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Curtis Banks Group plc

("Curtis Banks", the "Company" or the "Group")

Acquisition and Placing

Curtis Banks Group plc (AIM: CBP), one of the UK's leading Self Invested Personal Pension Plan ("SIPP") providers with a portfolio of approximately 39,000 SIPPs, is pleased to announce that it has entered into an agreement to acquire Suffolk Life Group Limited ("SLG"), and its subsidiaries (together being "Suffolk Life"), from Legal & General Group plc for consideration of £45 million (the "Acquisition").

The Acquisition is to be funded by the combination of an underwritten placing of 8,437,500 new ordinary shares of 0.5p each (the "Placing Shares") in Curtis Banks at a placing price of 320 pence per Placing Share (the "Placing Price") to raise £27 million (the "Placing"), and a new debt and revolving credit facility.

The Placing is being conducted through an accelerated book build process which will be launched immediately following this Announcement. Peel Hunt LLP ("Peel Hunt" or the "Bookrunner") is sole bookrunner in connection with the Placing.

The Acquisition is subject to regulatory approval by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority (the "PRA").

The Board believes that the business of Suffolk Life is highly complementary to Curtis Banks' existing business. The rationale for the acquisition is compelling and consistent with the Company's stated strategy of growing organically and through carefully selected acquisitions.

The enlarged group will have pro-forma assets under administration of approximately £18 billion and over 65,000 SIPPs under administration.

Highlights of the Acquisition and the Placing

- The Company has conditionally agreed to acquire SLG for a consideration of £45 million
- The Acquisition is expected to be earnings enhancing in the financial year ending 31 December 2016 (before exceptional costs relating to the Acquisition and the Placing)
- Suffolk Life has net current assets of approximately £17 million, including cash of £19 million, and approximately 26,500 SIPPs under administration
- The Board believes that Suffolk Life has a high quality management team that will remain following completion of the Acquisition
- The Placing is expected to raise gross proceeds of £27 million to part-fund the Acquisition and provide general working capital to the Group

- The Placing Shares will represent approximately 15.8% of the Company's enlarged share capital following Admission (as defined below)
- The Placing is conditional upon, amongst other things, admission of the Placing Shares to trading on AIM ("Admission") by no later than 27 January 2016. It is expected that that Admission will become effective on 20 January 2015.

Chris Banks, Executive Chairman of Curtis Banks, said:

"We are delighted to announce the acquisition of Suffolk Life. Following this Curtis Banks will be the second largest independent full SIPP provider in the UK.

Suffolk Life is one of the oldest and most respected brands in the SIPP industry, with an excellent reputation for service and professionalism. We are delighted that Legal & General has chosen us to take ownership of this business and believe this reflects our strong standing and market reputation.

We believe that Suffolk Life has a strong heritage, culture and client focus which we share at Curtis Banks. We will retain Suffolk Life's headquarters in Ipswich and believe there will be continuity for clients and exciting opportunities for Suffolk Life's management and employees as part of the enlarged group."

Background to Suffolk Life

Suffolk Life is a UK leading and award winning SIPP provider based in Ipswich with 239 employees. Suffolk Life manages approximately 26,500 SIPP's, with £8.7 billion of assets under administration and Suffolk Life has a strong reputation for SIPP property expertise.

Suffolk Life administers full SIPP's on behalf of high net worth individuals and mass affluent clients and distributes its products exclusively through external financial advisers. Suffolk Life also provides SIPP's for platforms and has a contract for provision of SIPP's for the Cofunds platform which will continue following completion.

Suffolk Life Group summary P&L

The profit and loss account below includes certain one-off costs and other costs which are not expected to be recurring. Accordingly, a normalised EBITDA is provided below in order to give a better illustration of the profitability of the underlying business acquired once necessary actions have been taken. As at 30 November 2015 client cash amounted to £446 million.

| Year ended 31 December (£m) | 2014* |
|-----------------------------|--------------|
| Total Income | 18.5 |
| Total Expenditure | (14.5) |
| Normalised EBITDA | 4.0 |
| Profit before tax | 1.3 |

**Unaudited figures based on audited accounts of each trading company of Suffolk Life.*

SLG has a subsidiary (Suffolk Life Annuities Limited) that is an insurance company with material assets and liabilities relating to non-participating investment contracts. These assets and liabilities are for the benefit of policy holders and accordingly Curtis Banks does not assume any balance sheet exposure for these assets and liabilities. Following the Acquisition the gross assets and liabilities of Curtis Banks will increase materially, albeit the net assets to be acquired are approximately £19.5 million with net

current assets of £17 million and cash of £19 million as at 30 September 2015. The majority of the current assets are required to be retained for regulatory purposes.

