shares that are admitted to trading on a regulated market, and at the time of issue, would not of themselves produce an amount which is economically equivalent to interest. As a matter of strict legal interpretation of the legislation, it is not entirely clear whether this exception does apply to the ZDP Shares. However, the Directors and their advisers have considered HMRC guidance and other publicly available information concerning the exception and have concluded that the exception should apply to the ZDP Shares. No assurances can be given that HMRC or the courts will agree with this interpretation or that there will be no change in law.

The exception will not apply if there are arrangements made by any person in relation to any ZDP Shares where the main purpose or one of the main purposes is to ensure that the return is in fact economically equivalent to interest. The Directors do not intend that the Company will make any such arrangements and ZDP Shareholders should consider their position very carefully before making any such arrangements with respect to their own holdings of ZDP Shares and should take appropriate professional advice. Similar disguised interest rules exist for UK Corporation Tax but are subject to an exclusion for arrangements that have no tax avoidance purpose. The Disguised Interest Rules for income tax do not contain such an exclusion.

1.2.3 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply.

UK stamp duty can apply to any instrument of transfer of Shares executed within, or in certain cases brought into, the UK. Non-payment of the duty may mean that it is not possible to rely on that instrument of transfer in legal proceedings in a UK court. Provided that Shares are not registered in any register of the company kept in the UK and are not paired with shares issued by a UK company, any agreement to transfer Shares should not be subject to UK stamp duty reserve tax.

1.2.4 *SIPPs*

The ZDP Shares should qualify as a permissible asset for inclusion in a SIPP.

## 2. Guernsey Taxation

### 2.1 *The Company*

The Company has applied for and has been granted an exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200, **provided that** the Company qualifies under the applicable legislation for exemption. It is the intention of the Directors to, where possible, continue to apply

for exempt company status for the purposes of Guernsey taxation, but it may be that for 2016 onwards, such status will not apply (see below for the Company's tax treatment in the absence of exempt status).

As an exempt company, the Company will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. The exemption from income tax and the treatment of the Company as if it were not resident in Guernsey for the purposes of Guernsey income tax would be effective from the date the exemption is granted and will apply for the year of charge in which the exemption is granted.

Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing from a Guernsey source, other than from a relevant bank deposit. It is not anticipated that such Guernsey source taxable income will arise in this case.

Distributions made by exempt companies to non-Guernsey residents will be free of Guernsey withholding tax and reporting requirements. Where a tax exempt company makes a distribution to shareholders that are Guernsey tax resident individuals the company will only need to report the relevant details of those distributions.

In the absence of tax exempt status, the Company would be Guernsey tax resident and taxable at the Guernsey standard rate of company income tax, which is currently zero per cent. Distributions made by non-exempt companies to non-Guernsey residents will be free of Guernsey withholding tax and reporting requirements. Any distributions to shareholders that are Guernsey tax resident individuals will be subject to a 20 per cent. withholding tax.

Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares in the Company.

## **2.2 ZDP Shareholders**

### **2.2.1 Dividends**

No dividends are payable on the ZDP Shares.

### **2.2.2 Redemption and disposals**

As already referred to above, Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

### **2.2.3 Stamp taxes**

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company.

### **2.2.4 EU Savings Directive**

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. However, paying agents located in Guernsey are not required to operate measures on payments made on ZDP Shares.

On 24 March 2014 the Council of the European Union formally adopted a directive to amend the EU Savings Tax Directive (2003/48/EC) (the "EU Savings Tax Directive"). The amendments were to significantly widen the scope of the EU Savings Tax Directive. EU Member States were required to adopt national legislation to comply with the amended EU Savings Tax Directive by 1 January 2016. The amended EU Savings Tax Directive was anticipated to be applicable in EU Member States from 2017. However, on 18 March 2015 the European Commission announced a proposal to repeal the EU Savings Tax Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as

the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that Member States will not be required to apply amendments adopted on 24 March 2014. This proposal was formerly adopted by the Council of the European Union on 10 November 2015.

Guernsey, along with other dependent and associated territories, will consider the effect of the repeal of, the EU Savings Tax Directive in the context of existing bilateral agreements and domestic law.

## **2.3 Foreign Account Tax Compliance**

### **2.3.1 The US-Guernsey IGA**

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United States (“US-Guernsey IGA”) regarding the implementation of FATCA. Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, the Company is required to report certain information about certain Shareholders who are, or are entities that are controlled by one or more, residents or citizens of the United States, unless a relevant exemption applies. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) (from 1 July 2014) and proceeds from the sale of property that could give rise to US source interest or dividends (from 1 January 2019). The US-Guernsey IGA is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form.

### **2.3.2 The UK-Guernsey IGA**

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United Kingdom (“UK-Guernsey IGA”). Under the UK-Guernsey IGA and legislation enacted in Guernsey to implement the UK-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more, residents of the United Kingdom, unless a relevant exemption applies. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The UK-Guernsey IGA is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form.

Guernsey is to adopt the “Common Reporting Standard” (see below) with effect from 1 January 2016. Accordingly, following a transitional period, reporting under the UK-Guernsey IGA (as implemented in Guernsey) in respect of periods commencing on or after 1 January 2016 will be replaced by reporting under the Common Reporting Standard (as implemented in Guernsey).

### **2.3.3 The Multilateral Competent Authority Agreement**

On 13 February 2014, the Organization for Economic Co-operation and Development released the “Common Reporting Standard” (“CRS”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“Multilateral Agreement”) that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have also signed the Multilateral Agreement and over 90 jurisdictions have committed to adopting the CRS.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation to be enacted in Guernsey to implement the CRS, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more, residents of any of the jurisdictions that have adopted the CRS, unless a relevant exemption applies. It is expected that, where applicable, information that would need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. Both Guernsey and the UK are due to implement the CRS with effect from 1 January 2016, but the US is not adopting the CRS. The CRS is to be implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form that will be supplemented by guidance issued by the Organization for Economic Co-operation and Development.

**All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.**

#### *2.3.4 Request for information*

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA, the CRS, any agreement with the US Internal Revenue Service in relation to FATCA from time to time in force, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA, the UK-Guernsey IGA and the Multilateral Agreement, relating to the automatic exchange of information with any relevant competent authority.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the CRS, the UK-Guernsey IGA and/or the US-Guernsey IGA then the Company could be subject to the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the CRS, the UK-Guernsey IGA and the US-Guernsey IGA and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations.



## PART VIII

### PRINCIPAL BASES AND ASSUMPTIONS

Save as otherwise stated, the cover ratio and hurdle rates in relation to the 2020 ZDP Shares have been based on or calculated on the principal bases and assumptions set out below. These are assumptions only and may not be fulfilled in practice. The Assumptions and the Final Capital Entitlement for the 2020 ZDP Shares is not, and should not be taken as, a forecast of profits and there can be no assurance that the 2020 ZDP Shares will be repaid in full on their maturity date of 22 December 2020.

- 1 The gross proceeds of the Placing and the Open Offer will amount to £20 million, and on the anticipated date of Admission the Company's gross assets are £181.3 million, net assets are £108.5 million and its capital structure comprises 214.4 million Ordinary Shares, 20.8 million 2019 ZDP Shares and 20 million 2020 ZDP Shares; in addition, borrowings will increase to £30 million (the proceeds deployed as to 15 per cent. in portfolio companies and 85 per cent. in growing the portfolio of Platform loans).
- 2 Based on an issue price of 100p and a gross capital accrual on the 2020 ZDP Shares of 7.5 per cent. per annum compounding daily from the anticipated date of Admission, the Final Capital Entitlement will be 143.563 pence per share.
- 3 The Final Capital Entitlement of the 2019 ZDP Shares is paid in full at 130.696p per share on their maturity date of 5 December 2019. The Final Capital Entitlement of the 2020 ZDP Shares is paid in full on their maturity date of 22 December 2020.
- 4 No corporation tax or capital gains tax is payable by the Company and no other changes occur in any relevant taxation law and practice.
- 5 Interest is received on the Company's loans through Platforms at the rate of 10 per cent. per annum, loan defaults amount to 1.0 per cent. per annum, the investment in GLIAF yields 8 per cent. per annum, investment management fee income is 1.0 per cent. of £50 million, no income is received from the portfolio companies, management expenses amount to 1.75 per cent. of gross assets per annum, interest on borrowings falls from 11 per cent. in the first quarter of 2016 to 6.75 per cent. per annum and the dividend payable to Ordinary Shareholders amounts to the lower of net revenue less cash costs and 5p per Ordinary Share in each year up to the Maturity Date of the 2020 ZDP Shares. Overall, there is a shortfall of revenue (comprising income less cash costs and dividend) during the five year life of the 2020 ZDP Shares of £1.4 million.
- 6 No additional funds are raised via equity issuance. Repayment of the 2019 ZDP Shares will result in a reduction in gross asset value.
- 7 The rights attaching to Ordinary Shares, the 2019 ZDP Shares and the 2020 ZDP Shares are not altered and no further ordinary shares or ZDP Shares (pursuant to the Placing Programme of otherwise) are issued and no shares are cancelled or re-purchased.
- 8 There are no changes to generally accepted accounting practices relevant to the Company and no material changes to its accounting policies.
- 9 On the basis of the Assumptions, cover for the 2020 ZDP Shares (calculated where the numerator is gross assets less the Final Capital Entitlement of the 2019 ZDP Shares less borrowings less the shortfall of revenue less current liabilities and the denominator is the Final Capital Entitlement of the 2020 ZDP Shares) is 4.2 times and debt cover (calculated where the numerator is gross assets less borrowings less the Final Capital Entitlement of the 2019 ZDP Shares and the denominator is the Final Capital Entitlement of the 2020 ZDP Shares plus borrowings plus the revenue shortfall) is 2.0 times.