Curtis Banks' management intend to grow profits and improve margins of Suffolk Life over time through a combination of actions. These include resuming Suffolk Life's historical focus on Full SIPPs, investment in a new operating platform and benefiting from the synergies and scalability of the enlarged group. Suffolk Life has a strong property management team and there are benefits to Suffolk Life extending their property management activities to the existing Curtis Banks property SIPPs.

The Acquisition is expected to be earnings enhancing for the Company for the year ending 31 December 2016 (before exceptional costs relating to the Acquisition and the Placing).

Conditions to the Acquisition

Completion of the Acquisition is conditional only upon:

- Regulatory approval from each of the FCA and the PRA for the Company to replace Legal & General Group plc as a controller of Suffolk Life; and
- Admission of the Placing Shares to trading on AIM.

Curtis Banks' Current Trading

The Group continues to make good progress and trading remains in line with management expectations. As at 30 November 2015, the Group administered 38,675 SIPPs (based on unaudited management information).

The growth in SIPP numbers in 2015 is attributable to combination of organic growth, the award of a major new contract (as announced on 20 October 2015) and the acquisition of a book of SIPPs from Friends Life which completed in March 2015.

Curtis Banks continues to invest in its business as a consequence of regulatory and pension changes to ensure that the Group can service its customers to a high standard.

The Company intends to pay an interim dividend of no less than 3 pence per share, which will be declared within the next month.

The new debt facility

The Company has arranged a £15 million debt facility with Santander, repayable over five years in equal quarterly instalments, and an £8 million continuous revolving credit facility (together the "Facilities"). The Facilities have a coupon rate of 2.25 per cent. over Libor. The Facilities replace the existing £3 million outstanding term loan that Curtis Banks currently has.

The financing raised under these Facilities is to be used in part for the financing of the Acquisition.

Details of the Placing

Curtis Banks intends to raise, via an accelerated bookbuild, approximately £27 million of gross proceeds from the Placing in order to part-fund the Acquisition, from institutional and other investors.

The Placing, which has been fully underwritten, is conditional upon (amongst other things) Admission becoming effective and upon the Placing Agreement becoming unconditional in all respects and not being terminated in accordance with its terms. The Placing is not conditional on the Acquisition.

Peel Hunt will carry out an accelerated bookbuild offering (the "Bookbuild") for the Placing. The Bookbuild will open immediately following this announcement. The Placing has been fully underwritten

by Peel Hunt subject to the conditions and termination rights set out in the Placing Agreement entered into on 15 January 2016 between the Company, the Company's directors and Peel Hunt (the "Placing Agreement").

The book will open immediately following this announcement and may close at any time thereafter. The closing of the book shall be determined by Peel Hunt in its absolute discretion and will be announced as soon as is practicable by way of an announcement on a Regulatory Information Service in the UK.

As part of the arrangements for the Bookbuild, the Company intends to itself procure certain Places.

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. By choosing to participate in the Placing and by making an oral or written offer to acquire Placing Shares, investors will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be subscribing for Placing Shares subject to the terms and conditions in it, and to be providing the representations, warranties and acknowledgements contained in the Appendix. A description of certain relevant aspects of the Placing Agreement can be found in the Appendix under the heading "Participation in, and principal terms of, the Placing". The Placing will be made by way of a cash box structure and will be on a non-pre-emptive basis.

Settlement and dealings

Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that such Admission will occur at 8:00 am on 20 January 2016. Admission is subject to the Placing Agreement becoming unconditional in all respects (save only for Admission) and not being terminated in accordance with its terms.

The Placing Shares will, when issued, rank in full for all dividends with a record date on or after the date of Admission and otherwise equally with the existing Ordinary Shares from the date of Admission. The Placing Shares are not being made available to the public and members of the public are not eligible to subscribe for any Placing Shares.

For more information:

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Notes to Editors:

Curtis Banks plc

Curtis Banks (AIM: CBP) administers self-invested pension products, principally SIPPs. The Group commenced trading in 2009 and has successfully developed, through a combination of organic growth and acquisitions, into one of the largest UK providers of such products. The Group employs approximately 269 staff in its head office in Bristol and regional offices in Dundee and Market Harborough.

For more information - www.curtisbanks.co.uk

IMPORTANT NOTICE

The information contained in this Announcement is restricted and is not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or from the United States (including its territories and possessions, any state of the United States and the District of Columbia, collectively the "United States") Australia, Canada, Japan or the Republic of South Africa or any jurisdiction in which the same would be unlawful. This Announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy, acquire or subscribe for shares in the capital of the Company in the United States, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where such offer or solicitation may be restricted, unlawful or unauthorised. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Subject to certain exemptions, the securities referred to herein may not be offered or sold in Canada, Australia or Japan or to, or for the account or benefit of any national resident or citizen of Canada, Australia or Japan. The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") or the securities laws of any other jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in the United States absent registration under the Securities Act or an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any other jurisdiction of the United States. No public offering of the shares referred to in this Announcement is being made in the United States, United Kingdom or elsewhere.

This Announcement has been issued by, and is the sole responsibility of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Peel Hunt or by any of its respective affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Curtis Banks and for no-one else in connection with the contents of this Announcement and will not be responsible to anyone other than Curtis Banks for providing the protections afforded to clients of Peel Hunt, or for providing advice in relation to the contents of this Announcement or any matters referred to herein.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law or regulation. No action has been taken by the Company or Peel Hunt that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is

required. Persons into whose possession this Announcement comes are required by the Company and Peel Hunt to inform themselves about, and to observe, such restrictions.

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This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. No statement in this Announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THIS “ANNOUNCEMENT”) AND THE INFORMATION IN IT IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, (“QUALIFIED INVESTORS”) BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC (AS AMENDED BY DIRECTIVE 2010/73/EC)) AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE “PROSPECTUS DIRECTIVE”); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; AND (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES OR PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES.

Persons who are invited to and who choose to participate in the Placing, by making (or on whose behalf there is made) an oral or written offer to subscribe for Placing Shares (the "Placees"), will be deemed to have read and understood this Announcement, including this Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area (the "EEA") which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of Peel Hunt has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. (a) it is acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act; or (b) it is a "qualified institutional buyer" (a "QIB") (as defined in Rule 144A under the Securities Act) and it has duly executed an investor letter in a form provided to it and delivered the same to a Peel Hunt Person.

The Company and Peel Hunt will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements. Peel Hunt does not make any representation to any Placees regarding an investment in the Placing Shares referred to in this Announcement (including this Appendix).

This Announcement does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Australia, Canada, Japan or the Republic of South Africa or in any other jurisdiction in which such publication or distribution is unlawful. Persons into whose possession this Announcement may come are required by the Company to inform themselves about and to observe any restrictions of transfer of this Announcement. No public offer of securities of the Company is being made in the United Kingdom, the United States or elsewhere.

In particular, the Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or any laws of or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S. Any offering to be made in the United States will be made to a limited number of QIBs pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act or in a transaction not involving any public offering.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

Terms defined elsewhere in this document have the same meaning in this Appendix, unless the context requires otherwise. In this Appendix the following additional definitions shall apply:

- (a) "Peel Hunt Person" means any person being (i) Peel Hunt or any member (partner) of Peel Hunt, (ii) an undertaking which is a subsidiary undertaking of Peel Hunt, (iii) a parent undertaking of Peel Hunt or (other than Peel Hunt) a subsidiary undertaking of any such parent undertaking, or (iv) a director, partner, officer, agent or employee of any such person; and
- (b) "Placee" means any person who is or becomes committed on a conditional basis to have Placing Shares allotted to it under the Placing pursuant to a commitment given to Peel Hunt acting as agent for the Company.

Various dates referred to in this document are stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed. The expected date for Admission is 20 January 2016 and, in any event, the latest date for Admission is 27 January 2016 (the "Long Stop Date").

The Placing

Peel Hunt has entered into a placing agreement with the Company and its directors under which it has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price (being 320 pence per Placing Share). As part of the arrangements for the Bookbuild, the Company itself intends to procure certain Placees. To the extent Peel Hunt does not procure subscribers for Placing Shares as required, including those Placees procured by the Company, Peel Hunt will itself subscribe for such shares.