## PART IX

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names are set out on page 35 of this prospectus, accept responsibility for the information contained in this prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. The Company

- 2.1 The Company was incorporated in Guernsey on 9 June 2005. The Company is a limited liability company and the principal legislation under which the Company operates is The Companies (Guernsey) Law 2008, as amended.
- 2.2 The principal place of business of the Company is at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR (Tel No. 01481 708 280).
- 2.3 The Company's auditors during the period covered by the historical financial information (which has been incorporated into this prospectus by reference) were Grant Thornton Limited, P.O. Box 313, Lefebvre House, Lefebvre Street, St Peter Port, Guernsey GY1 3TF. Grant Thornton Limited is monitored by the Institute of Chartered Accountants in England & Wales.
- 2.4 The Company is the holding company of the Group. The Company has the following significant subsidiaries as at the date of this prospectus:

<i>Company Name</i>	<i>Country of Registration</i>	<i>Holding (%)</i>
Sancus Group Limited (previously Secured Loan Investments Limited)	Guernsey	100
GLIF BMS Holdings Limited	England and Wales	62.50
BMS Finance AB Limited	England and Wales	100
NVF I Limited	England and Wales	100
NVF I LP	Jersey	100
BMS Equity Limited	Jersey	100
NVF Patents Limited	Guernsey	100
NVF Tech Limited	England and Wales	95
Finpoint Limited	England and Wales	75
Raiseworks LLC	United States	100
Sageworks Capital Inc	United States	100
GLI Investments Holdings Sarl	Luxembourg	100
BMS Finance Sarl	Luxembourg	50.92
GLI Finance (UK) Limited	England and Wales	100
Sancus Limited	Jersey	100
Sancus (Guernsey) Limited	Guernsey	100
GLI Asset Management Limited	Guernsey	100
GLI Alternative Finance plc	England and Wales	76.4

### 3. Share Capital

3.1 The Company's issued share capital as at the date of this prospectus is as follows:

	<i>Nominal value</i>	<i>Number</i>
Ordinary Shares	no par value	214,559,865
2019 ZDP Shares	no par value	20,791,418

All of the Ordinary Shares and 2019 ZDP Shares in issue are fully paid up.

The Company's issued and fully paid share capital immediately following Admission is expected to be:

	<i>Nominal value</i>	<i>Number</i>
Ordinary Shares	no par value	214,559,865
2019 ZDP Shares	no par value	20,791,418
2020 ZDP Shares	no par value	40,000,000*

\* assuming the Issue is fully subscribed

- 3.2 As at the date of this prospectus, the Company held no Ordinary Shares in treasury.
- 3.3 As at the date of this prospectus, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 3.4 The 2020 ZDP Shares are in registered form and are capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations).
- 3.5 As the 2020 ZDP Shares are to be admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules), the Company will be subject to the Disclosure Rules and Transparency Rules. However, for the purposes of continuing obligations and the application of the Disclosure Rules and Transparency Rules on an ongoing basis, the Company will be subject to the Disclosure Rules and Transparency Rules to a reduced extent. For example, whilst DTR 5 (Vote holder and issuer notification rules) will theoretically apply to the Company, as the 2020 ZDP Shares do not entitle holders to vote in all circumstances at general meetings of the Company, the notification obligations in DTR 5 will not apply to ZDP Shareholders.
- 3.6 The Company had the following changes in share capital during the period from 1 January 2012 to 30 June 2015:
- 3.6.1 On 19 June 2015, 142,397 new Ordinary Shares were issued to shareholders who elected to take shares in lieu of cash from the Company's 2015 first quarter dividend.
- 3.6.2 On 4 June 2015, the Company issued 511,529 new Ordinary Shares in payment for the Company's increased stake in Platform Black Limited.
- 3.6.3 On 2 April 2015, the Company issued 6,187,394 new Ordinary Shares and 791,418 2019 ZDP Shares in part payment for the Company's increased stake in Trade River Finance Limited.
- 3.6.4 On 17 March 2015, the Company issued 34,500,000 new Ordinary Shares at a price of 58 pence per share.
- 3.6.5 On 20 March 2015, 130,502 new Ordinary Shares were issued to shareholders who elected to take shares in lieu of cash from the Company's 2014 fourth quarter dividend.
- 3.6.6 On 18 December 2014, 130,289 new Ordinary Shares were issued for an aggregate value of £74,200 relating to shareholders who elected to take shares in lieu of cash from the Company's 2014 second interim dividend.

- 3.6.7 On 16 December 2014, the Company issued 20,000,000 ZDP Shares to Sancus Holdings Limited as part of the consideration for the entire issued share capitals of Sancus Limited and Sancus (Guernsey) Limited.
- 3.6.8 On 16 December 2014, 31,415,930 new Ordinary Shares of no par value were issued for an aggregate value of £17,750,000 to Sancus Holdings Limited as part consideration for the entire issued share capitals of Sancus Limited and Sancus (Guernsey) Limited.
- 3.6.9 On 12 December 2014, 389,938 new Ordinary Shares were issued for an aggregate value of £227,537 to certain of the Company's Directors in accordance with the Company's executive bonus scheme.
- 3.6.10 On 18 September 2014, 105,600 new Ordinary Shares were issued for an aggregate value of £57,288 relating to shareholders who elected to take shares in lieu of cash from the Company's 2014 second interim dividend.
- 3.6.11 On 20 June 2014, 199,773 new Ordinary Shares were issued for an aggregate value of £117,826 relating to shareholders who elected to take shares in lieu of cash from the Company's 2014 first interim dividend.
- 3.6.12 On 20 March 2014, 452,080 new Ordinary Shares were issued for an aggregate value of £228,888 relating to shareholders who elected to take shares in lieu of cash from the Company's 2013 final dividend.
- 3.6.13 On 5 December 2013, 48,994 new Ordinary Shares were issued for an aggregate value of £25,623 relating to shareholders who elected to take shares in lieu of cash from the Company's 2013 third interim dividend.
- 3.6.14 On 1 October 2013, the Company announced a placing whereby a further 9,000,000 new Ordinary Shares were issued at a price of 51 pence per Ordinary Share for an aggregate value of £4,590,000 less issue costs paid to the broker.
- 3.6.15 On 19 September 2013, 89,800 new Ordinary Shares were issued for an aggregate value of £44,541 relating to shareholders who elected to take shares in lieu of cash from the Company's 2013 second interim dividend.
- 3.6.16 On 3 June 2013, 31,607 new Ordinary Shares were issued for an aggregate value of £16,816 relating to shareholders who elected to take shares in lieu of cash from the Company's 2013 first interim dividend.
- 3.6.17 On 23 January 2013, the Company announced a placing whereby a further 11,917,000 new Ordinary Shares were issued at a price of 50 pence per Ordinary Share for an aggregate value of £5,958,500 less issue costs paid to the broker.
- 3.6.18 On 12 November 2012, following the acquisition of BMS Group, the Company issued 20,545,400 new Ordinary Shares.

#### **4. Substantial Share Interests**

- 4.1 As at the close of business on the Latest Practicable Date, in so far as is notified to the Company, the following persons were directly or indirectly interested in 3 per cent. or more of its issued ordinary share capital:

<i>Name</i>	<i>No of Shares</i>	<i>%</i>
Artemis Investment Management	23,249,515	10.84
AXA Investment Managers	21,563,000	10.05
Hargreaves Lansdown Asset Managers	14,906,449	6.95
Waverton Investment Management	10,100,700	4.71
Unicorn Asset Management	9,600,000	4.47
SHL Employee Benefit Trust	8,067,219	3.76
Barclays Wealth	7,311,535	3.41
Ravenscroft	6,498,414	3.03

- 4.2 Those persons referred to in paragraph 4.1 do not have voting rights in respect of the Company's share capital which differ from those of any other shareholder. The Company is not aware of any person who could, directly or indirectly, jointly or severally, exercise control over the Company.
- 4.3 Neither the Company nor any of the Directors of the Company are aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

## 5. Directors

- 5.1 The aggregate remuneration paid and benefits in kind granted to the Directors by the Company in respect of the financial year ended 31 December 2014 was approximately £679,883 and was made up as follows:

<i>Directors' Remuneration</i>	<i>Fees/salary £</i>	<i>Executive bonus scheme £</i>
<b>Executive Directors</b>		
Geoff Miller	152,500	286,696
Emma Stubbs	91,500	21,687
Andrew Whelan	N/A	N/A
<b>Non-Executive Directors</b>		
Patrick Firth	50,000	—
Frederick Forni	37,500	—
James Carthew	40,000	—
<b>Aggregate Remuneration</b>	<b>371,500</b>	<b>308,383</b>

- 5.2 No amounts have been set aside or accrued by the Company to provide pension retirement or similar benefits for the Directors. None of the service agreements or letters of appointment of the Directors provide for benefits upon termination.
- 5.3 The service contracts and letters of appointment of the Directors include the following terms:

	<i>Date of Contract</i>	<i>Unexpired Term (Months)</i>	<i>Notice Period (Months)</i>
Patrick Firth	17 June 2005	None but as Mr Firth has held office for more than 9 years, he is subject to re-appointment at every AGM in accordance with the Articles.	N/A
Frederick Forni	17 June 2005	None but as Mr Forni has held office for more than 9 years, he is subject to re-appointment at every AGM in accordance with the Articles.	N/A
James Carthew	17 May 2011	N/A	N/A
Geoff Miller	10 June 2011	N/A	3 months
Emma Stubbs	23 October 2013	N/A	3 months
Andrew Whelan	16 December 2014	N/A	9 months

5.4 As at the Latest Practicable Date, the following Directors have interests in the Company:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital (%)</i>
Patrick Firth	242,189	0.11
Frederick Forni	N/A	N/A
James Carthew	262,500	0.12
Geoff Miller	2,743,024	1.28
Emma Stubbs	61,083	0.03
Andrew Whelan	3,686,461	1.72

5.5 Save as set out in this Part IX, none of the Directors, including any connected person, the existence of which is known to or who could with reasonable diligence be ascertained by that Director whether or not held through another party, has an interest in the share capital of the Company or in any options in respect of such capital.

5.6 No loan has been granted to, nor any guarantee provided for the benefit of, any of the Directors by any member of the Group.

5.7 None of the Directors has, or has had, any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which has been effected by the Group since incorporation and which remains in any way outstanding or unperformed.

5.8 As at the date of this prospectus, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and/or other duties.

5.9 The Company maintains directors' and officers' liability insurance for the benefit of the Directors.

5.10 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed below, over or within the past five years.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Patrick Firth	Associated Partners GP Limited Bullion Funds GP Limited Celtic Pharma Holdings GP III Limited Celtic Pharma Holdings GP Limited DW Catalyst Limited(formerly BH Credit Catalysts Limited) GLI Finance Limited (Formerly Greenwich Loan Income Fund Limited) GLIF BMS Holdings Limited Global Private Equity One Limited Guernsey Finance LBG Guernsey Portfolios PCC Limited Heritage Diversified Investments PCC Limited (formerly Rufford & Ralston PCC Limited) ICG-Longbow Senior Secured UK Property Debt Investments Limited Inflexion (2010) General Partner Limited Inflexion Buyout Fund IV General Partner Limited Inflexion Partnership Capital Fund 1 General Partner Limited Inflexion Supplemental Fund IV Guernsey Limited Ingenious International Asset Management Limited Investec World Axis PCC Limited JZ Capital Partners Limited LMP Bell Farm Limited LMP Dagenham Limited LMP Green Park Cinemas Limited	Asset Management Investment Company Limited (formerly Asset Management Investment Company PLC) DWM Inclusive Finance Income Fund EISER Infrastructure II Limited EuroDekania Limited FF&P Alternative Strategy Income Subsidiary Limited FF&P Enhanced Opportunities PCC Limited FF&P General Partner I Limited FF&P Russia Real Estate Adviser Holdings Limited FF&P Venture Funds Subsidiary Limited FF&P World Equity Fund PCC Limited FP Holdings Limited L&S Distribution II Limited L&S Distribution III Limited (formerly L&S Distribution II Unitholder 2 Limited) L&S Distribution IV Limited L&S Distribution Limited L&S Distribution V Limited L&S Leeds Limited London & Stamford (Anglesea) II Limited London & Stamford Retail Limited (in liquidation)



<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
	LMP Green Park Holdings Limited LMP Omega 1 Limited LMP Omega II Limited LMP Retail Warehouse JV Holdings Limited LMP Retail Warehouse JV Management Limited LMP Thrapston Limited LMP Wakefield Limited London & Stamford Offices Limited London & Stamford Offices Unitholder 2 Limited London & Stamford Property Limited London & Stamford Property Subsidiary Limited LSP Green Park Distribution Holdings Limited LSP Green Park Management Limited (formerly LSP Cavendish Management Limited) LSP London Residential Holdings Limited LSP London Residential Investments Limited LSP Marlow Limited (formerly LSP Green Park Marlow Limited) LSP RI Moore House Limited MRIF Guernsey GP Limited NextEnergy Solar Fund Limited Pera Capital Partners GP Limited Riverstone Energy Limited Saltus (Channel Islands) Limited Sierra GP Limited Sniper China Logistics Properties Limited	LSP Green Park Logistics Holdings Limited LSP Green Park Offices Holdings Limited LSP Leatherhead Limited (formerly LSP Green Park Leatherhead Limited) LSP RI Moore House (Ground Rents) Limited LSP RI Wandsworth Limited Patria Brazil Fund Limited Porton Capital Technology Funds Prosperity Quest II Unquoted Limited Stonehage Fleming Investment Management Guernsey Limited Suningdale Alpha Fund Limited Victoria Capital PCC Limited
Frederick Forni	None	Diversified CMBS Investments Inc. Macquarie Bermuda Investments Limited Macquarie CPS LLC Macquarie Energy Investments LLC Macquarie Finance (USA) Inc. Macquarie Futures (Asia) Limited Macquarie Germany Holdings GmbH MEIF Sophisticated Investor Fund Municipal and Infrastructure Assurance Corporation TAC Acquisitions Corp
James Carthew	Acclaimworks Ltd BMS Finance AB Limited GLI Asset Management Limited Marten & Co Ltd Palmerwheeler Ltd	Progressive European Markets Limited
Geoff Miller	Afaafa Limited BMS Equity Limited BMS Finance AB Limited Clarion ICC Limited Clarion 5 IC Limited Crowdshed Limited Dansk Faktura Børs Finexkap SAS Finpoint Limited Funding Knight Holdings Limited Funding Options Limited GLI Alternative Finance	Asset Management Investment Company Ltd Aurora Russia Limited Clarion 1 IC Limited Clarion 10 IC Limited Clarion 2 IC Limited Clarion 3 IC Limited Clarion 4 IC Limited Clarion 6 IC Limited Clarion 7 IC Limited Clarion 8 IC Limited Clarion 9 IC Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
	Guernsey Limited GLI Asset Management Limited GLI Finance (UK) Ltd GLIF BMS Holdings Limited Globalworth Investment Advisers Limited Green Street Holdings Limited International Finance Development Company S.A., Holding LiftForward Inc Lombardia Capital Partners, Inc BMS Equity Limited NVF Patents Limited Ovamba Solutions Inc Platform Black Limited Proplend Limited Raiseworks, LLC Sancus (Guernsey) Limited Sancus Gibraltar Holdings Limited Sancus Group Limited Sancus Holdings Limited Sancus IOM Holdings Limited Sancus Limited The Credit Junction Holdings Inc The Open Energy Group TradeRiver Finance Limited TradeRiver USA Inc Verus360 Limited	Clarion Test Trade IC Limited GLF (GP) Limited Globalworth Real Estate Investments Limited Hastings Insurance Group Limited Silkroutefinancial SmartMove Spain Word Play Limited
Emma Stubbs	BMS Equity Limited Finpoint Limited GLI Alternative Finance Guernsey Limited GLI Asset Management Limited GLI Finance (UK) Limited LiftForward Inc NVF Patents Limited Sancus Group Limited	None
Andrew Whelan	Bushido Limited Gibraltar Mortgage Company Limited Sancus (Gibraltar) Limited Sancus (Guernsey) Limited Sancus (IOM) Limited Sancus Gibraltar Holdings Limited Sancus Group Limited Sancus Holdings Limited Sancus IOM Holdings Limited Sancus Limited	Ermitage Asset Management Jersey Limited Ermitage Global Wealth Management Jersey Limited Ermitage Jersey Limited Ermitage Limited Ermitage Selz Fund Limited LIBFIN SPC Qannas Investments Limited The Katana Private Equity Fund Limited

5.11 Save as disclosed below, at the date of this prospectus:

- 5.11.1 none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

- 5.11.2 none of the Directors has been declared bankrupt or has been a director of a company or been a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;
- 5.11.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and
- 5.11.4 none of the Directors is aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this prospectus.
- 5.12 Geoff Miller was a director of GLF (GP) Limited and of Asset Management Investment Company Ltd at the time each company was placed into voluntary liquidation, in November 2012 and October 2012 respectively.