Peel Hunt will today commence an accelerated bookbuilding process in respect of the Placing (the "Bookbuild") to determine demand for participation in the Placing by Placees at the Placing Price. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. The number of Placing Shares will be determined following completion of the Bookbuild as set out in this Announcement and the Placing Agreement. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Placing has been structured as a cash-box placing. The Company and Peel Hunt will agree to subscribe for ordinary shares in a newly-incorporated Jersey company ("Newco"). Payments from Placees pursuant to the Placing shall be made directly to Peel Hunt. The funds will be used for Peel Hunt to subscribe for redeemable preference shares in Newco. The Company will allot and issue the Placing Shares to those persons entitled thereto in consideration of Peel Hunt transferring its holdings of ordinary shares and redeemable preference shares in Newco to the Company. Accordingly, instead of receiving cash as consideration for the issue of the Placing Shares, immediately following Admission, the Company will own the entire issued share capital of Newco whose only asset will be its cash reserves, which will represent an amount equivalent to the net proceeds of the Placing. The Company will be able to use this amount by redeeming the redeemable preference shares it holds in Newco and, during any interim period prior to redemption, by procuring that Newco lends the amount to the Company (or one of the Company's subsidiaries).

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares in the capital of the Company ("Ordinary Shares"), including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares.

Peel Hunt and the Company reserve the right to scale back the number of Placing Shares to be allotted to any Placee in the event of an oversubscription under the Placing. Peel Hunt and the Company also reserve the right not to accept offers for Placing Shares or to accept such offers in part rather than in whole.

Each Placee will be required to pay to Peel Hunt, on the Company's behalf, an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee is required to be allotted in accordance with the terms set out in or referred to in this Appendix. Each Placee's obligation to be allotted and pay for Placing Shares under the Placing will be owed to each of the Company and Peel Hunt. Each Placee will be deemed to have read this Appendix in its entirety.

Neither Peel Hunt nor any other Peel Hunt Person will have any liability (subject to applicable legislation and regulations) to Placees or to any person other than the Company in respect of the Placing.

Application for Admission to Trading on AIM

Application will be made to London Stock Exchange plc ("LSE") for the Placing Shares to be admitted to trading on AIM, the market owned and operated by the LSE ("AIM"), ("Admission"). It is expected that Admission will take place at 8.00 am on 20 January 2016 (or such later date as may be agreed between the Company and Peel Hunt, provided that such date is no later than the Long Stop Date).

Participation in, and principal terms of, the Placing

Participation in the Placing is only available to persons who may lawfully be, and are, invited to participate in it by Peel Hunt.

1. Peel Hunt is arranging the Placing as bookrunner and agent of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Peel Hunt. Peel Hunt and its respective affiliates are entitled to enter bids in the Bookbuild as principal.

3. The completion of the Bookbuild will be determined by Peel Hunt in its absolute discretion and shall then be announced on a Regulatory Information Service as soon as is practicable following the completion of the Bookbuild.
4. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone to their usual sales contact at Peel Hunt. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for and specify the amount that they are prepared to pay per share. Bids may be scaled down by Peel Hunt on the basis referred to paragraph 8 below.
5. The Bookbuild is expected to close no later than 5.00 p.m. on 15 January 2016 but may be closed earlier or later at the discretion of Peel Hunt. Peel Hunt may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion. The final allocations of the Placing Shares (including as to the identity of the Placees, the number of shares allocated to each Placee and the Placing Price) shall be determined by the Bookrunner in its absolute discretion.
6. Each Placee's allocation will be confirmed to Placees orally, or by email, by Peel Hunt following the close of the Bookbuild and a trade confirmation or contract note will be dispatched as soon as possible thereafter. Peel Hunt's oral or emailed confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of Peel Hunt and the Company, under which it agrees to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix (which are deemed to be incorporated in such trade confirmation or contract note) and in accordance with the Company's Articles of Association.
7. The Company will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares to be issued.
8. Subject to paragraphs 3 and 4 above, Peel Hunt may choose to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (in agreement with the Company) and may scale down any bids for this purpose on such basis as it may determine. Peel Hunt may also, notwithstanding paragraphs 3 and 4 above, but subject to the prior consent of the Company, allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time.
9. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and, except with Peel Hunt's consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, to pay Peel Hunt (or as Peel Hunt may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares for which such Placee has agreed to subscribe. Each Placee's obligations will be owed to Peel Hunt.
11. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Settlement".

12. All obligations under the Bookbuild and Placing will be subject to fulfilment of the conditions referred to below under “Conditions of the Placing” and to the Placing not being terminated on the basis referred to below under “Conditions to the Placing”.
13. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
14. To the fullest extent permissible by law and the applicable rules of AIM, neither Peel Hunt nor any of their respective affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and Peel Hunt shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither Peel Hunt nor any of its affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of Peel Hunt's conduct of the Bookbuild or of such alternative method of effecting the Placing as Peel Hunt and the Company may agree.