## **6. Employees and executive bonus scheme**

The average number of employees of the Company for each financial year covered by the historical financial information up to the date of this prospectus is as follows:

	<i>Average number of employees*</i>
Financial year ended 31 December 2012	5
Financial year ended 31 December 2013	5
Financial year ended 31 December 2014	6

\* Including Directors

Certain executive team members are entitled to a contractual bonus. There is an incentive pool which is allocated at the Remuneration Committee's discretion. To ensure that incentive payments are primarily long term in nature, all payments from the incentive pool are made one third in cash and two-thirds in Ordinary Shares. All shares in the Company issued via the executive bonus scheme will need to be held by the executive bonus scheme members for the entire tenure of their employment by the Company.

## **7. Memorandum and articles of Incorporation**

### **7.1 *Memorandum of Incorporation***

The Memorandum provides that the objects and powers of the Company are unrestricted.

### **7.2 *Articles of Incorporation***

The rights attaching to the 2019 ZDP Shares are set out in the Articles and, conditional on the passing the Resolution, the rights attaching to the 2020 ZDP Shares will be set out in the New Articles. A summary of the rights attaching to the 2019 ZDP Shares and the 2020 ZDP Shares is set out in Part IV of this prospectus. The Articles also contain provisions, *inter alia*, to the following effect:

### **7.3 *Variation of class rights and changes of capital***

- (a) The special rights attached to any class of shares may (unless otherwise provided by the terms of the issue) be varied with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special resolution of the holders of shares of the class.
- (b) The Company may issue an unlimited number of shares. Subject to the provisions of the Articles, if the Company proposes to allot equity securities then the Company (i) shall not allot any of them on any terms to a person unless it has made an offer to each member who holds equity securities of the same class in the Company to allot to him on the same or more

favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company; and (ii) shall not allot any of those securities to a person unless the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made. These rights in favour of members are called “pre-emption” rights. The Company in general meeting may by special resolution disapply such pre-emption rights, in which case such equity securities may be allotted as if members did not have such pre-emption rights.

- (c) Subject to applicable law, the Company may purchase its own shares.

#### 7.4 ***Class meetings***

The provisions of the Articles applicable to general meetings apply *mutatis mutandis* to every class meeting but the necessary quorum for a variation of class rights meeting is: (i) for a meeting other than an adjourned meeting, two persons present holding at least one third of the voting rights of that class; (ii) for an adjourned meeting, one person holding shares of that class; or (iii) where the class has only one member, that member. At a variation of class rights meeting, any holder of shares of the class in question may demand a poll.

#### 7.5 ***Votes of members***

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who is present in person or by proxy has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy, if he has been duly served with a default notice (as defined in the Articles) for failure to comply with the provisions of Chapter 5 of the Disclosure and Transparency Rules set out in the Articles, or if any calls from him have not been paid.

#### 7.6 ***Directors***

- (a) No person other than a Director retiring at a general meeting shall be appointed as a Director of the Company at any general meeting unless:
  - (i) he is recommended by the Board; or
  - (ii) not less than fourteen clear days before the date appointed for the general meeting notice signed by a member qualified to attend and vote at the general meeting has been given to the Company of his intention to propose that person to be appointed, signed by that person evidencing his willingness to be appointed.
- (b) The Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director. The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director (subject to any maximum number permitted by the Articles) but any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election.
- (c) A Director is not required to hold any qualification shares unless and until such a share qualification is fixed by the Company in general meeting.
- (d) Unless otherwise determined by the Company by ordinary resolution, the amount of any fees payable to Directors (in their capacity as such) shall be determined by the Directors. The Directors are also entitled to be repaid all expenses properly incurred by them respectively in the performance of their duties.

- (e) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Companies Law:
  - (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or
  - (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.
- (f) Paragraph (e) does not apply if:
  - (i) the transaction or proposed transaction is between the Director and the Company; and
  - (ii) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- (g) A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- (h) Nothing in paragraphs (e) to (g) applies in relation to:
  - (i) remuneration or other benefit given to a Director;
  - (ii) insurance purchased or maintained for a Director in accordance with Section 158 of the Companies Law; or
  - (iii) a qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Companies Law.
- (i) Subject to paragraph (j), a Director is interested in a transaction to which the Company is a party if the Director:
  - (i) is a party to, or may derive a material benefit from, the transaction;
  - (ii) has a material financial interest in another party to the transaction;
  - (iii) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
  - (iv) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
  - (v) is otherwise directly or indirectly materially interested in the transaction.
- (j) A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- (k) Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (l) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:
- (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. (1 per cent.) or more of the issued shares of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this paragraph to be a material interest in all circumstances).
- (m) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the provisions of paragraph (k) above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (n) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
- (o) The Company may by ordinary resolution suspend or relax the provisions of paragraphs (k) and (l) above to any extent or ratify any transaction not duly authorised by reason of a contravention of any of the said paragraphs.
- (p) Subject to paragraph (k) above the Directors may exercise the voting power conferred by the share in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officer of such company or voting or providing for the payment or remuneration to the directors, managing director, manager or other officer of such company).
- (q) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.



- (r) Subject to due disclosure in accordance with this paragraph, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (s) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director PROVIDED THAT nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.
- (t) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.
- (u) A Director shall cease to hold office: (i) if the Director (not being a person holding for a fixed term an executive office subject to termination if he ceases for any reason to be a Director) resigns his office by written notice signed by him sent to or deposited at the registered office of the Company, (ii) if he shall have absented himself from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated, (iii) if he dies or becomes of unsound mind or incapable, (iv) if he becomes insolvent, suspends payment or compounds with his creditors, (v) if he is requested to resign by written notice signed by all his co-Directors, (vi) if the Company in general meeting shall declare that he shall cease to be a Director, (vii) if he becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom, (viii) if he becomes ineligible to be a Director in accordance with section 137 of the Companies Law or (ix) he becomes prohibited from being a Director by reason of any order made under any provisions of any law or enactment.
- (v) The Company may in general meeting by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in the Articles or any agreement between the Company and such Director and such removal shall be without prejudice to any claim the Director may have for damages for breach of any contract of service between him and the Company.

#### **7.7 *Transfer and transmission of shares***

- (a) The Directors shall have the power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, paragraph (b) shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of the CREST UK system.
- (b) In relation to any class of shares which, for the time being, Euroclear has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
  - (i) the holding of shares of that class in uncertificated form;
  - (ii) the transfer of title to shares of that class by means of the CREST UK system; or
  - (iii) the CREST Guernsey Regulations.

- (c) Subject to such of the restrictions of the Articles as may be applicable:
- (i) any member may transfer all or any of his uncertificated shares by means of a Relevant System authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Companies Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;
  - (ii) any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
  - (iii) an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.
- (d) All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board or by any other manner as the Board may accept and permitted by the Companies Law and the rules of each stock exchange on which the relevant shares may be listed. Any instrument of transfer shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register. A transfer in respect of shares which are not fully paid shall also be signed by the transferee.
- (e) Every instrument of transfer shall be left at the registered office of the Company or such other place as the Board may prescribe with the certificate (if applicable) of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives.
- (f) The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form or uncertificated form which is not fully paid or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may refuse to register a transfer of shares unless:
- (i) it is in respect of only one class of shares;
  - (ii) it is in favour of a single transferee or not more than four joint transferees; and
  - (iii) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, accompanied by the certificate(s) for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- (g) The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Guernsey Regulations, and where, in the case of a transfer, to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- (h) If the Board refuse to register the transfer of a share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

- (i) Subject to the provisions of the CREST Guernsey Regulations the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide and either generally or in respect of a particular class of share. Any such suspension shall be communicated to members, giving reasonable notice of such suspension, by means of a recognised regulatory news service.
- (j) No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- (k) The Company shall keep the Register in accordance with Sections 123 to 128 of the Companies Law and the CREST Guernsey Regulations. The Register may be closed during such periods as the Board thinks fit not exceeding in all thirty days in any year.
- (l) On the death of a member the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- (m) A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a member shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or speak or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a member unless and until he shall be registered as a member in respect of the share PROVIDED ALWAYS that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.
- (n) Nothing in the Articles shall preclude the Board from recognising the renunciation of the allotment of any share by the allottee in favour of some other person.
- (o) The Directors may, in their absolute discretion, refuse to register a transfer of any shares to a person that they have reason to believe is (i) an “employee benefit plan” (within the meaning of section 3(3) of ERISA) that is subject to Part 4 of Title 1 of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Internal Revenue Code or any other state, local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or section 4975 of the US Internal Revenue Code, or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (i), (ii) and (iii), a “Plan”) or (iv) any person in circumstances where the holding of shares by such person would (a) give rise to an obligation on the Company to register as an “investment company” under the Investment Company Act; (b) preclude the Company from relying on the exception to the definition of “investment company” contained in section 3(c)(7) of the Investment Company Act; (c) give rise to an obligation on the Company to register under the Exchange Act, as amended; or (d) result in the Company not being considered a “Foreign Private Issuer” as that term is defined by Rule 3b-4(c) promulgated under the Exchange Act; or (e) give rise to an obligation on the Investment Manager to register as a commodity pool operator or commodity trading advisor under the

US Commodity Exchange Act of 1974, as amended (each such person, a “Prohibited US Person”). Each person acquiring shares shall by virtue of such acquisition be deemed to have represented to the Company that they are not a Prohibited US Person.

- (p) If any shares are owned directly or beneficially by a person believed by the Board to be a Prohibited US Person, the Board may give notice to such person requiring them either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Prohibited US Person or (ii) to sell or transfer their shares to a person qualified to own the same within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited their shares.
- (q) For the avoidance of doubt, nothing in the Articles shall require the shares to be transferred by written instrument if the Companies Law provides otherwise and the Board shall be empowered to implement such arrangements as they consider fit in accordance with and subject to the Companies Law to evidence and regulate the transfer of title to shares in the Company and for the approval or disapproval as the case may be by the Directors or the operator of any Relevant System of the registration of those shares.

#### **7.8 *Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

#### **7.9 *Disclosures of beneficial interests in Ordinary Shares***

- (a) The Directors shall have the power by notice in writing to require any member to disclose to the Company the identity of any person other than the member who has any interest in the shares and the nature of such interest. Where the member fails to comply with the notice within a period of time prescribed by the Articles, the Company may give the holder of those shares a direction notice, which imposes restrictions on those shares while the default continues, which restrictions may include restrictions on any dividend, distribution or other payment which would otherwise be paid on the shares, restrictions on the transfer of such shares, the disentitlement to attend, speak or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class, in person or by proxy, or to exercise any privilege as a member in relation to meetings of the Company.
- (b) For so long as the Company has any of its shares admitted to trading on the main market of the London Stock Exchange or on AIM, every member shall comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules as if the Company were classified as a “non UK issuer” (as such term is defined in the FCA’s Handbook of Rules and Guidance). If it shall come to the attention of the Directors that any member has not, within the requisite period made or, as the case may be, procured the making of any notification required, the Company may at any time thereafter by notice impose restrictions on those shares while the default continues, which restrictions may include restrictions on any dividend, distribution or other payment which would otherwise be paid on the shares, restrictions on the transfer of such shares, the disentitlement to vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class.

#### **7.10 *General meetings***

All general meetings will be held in Guernsey. A general meeting (other than an adjourned meeting) must be called by notice of at least fourteen clear days. A general meeting may be called by shorter notice if all the members entitled to attend and vote so agree.

#### **7.11 *Untraceable Shareholders***

The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that:

- (a) for a period of twelve years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed;
- (b) the Company has at the expiration of the said period of twelve years by advertisement in a national newspaper and/or a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell such shares;
- (c) the Company has not during the period of three months after the date of the advertisement received any communication from the shareholder or person so entitled; and
- (d) the Company has given notice in writing to the London Stock Exchange of its intention to sell such shares.

#### **7.12 *Distribution of assets otherwise than in cash***

If the Company is wound up whether voluntarily or otherwise the Liquidator may with the sanction of a special resolution divide among the members in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members as the Liquidator with the like sanction shall think fit.

#### **7.13 *Unclaimed Dividends***

Any dividend unclaimed after a period of 6 years from the date of its declaration shall be forfeited and shall revert to the Company.

#### **7.14 *Dividends***

- (a) Subject to compliance with Section 304 of the Companies Law and to the rights attaching to any particular class of shares, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
- (b) The method of payment of dividends shall be at the discretion of the Board.
- (c) No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.
- (d) Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid *pro rata* according to the number of shares held by each member. For the avoidance of doubt, where there is more than one class of share in issue, dividends declared in respect of any class of share shall be declared and paid *pro rata* according to the number of shares of the relevant class held by each member.
- (e) The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- (f) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- (g) The Board may retain dividends payable upon shares in respect of which any person is entitled to become a member until such person has become a member.



- (h) With the sanction of the Company in general meeting by way of a special resolution, any dividend may be paid wholly or in part by the distribution of specific assets. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of members and may vest any such specific assets in trustees for the members entitled as may seem expedient to the Board.
- (i) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends, interest or other monies payable in respect of their joint holdings. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in uncertificated form, by means of a Relevant System in any manner permitted by the rules of the Relevant System concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.
- (j) No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- (k) The Board may, if authorised by an ordinary resolution of the Company, offer any holders of any particular class of shares (excluding treasury shares) the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution (a “Scrip Dividend”).
- (l) The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting of the Company to be held following the date of the meeting at which the ordinary resolution is passed.
- (m) The basis of allotment shall be decided by the Board so that, as nearly as may be considered convenient, the value of the further shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid.
- (n) For the purposes of paragraph (m) the value of the further shares shall be calculated by reference to the average of the middle market quotations for a fully paid share of the relevant class, as shown in the Daily Official List of the London Stock Exchange, for the day on which such shares are first quoted ex the relevant dividend and the four subsequent dealing days or in such other manner as the Directors may decide.
- (o) The dividend or that part of it in respect of which an election for the Scrip Dividend is made shall not be paid and instead further shares of the relevant class shall be allotted in accordance with elections duly made and the Board shall capitalise a sum to the aggregate nominal amount of the shares to be allotted out of such sums available for the purpose as the Directors may consider appropriate.
- (p) The further shares so allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except as regards participation in the relevant dividend.



## **8. The takeover code**

### **8.1 *Mandatory offers***

The Takeover Code applies to the Company and Shareholders are entitled to the protections afforded by the Takeover Code. Under Rule 9 of the Takeover Code, where (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent., but holds shares in the aggregate which carry not more than 50 per cent. of the voting rights of such company, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert parties.

Save where the Takeover Panel permits otherwise, an offer under Rule 9 of the Takeover Code must be in cash and at not less than the highest price paid within 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers in different classes of equity share capital must be comparable. The Takeover Panel should be consulted in advance of such cases.

### **8.2 *Squeeze-out rules***

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within 4 months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, within 2 months after the expiration of those 4 months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “Acquisition Notice”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected, was made.

## **9. Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other member of the Group within the two years immediately preceding the date of this prospectus and are, or may be, material. There are no other contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or any member of the Group which include an obligation or entitlement which is material to the Group as at the date of this prospectus.

### **9.1 *Placing agreement***

A Placing Agreement dated 3 December 2015 between the Company and Panmure Gordon pursuant to which, subject to certain conditions, Panmure Gordon has agreed to use its reasonable endeavours to procure subscribers for 2020 ZDP Shares at the Issue Price. Panmure Gordon has also agreed to co-ordinate the Placing Programme.

In consideration for its services, Panmure Gordon will be paid a corporate finance fee of £100,000, exclusive of VAT, and a commission equal to 2 per cent. of the gross proceeds of the Issue and 1 per cent. of the gross proceeds of the Placing Programme.

The Company has given certain warranties and indemnities to Panmure Gordon. These warranties and indemnities are customary for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

## 9.2 ***Receiving agent agreement***

A receiving agent agreement between the Company and Equiniti Limited dated 30 November 2015, pursuant to which the Receiving Agent has agreed, *inter alia*, to provide receiving agent duties and services to the Company in respect of the Issue.

Under the terms of the agreement, the Receiving Agent is entitled to receive customary fees. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses incurred by it in connection with its duties. These fees will be for the account of the Company.