All such times and dates will be subject to amendment at Peel Hunt's discretion, except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date.

No offering document or prospectus has been or will be submitted to be approved by the Financial Conduct Authority in relation to the Placing and Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this Announcement and the terms and conditions contained in this appendix.

Settlement

Settlement of transactions in the Placing Shares will take place INSIDE the CREST system.

A settlement instruction form will accompany each written confirmation and, on receipt, should be completed and returned in accordance with the instructions on it and by the time and date stated in it.

A Placee whose Placing Shares are to be delivered to a custodian or settlement agent should ensure that the written confirmation is copied and delivered immediately to the appropriate person within that organisation.

Placing Agreement

Peel Hunt has entered into the Placing Agreement with the Company under which Peel Hunt has agreed on a conditional basis to use its reasonable endeavours as agent of the Company to procure placees at the Placing Price for the Placing Shares (excluding certain Placing Shares for which the Company has agreed to procure subscribers itself).

Conditions to the Placing

The Placing is conditional on, among other things, (i) the Company and its directors having complied with all their respective obligations and satisfying all conditions to be satisfied by them under the Placing Agreement or the terms of this Appendix which fall to be performed or satisfied on or prior to Admission, (ii) the Placing Agreement not being terminated in accordance with its terms by Peel Hunt, (iii) Admission taking place by the relevant time and date to be stated in the Announcement, (iv) all conditions precedent to the agreement between the Company and Legal & General Group plc in respect

of the Acquisition being satisfied, other than in respect of the condition to obtain approval by the Prudential Regulation Authority and the Financial Conduct Authority, and (v) the Placing Agreement becoming unconditional in all other respects.

Peel Hunt reserves the right to waive or extend the time and or date for the fulfilment of any of the conditions in the Placing Agreement to a time no later than 5.00 p.m. on the Long Stop Date.

If any condition in the Placing Agreement is not fulfilled or waived by Peel Hunt by the relevant time, the Placing will lapse and each Placee's rights and obligations in respect of the Placing will cease and terminate at such time.

The Placing Agreement may be terminated by Peel Hunt at any time prior to Admission in certain circumstances including, among other things, following a material breach of the Placing Agreement by the Company or the occurrence of certain force majeure events. The exercise of any right of termination pursuant to the Placing Agreement, any waiver of any condition in the Placing Agreement and any decision by Peel Hunt whether or not to extend the time for satisfaction of any condition in the Placing Agreement will be within the absolute discretion of Peel Hunt. Peel Hunt will not have any liability to any Placee or to anyone else in respect of any such termination, waiver or extension or any decision to exercise or not to exercise any such right of termination, waiver or extension.

Payment default

A Placee's entitlement to receive any Placing Shares under the Placing will be conditional on Peel Hunt's receipt of payment in full for such Placing Shares by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as Peel Hunt and the Company may in their absolute discretion determine, and otherwise in accordance with that confirmation's terms.

If any Placee fails to make such payment by the required time for any Placing Shares (1) the Company may release itself, and (if at its absolute discretion it decides to do so) will be released from, all obligations it may have to allot and/or issue any such Placing Shares to such Placee or at its direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the full extent permitted under its Articles of Association or by law and to the extent that such Placee then has any interest in or rights in respect of any such shares, (3) the Company (or, as applicable, Peel Hunt may sell) (and each of them is irrevocably authorised by such Placee to do so) all or any of such shares on such Placee's behalf and then retain from the proceeds, for the account and benefit of the Company relating to (or where applicable and in relation to (iii) below only, Peel Hunt): (i) any amount up to the total amount due to it as, or in respect of, allotment monies, or as interest on such monies, for any Placing Shares, (ii) any amount required to cover any stamp duty or stamp duty reserve tax arising on the sale, and (iii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) such Placee will remain liable to the Company and to Peel Hunt for the full amount of any losses and of any costs which either of them may suffer or incur as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms as are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Peel Hunt for value by the required time referred to above at the rate of two percentage points above the base rate of Barclays Bank plc.