The receiving agent agreement also contains terms including:

- a provision whereby the Company indemnifies the Receiving Agent for and holds it harmless against any loss, liability or expense including the costs and expenses of defending any claim or liability incurred save where due to fraud, wilful default, negligence or bad faith on the Receiving Agent's part arising out of or in connection with the Receiving Agent's activities pursuant to the agreement; and
- a provision whereby the Receiving Agent indemnifies and holds the Company harmless against any direct loss, liability or expense, including the costs and expenses of investigating, preparing for or defending any, or any threatened or pending, claims or liability incurred arising out of a breach by the Receiving Agent of its obligations in connection with the agreement or its wilful default, fraud, negligence or bad faith, provided that (save in the case of fraud) the Receiving Agent's maximum liability under the agreement is capped at four times the total charges payable for provision of services under the agreement.

The agreement is governed by the laws of England and Wales.

## 9.3 ***Introduction agreement***

Pursuant to an introduction Agreement dated 28 September 2015 between the Company and Panmure Gordon, the Company agreed to appoint Panmure Gordon as the financial adviser to the Company in connection with admission of the 2019 ZDP Shares. The introduction agreement provided for the payment of a fee by the Company to the financial adviser plus its legal and all other expenses. The introduction agreement also included certain warranties and indemnities given by the Company to the financial adviser.

## 9.4 ***Placing agreement***

In connection with the launch of GLIAF, GLI entered into a placing agreement dated 1 September 2015 with GLIAF, GLIAM, Nplus1 Singer Advisory LLP (as placing agent) and others. The Company, acting as guarantor, irrevocably guaranteed to the placing agent and its associates (the indemnified persons) GLIAM's obligations under the agreement to each indemnified person.

## 9.5 ***Share purchase agreement***

In connection with the launch of GLIAF, GLI entered into a share purchase agreement dated 1 September 2015 with GLIAF pursuant to which GLIAF agreed to acquire the issued share capital of the Initial Portfolio Investor in consideration for the allotment and issue, fully paid, of new ordinary shares in GLIAF to GLI.

Pursuant to the terms of the share purchase agreement, GLI made a number of warranties as to the sale of the shares in the Initial Portfolio Investor, including a warranty that the Initial Portfolio Investor has no liabilities and is the legal and beneficial owner of certain loan assets.

## 9.6 ***Orderly market deed***

In connection with the launch of GLIAF, GLI entered into a deed with Nplus1 Singer Advisory LLP and GLIAF dated 1 September 2015 pursuant to which GLI has agreed that, subject to certain exceptions, it shall not, and shall procure that no person who is a connected person will, from the date of the deed for a period of 24 months, directly or indirectly, transfer the legal and/or beneficial ownership (or any interest therein) in any of the shares in GLIAF owned by it or such a connected person or any shares which may accrue to it or such a connected person as a result of its or their

holding of such shares except through Nplus1 Singer Advisory LLP, provided that the price and settlement terms offered by Nplus1 Singer Advisory LLP are not less than the price and settlement terms offered by any other stockbroker or dealer in securities in respect of the same disposal (and so that Nplus1 Singer Advisory LLP shall be given five business days within which to match any such price and settlement terms), and in accordance with the reasonable requirements of Nplus1 Singer Advisory LLP so as to ensure an orderly market for the issued share capital of GLIAF.

#### 9.7 ***Relationship agreement***

In connection with the launch of GLIAF, GLI entered into a relationship agreement dated 1 September 2015 with GLIAF and Nplus1 Singer Advisory LLP to manage the relationship between GLI and GLIAF so as to ensure that, *inter alia*, (i) GLIAF is able to carry on its business independently of GLI; and (ii) all transactions and relationships between GLIAF and GLI are on an arm's length basis.

Under the terms of the relationship agreement, GLI has agreed, *inter alia*, that it shall not, and shall procure that no member of its group shall, acquire any further interest in shares in GLIAF where such additional interest would (i) mean that the aggregate interest of GLI and its group exceeds 90 per cent. of the issued share capital of GLIAF or (ii) in the event that GLI holds an interest in shares representing not more than 50 per cent. of GLIAF's issued share capital, trigger an obligation for GLI to make a bid for the remaining shares not held by GLI or any member of its group, pursuant to Rule 9 of the Takeover Code.

GLI has also undertaken that, *inter alia*, it shall (i) comply with GLIAF's related party policy, (ii) not exercise its voting rights in favour of any resolution which would, if passed, have the effect that GLIAF is not capable of carrying on its business or making decisions independently, (iii) not exercise its voting rights in favour of any resolution which would, if passed, have the effect that variations are made to GLIAF's articles of association which would be contrary to the maintenance of GLIAF's independence, (iv) not propose or procure the proposal of a shareholders' resolution which is intended to effect any cessation of trading of GLIAF's shares on the Specialist Fund Market of the London Stock Exchange (or any other stock exchange on which the shares may be trading) or vote in favour of any such resolution unless a majority of the independent directors of GLIAF have voted in favour of such a proposal or recommended that shareholders vote in favour of such proposal (or as part of certain offers to acquire the entire issued share capital of GLIAF), (v) not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of those of the Listing Rules with which GLIAF has voluntarily chosen to comply and (vi) not take any action that would have the effect of preventing GLIAF from complying with those obligations of the Listing Rules with which GLIAF has voluntarily chosen to comply or the Disclosure and Transparency Rules.

GLI is required to use its reasonable endeavours to ensure that any transaction, dealing or relationship between it, its associates or GLIAF shall be conducted on arm's length terms and on a normal commercial basis.

#### 9.8 ***Management agreement***

Under a management agreement dated 1 September 2015 between GLIAF and GLIAM, GLIAM is appointed to act as investment manager and AIFM of GLIAF with responsibility for portfolio management and risk management of GLIAF's investments. Under the terms of the management agreement, GLIAM is entitled to a management fee together with reimbursement of all reasonable costs and expenses incurred by it in the performance of its duties. GLIAM is not entitled to a performance fee.

The management agreement shall continue in force unless and until terminated by either GLIAM or GLIAF giving to the other not less than 12 months' prior written notice to terminate the same, such notice not to expire prior to 23 September 2018. The management agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material and continuing breach.

GLIAF has given an indemnity in favour of GLIAM in respect of GLIAM's potential losses in carrying on its responsibilities under the management agreement.

The management agreement is governed by the laws of England and Wales.

**9.9 Lock-in deed**

By way of a deed between the Company, Panmure Gordon and Richard Harrop dated 16 December 2014, Richard Harrop has undertaken that he shall not, save in certain limited circumstances, dispose of his interest in the Ordinary Shares acquired by him pursuant to the Company's acquisition of Sancus for a prescribed period. The lock-in deed is governed by English law.

**9.10 Lock-in deed**

By way of a deed between the Company, Panmure Gordon and Nicola Ann de Veulle dated 16 December 2014 Nicola Ann de Veulle has undertaken that she shall not, save in certain limited circumstances, dispose of her interest in the Ordinary Shares acquired by her pursuant to the Company's acquisition of Sancus for a prescribed period. The lock-in deed is governed by English law.

**9.11 Lock-in deed**

By way of a deed between the Company, Panmure Gordon and John Davey dated 16 December 2014, John Davey has undertaken that he shall not, save in certain limited circumstances, dispose of his interest in the Ordinary Shares acquired by him pursuant to the Company's acquisition of Sancus for a prescribed period. The lock-in deed is governed by English law.

**9.12 Lock-in deed**

By way of a deed between the Company, Panmure Gordon and Sancus Holdings Limited dated 16 December 2014, Sancus Holdings Limited has undertaken that it shall not, save in certain limited circumstances, dispose of its interest in the Ordinary Shares acquired by it in part consideration for the Company's acquisition of Sancus for a prescribed period. The lock-in deed is governed by English law.

**9.13 Acquisition agreement**

On 14 November 2014, the Company entered into a conditional sale and purchase agreement with Sancus Holdings Limited ("SHL"), under which the Company conditionally agreed to acquire the respective entire issued share capitals of Sancus and Sancus (Guernsey) Limited from SHL, and the intragroup loans made by SHL to Sancus, for a total consideration of £37.75 million. The payment of the consideration relating to the acquisition involved the Company issuing to SHL new Ordinary Shares and ZDP Shares in the Company. The agreement contains certain warranties in favour of the Company. The agreement is governed by the laws of the Island of Guernsey.

**9.14 Loan facility agreement**

Pursuant to a loan agreement dated 15 September 2014, as amended by an amendment agreement dated 13 March 2015, and by an amendment and restatement agreement dated 15 June 2015 and by a further amendment agreement dated 13 August 2015, between the Company (as borrower), Sancus (as facility agent and security trustee) and each of Sancus, Sancus (Gibraltar) Limited and other parties named therein as lenders (as lenders), the lenders made available to the Company a sterling secured term loan facility in an aggregate amount equal to £30 million. The final repayment date of the loan is 15 March 2017. The Company may at any time prepay all or part of the loan together with accrued interest on the amount prepaid, provided that, *inter alia*, the amount of the prepayment, if it is less than the aggregate amount of all loans under the facility, must be a minimum amount of £1 million. Interest is payable on the loan at the rate of 11 per cent. per annum. The agreement contains representations and warranties given by the Company in favour of the other parties thereto and provisions governing events of default including, without limitation, cross-default. The agreement is governed by the laws of Jersey.

### **9.15 *Debenture***

The loan facility with Sancus referred to in paragraph 9.13 above is secured by way of a debenture dated 15 June 2015, entered into between the Company (as chargor) and Sancus (as security agent) and which creates fixed and floating charges over the Group's assets and undertakings.

### **9.16 *Administration and secretarial agreement***

The administration and secretarial agreement dated 25 March 2015 between the Company and the Administrator pursuant to which the Administrator has been appointed to provide administrative and company secretarial services to the Company. The Administrator is entitled to an annual fee based on the net asset value of the Company of 0.1 per cent., subject to a minimum annual fee of £55,000. The Administrator is also entitled to a time-based fee for all company secretarial services and for the provision of a compliance function. The Administrator is also entitled to receive fixed fees for the preparation of the Company's financial statements.

The administration and secretarial agreement may be terminated by either party on three months' written notice to the other. The agreement may also be terminated immediately by either party in certain circumstances, including in the case of material and continuing breach or insolvency. The agreement provides that in the absence of negligence, breach of the agreement, dishonesty, fraud, wilful neglect, wilful misconduct or bad faith, the Administrator shall not be responsible for any loss the Company may sustain. Under the agreement, the Company shall indemnify the Administrator on an after tax basis against all losses and liabilities which may be imposed on the Administrator in connection with the carrying out of its duties under the agreement, other than losses or liabilities arising by reason of the negligence, fraud, or wilful default of the Administrator. The agreement is governed by Guernsey law.

## **10. Related party transactions**

Related party transactions for the period from 1 January 2012 until 30 June 2015 are as disclosed in the financial statements (see note 16 to the financial statements of the Group for the year ended 31 December 2012, note 20 to the financial statements of the Group for the year ended 31 December 2013, note 21 to the financial statements of the Group for the year ended 31 December 2014 and note 20 to the financial statements of the Group for the six months ended 30 June 2015), all of which are set out in the prospectus dated 28 September 2015 which has been incorporated by reference into this prospectus.

Save for payments made to Directors on the bases set out in paragraph 5 above and intra-group transactions in the ordinary course of business and the transaction with GLIAF described in Part I of this Prospectus under the heading "Current trading", there have been no related party transactions since 30 June 2015.

## **11. Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the 12 months preceding the date of this prospectus, a significant effect on the financial position or profitability of the Group.

## **12. Working capital**

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this prospectus.

If the Placing and Open Offer raise substantially less than £40 million, and no other additional capital is obtained before March 2017, the Company would plan to repay in full the Loan Facility in March 2017. The Company has assets comprising (a) a portfolio of Platform loans made to SMEs amounting to approximately £50 million, (b) an investment with a market value currently of approximately £35 million directly held in GLIAF, a quoted fund which in turn makes investments in SME loans and (c) investments in its Portfolio Companies currently valued at approximately £65 million. In making arrangements to fund repayment of the Loan Facility, assuming it could not be rolled over or its terms amended, the



Company would realise assets having regard, *inter alia*, to their relative liquidity. Accordingly, the Board could anticipate taking the necessary steps to realise assets within the above categories while safeguarding the remaining assets for the benefit of all Shareholders. The repayment date of the Loan Facility falls outside the period covered by the working capital statement.

### **13. Significant change**

Save as set out below, there has been no significant change in the financial or trading position of the Group since 30 June 2015, being the date of the last published financial statements.

On 21 July 2015, the Directors declared a dividend of 1.25p per Ordinary Share for the second quarter of 2015. The dividend was payable to Ordinary Shareholders on the register on the record date of 31 July 2015.

On 13 August 2015, the Loan Facility was amended with the final repayment dated being extended to 15 March 2017. All other terms and conditions of the Loan Facility remain unchanged.

On 18 August 2015, the Company completed the increase of its stake in Platform Black Limited, an associate of the Company, to 43.9 per cent., through the acquisition of shares from existing Platform Black Limited shareholders.

On 18 September 2015, 128,022 new Ordinary Shares were issued relating to shareholders who elected to take shares in lieu of cash from the Company's 2015 second quarter dividend.

On 23 September 2015, the Company sold loans with a value of approximately £40.3 million from its SME loan book to GLIAF. GLIAF is a newly launched investment fund to which the Company's wholly-owned subsidiary, GLIAM, acts as investment manager. Its IPO completed on approximately 23 September 2015 through the issue of approximately 52.7 million new ordinary shares at a price of 100p per share, which were admitted to trading on the Specialist Fund Market of the London Stock Exchange. In consideration for the sale, the Company received 40,270,763 of the new ordinary shares in the capital of GLIAF, representing approximately 76 per cent. of GLIAF's issued ordinary share capital.

On 8 October 2015, the Company transferred certain loans to GLIAF for a total consideration of £5,925,000.

On 8 October 2015, the Company entered into an agreement with Verus360 Limited, a Bibby Line Group company, to provide it with a £5 million convertible loan facility.

On 19 October 2015, the Directors of the Company declared a dividend of 1.25p per Ordinary Share for the third quarter of 2015. The dividend was payable to shareholders on the register on the record date of 30 October 2015.

On 21 October 2015, the Company sold from treasury 2,392,865 Ordinary Shares, at a price of 50 pence per share.



#### **14. General**

- 14.1 Panmure Gordon has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion of its name and references to it in the form and context in which they appear.
- 14.2 No application is being made for the 2020 ZDP Shares to be dealt with in or on any stock exchange or investment exchange other than the London Stock Exchange's main market for listed securities. The Ordinary Shares will continue to be admitted to trading on AIM.

#### **15. Documents available for inspection**

Copies of this prospectus, the Memorandum and Articles, the annual reports and audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2012, 2013 and 2014 and the six months ended 30 June 2015 will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the closing of the Placing Programme.

Dated: 3 December 2015

## PART X

### DEFINITIONS

The following definitions apply in this prospectus unless the context otherwise requires:

<b>“2019 ZDP Shareholders”</b>	holders of 2019 ZDP Shares
<b>“2019 ZDP Shares”</b>	zero dividend preference shares of no par value each issued by the Company that entitle their holders to a capital repayment per share of 130.696 pence on 5 December 2019
<b>“2020 ZDP Shareholders”</b>	holders of 2020 ZDP Shares
<b>“2020 ZDP Shares”</b>	zero dividend preference shares of no par value each to be issued by the Company pursuant to the Issue and the Placing Programme that entitle their holders to a capital repayment per share of 143.563 pence on 22 December 2020
<b>“A Cover”</b>	has the meaning given in Part IV of this prospectus
<b>“Accrued Capital Entitlement”</b>	the accrued capital entitlement of a ZDP Share on any particular date
<b>“Administrator”</b>	PraxisIFM Trust Limited
<b>“Admission”</b>	admission of the 2020 ZDP Shares to be issued pursuant to the Placing, the Open Offer and, where the context so requires, the Placing Programme to: (i) a Standard Listing on the Official List by the UK Listing Authority; and (ii) trading on the London Stock Exchange’s main market for listed securities, becoming effective
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies
<b>“Application Form”</b>	the application form on which Non-CREST Shareholders who are registered on the register of members of the Company as at the Record Date may apply for Open Offer Shares under the Open Offer
<b>“Articles”</b>	the articles of incorporation of the Company in force at the date of this prospectus
<b>“Assumptions”</b>	the principal bases and assumptions set out in Part VIII of this prospectus
<b>“Audit Committee”</b>	the audit and risk committee of the Company
<b>“Auditor”</b>	Grant Thornton Limited
<b>“B Cover”</b>	has the meaning given in Part IV of this prospectus
<b>“Basic Entitlement”</b>	the number of Open Offer Shares which Shareholders are entitled to subscribe for at the Issue Price <i>pro rata</i> to their holding of Ordinary Shares and/or 2019 ZDP Shares pursuant to the Open Offer as described in Part VI of this prospectus
<b>“BMS Finance”</b>	BMS Finance AB Limited
<b>“certificated form”</b>	not in uncertificated form
<b>“CLO”</b>	collateralised loan obligation