Placees' warranties and undertakings to the Company and Peel Hunt

By agreeing with Peel Hunt to be allotted Placing Shares under the Placing, a Placee (and any person acting on a Placee's behalf) irrevocably acknowledges and confirms and warrants and undertakes to, and agrees with, each of the Company and Peel Hunt (in its capacity as placing agent) and each of their respective affiliates, in each case as a fundamental term of such Placee's acceptance of its Placing participation and of the Company's obligation to allot and/or issue any Placing Shares to it or at its direction, that:

- (a) it has read this Announcement in full, including the Appendix, and agrees to and accepts all the terms set out in this Announcement, including the Appendix;
- (b) its rights and obligations in respect of the Placing will terminate only in the circumstances referred to in this Appendix and will not be subject to rescission or termination by it in any circumstances;
- (c) the Announcement is the sole responsibility of the Company;
- (d) it has not been, and will not be, given any warranty or representation in relation to the Placing Shares or to the Company or to any other member of its Group in connection with the Placing, other than (i) as included in the Announcement by the person(s) responsible for the Announcement, (ii) by the Company as included in this document, and (iii) by the Company to the effect that (1) the Announcement will comply with all relevant requirements of the AIM Rules for Companies at the time of its publication and (2) at the time that the Placee enters into a legally binding commitment to be allotted Placing Shares pursuant to the Placing the Company will not then be in breach of its obligations under the AIM Rules for Companies or applicable law to disclose publicly in the correct manner all such information as is required to be so disclosed by the Company;
- (e) it has not relied on any representation or warranty in reaching its decision to be allotted Placing Shares under the Placing, save as given or made by the Company as referred to in the previous paragraph;
- (f) it is not a client of Peel Hunt in relation to the Placing and Peel Hunt is not acting for it in connection with the Placing and will not be responsible to it in respect of the Placing for providing protections afforded to its clients;
- (g) it has not been, and will not be, given any warranty or representation by any Peel Hunt Person in relation to any Placing Shares, the Company or any other member of its Group and no Peel Hunt Person will have any liability to it for any information contained in the Announcement or which has otherwise been published by the Company or for any decision by it to participate in the Placing based on any such information or on any other information provided to it;
- (h) it (or any person acting on its behalf) will pay the full allotment amount at the Placing Price as and when required in respect of all Placing Shares for which it is required to be allotted under its Placing participation and will do all things necessary on its part to ensure that payment for such shares and their delivery to it or at its direction is completed in accordance with the certificated settlement instructions, if applicable, that it has or puts in place with Peel Hunt;
- (i) its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to be allotted, and that the Company and/or Peel Hunt

may call upon it to be allotted a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

- (j) it is entitled to be allotted Placing Shares under the laws of all relevant jurisdictions which apply to it and it has complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007) and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such allotment, and it will provide promptly to Peel Hunt such evidence, if any, as to the identity or location or legal status of any person which Peel Hunt may request from it in connection with the Placing (for the purpose of complying with any such laws or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Peel Hunt on the basis that any failure by it to do so may result in the number of Placing Shares that are to be allotted and/or issued to it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Peel Hunt may decide at its sole discretion;
- (k) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("FSMA") with respect to anything done or to be done by it in relation to any Placing Shares in, from or otherwise involving the United Kingdom and it has not made or communicated or caused to be made or communicated, and it will not make or communicate or cause to be made or communicated, any "financial promotion" in relation to Placing Shares in contravention of section 21 of FSMA;
- (l) it is a Relevant Person and it is acting as principal only in respect of the Placing or, if it is acting for any other person (i) it is duly authorised to do so, (ii) it is and will remain liable to the Company and/or Peel Hunt for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person), (iii) it is both an "authorised person" for the purposes of FSMA and a "qualified investor" as defined at Article 2.1(e)(i) of the Prospectus Directive acting as agent for such person, and (iv) such person is either (1) a Qualified Investor or a UK Qualified Investor or (2) its "client" (as defined in section 86(2) of FSMA) that has engaged it to act as his agent on terms which enable it to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;
- (m) no offering document or prospectus has been, or will be, prepared in connection with the Placing and it has not received a prospectus or other offering document in connection therewith;
- (n) nothing has been done or will be done by it in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any shares in the capital of the Company in accordance with FSMA or the UK Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- (o) (i) it is not, and is not acting in relation to the Placing as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities at a rate in excess of 0.5% (including, without limitation, under sections 67, 70, 93 or 96 of the Finance Act 1986 concerning depositary receipts and clearance services), and the allocation, allotment, issue and/or delivery to it, or any person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any such section, (ii) the person whom it specifies for registration as holder of Placing Shares will be the Placee or the Placee's nominee, and (iii) neither Peel Hunt nor the

Company will be responsible to it or anyone else for any liability to pay stamp duty or stamp duty reserve tax resulting from any breach of, or non-compliance, with this paragraph;

- (p) it will not treat any Placing