<b>“Companies Law”</b>	The Companies (Guernsey) Law 2008, as amended
<b>“Company” or “GLI”</b>	GLI Finance Limited
<b>“Cover”</b>	means A Cover and/or B Cover, as the context requires
<b>“Cover Test”</b>	has the meaning given in Part IV of this prospectus
<b>“CREST”</b>	the facilities and procedures for the time being of the Uncertificated System of which Euroclear has been approved as ‘Authorised Operator’ pursuant to the Regulations
<b>“CREST Manual”</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time comprising the CREST Reference Manual, the CREST Central Counterparty Services Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and CREST Glossary of Terms
<b>“CREST Regulations” or “Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755)
<b>“CREST Shareholders”</b>	Shareholders holding Ordinary Shares and/or 2019 ZDP Shares in uncertificated form
<b>“Directors” or “Board”</b>	the directors of the Company
<b>“Disclosure and Transparency Rules” or “DTRs”</b>	the disclosure rules and transparency rules made by the FCA under Part VI of FSMA
<b>“ERISA”</b>	United States Employee Retirement Income Security Act of 1974, as amended
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Excess Application Facility”</b>	to the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Shareholders, such Open Offer Shares will be available to satisfy excess applications, subject to a maximum of 20 million Open Offer Shares in aggregate, as described in Part VI of this prospectus
<b>“Excess CREST Open Offer Entitlement”</b>	in respect of each CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credit to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions set out in this prospectus
<b>“Excess Shares”</b>	2020 ZDP Shares in addition to the Basic Entitlement for which Shareholders may apply under the Excess Application Facility
<b>“Exchange Act”</b>	the US Securities Exchange Act of 1934, as amended
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company to be held at 10.00 a.m. on 21 December 2015 for the purpose of considering and, if thought fit, passing the Resolution
<b>“FATCA”</b>	the United States Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471 through 1474 of the United States Internal Revenue Code 1986, as amended

<b>“Final Capital Entitlement”</b>	means, in the case of the 2019 ZDP Shares, 130.696 pence per 2019 ZDP Share and, in the case of the 2020 ZDP Shares, 143.563 pence per 2020 ZDP Share
<b>“Financial Conduct Authority” or “FCA”</b>	the UK Financial Conduct Authority or any successor entity
<b>“FOIF”</b>	Fair Oaks Income Fund Limited
<b>“Form of Proxy”</b>	the form of proxy for use by Ordinary Shareholders at the Extraordinary General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“GFSC”</b>	Guernsey Financial Services Commission
<b>“GLIAF”</b>	GLI Alternative Finance plc, the investment fund to which GLIAM acts as investment manager
<b>“GLIAM”</b>	GLI Asset Management Limited, the investment manager of GLIAF and a wholly-owned subsidiary of the Company
<b>“Group”</b>	the Company and its subsidiaries from time to time
<b>“IFRS”</b>	International Financial Reporting Standard as issued by the International Accounting Standards Board
<b>“Initial Portfolio Investor”</b>	GLI Alternative Finance Guernsey Limited, being the entity which holds the loans which were sold to GLIAF by the Company
<b>“Investment Company Act”</b>	the US Investment Company Act of 1940
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue”</b>	the Placing and the Open Offer
<b>“Issue Date”</b>	the date on which ZDP Shares of a particular class are first issued
<b>“Issue Price”</b>	the price at which 2020 ZDP Shares are being offered pursuant to the Issue, being 100 pence per 2020 ZDP Share
<b>“Latest Practicable Date”</b>	1 December 2015
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority pursuant to Part VI of FSMA
<b>“Loan Facility”</b>	the loan agreement dated 15 September 2014, as amended, between the Company (as borrower), Sancus (as facility agent and security trustee) and each of Sancus, Sancus (Gibraltar) Limited and other parties named therein as lenders (as lenders)
<b>“London Stock Exchange” or “LSE”</b>	London Stock Exchange plc
<b>“Maturity Date”</b>	means, in respect of the 2019 ZDP Shares, the date on which those shares are due to be redeemed, being 5 December 2019 and, in respect of the 2020 ZDP Shares the date on which those shares are due to be redeemed, being 22 December 2020
<b>“Memorandum”</b>	the memorandum of incorporation of the Company
<b>“Money Laundering Regulations”</b>	The Money Laundering Regulations 2007

<b>“New Articles”</b>	the articles of incorporation of the Company to be adopted conditional on the passing of the Resolution and incorporating the rights attaching to the 2020 ZDP Shares
<b>“Non-CREST Shareholders”</b>	Shareholders holding Ordinary Shares and/or 2019 ZDP Shares in certificated form
<b>“Official List”</b>	the official list of the UK Listing Authority
<b>“Open Offer”</b>	the proposed issue and allotment at the Issue Price of up to 20 million Open Offer Shares to Shareholders as described in this prospectus
<b>“Open Offer Shares”</b>	the 2020 ZDP Shares to be issued and allotted to Shareholders pursuant to the Open Offer
<b>“Ordinary Shareholders”</b>	holders of Ordinary Shares
<b>“Ordinary Shares”</b>	ordinary shares of no par value each issued by the Company
<b>“Overseas Shareholder”</b>	a Shareholder who is not resident in, or who is outside, or who has a registered address outside, the United Kingdom
<b>“P2P”</b>	peer-to-peer
<b>“Panmure Gordon” or “Placing Agent”</b>	Panmure Gordon (UK) Limited, the Company’s placing agent, financial adviser and broker
<b>“Placing”</b>	the conditional placing of 2020 ZDP Shares, as part of the Issue, by Panmure Gordon as described in Part II of this prospectus
<b>“Placing Agreement”</b>	the conditional agreement entered into between the Company and Panmure Gordon, the terms of which are summarised in paragraph 9.1 of Part IX of this prospectus
<b>“Placing Programme”</b>	the placing programme of 2020 ZDP Shares as described in Part III of this prospectus
<b>“Placing Programme Price”</b>	the applicable price at which 2020 ZDP Shares will be issued under the Placing Programme, which will be not less than the aggregate of the Accrued Capital Entitlement of a 2020 ZDP Share at the time of the relevant allotment plus an amount sufficient to cover the costs and expenses of such issue, including any placing commission
<b>“Platform”</b>	an origination platform that allows principally non-bank capital to: (a) lend or advance capital to SME borrowers; and/or (b) advance capital against trade receivables
<b>“Portfolio Companies”</b>	the SME finance companies in which the Group holds an equity interest, each of which operates a Platform or otherwise operates in the alternative finance space
<b>“Premium Listing”</b>	a premium listing on the Official List under Chapter 6 of the Listing Rules
<b>“Prospectus Rules”</b>	the prospectus rules made by the UK Listing Authority under section 73(A) of FSMA
<b>“Receiving Agent”</b>	Equiniti Limited
<b>“Record Date”</b>	6.00 p.m. on 1 December 2015
<b>“Register”</b>	the register of members of the Company

<b>“Registrar”</b>	Equiniti Limited
<b>“Regulatory Information Service” or “RIS”</b>	a regulatory information service as defined in the Listing Rules
<b>“Remuneration Committee”</b>	the remuneration committee of the Company
<b>“Resolution”</b>	the resolution to be proposed at the Extraordinary General Meeting to adopt the New Articles
<b>“Restricted Jurisdiction”</b>	each of Australia, Canada, Japan, New Zealand, the Republic of South Africa and the United States
<b>“Sancus”</b>	Sancus Limited
<b>“SDRT”</b>	Stamp Duty Reserve Tax
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“SEDOL”</b>	the Stock Exchange Daily Official List
<b>“Shareholders”</b>	Ordinary Shareholders and ZDP Shareholders
<b>“Shares”</b>	Ordinary Shares and/or, where the context requires, ZDP Shares
<b>“SIPP”</b>	a self-invested personal pension
<b>“SMEs”</b>	small and medium-sized enterprises
<b>“Standard Listing”</b>	a standard listing on the Official List under Chapter 14 of the Listing Rules
<b>“Subsequent Admission”</b>	Admission of any 2020 ZDP Shares issued pursuant to the Placing Programme
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Corporate Governance Code”</b>	the UK Corporate Governance Code as published by the UK Financial Reporting Council
<b>“UK Listing Authority”</b>	the Financial Conduct Authority as the competent authority for listing in the United Kingdom
<b>“uncertificated form” or “in uncertificated form”</b>	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
<b>“Uncertificated System”</b>	any computer-based system and its related facilities and procedures that are provided by an authorised operator and by means of which title to units of a security (including shares) can be evidenced and transferred in accordance with the Regulations without a written certificate or instrument
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>“US Internal Revenue Code”</b>	the US Internal Revenue Code of 1986, as amended
<b>“US Person”</b>	a person who is a “US person” within the meaning of the rules and regulations under Regulation S, as promulgated by the US Securities and Exchange Commission under the Securities Act
<b>“USE”</b>	unmatched stock event
<b>“ZDP Shares”</b>	2020 ZDP Shares and, where the context requires, 2019 ZDP Shares
<b>“ZDP Shareholders”</b>	holders of ZDP Shares



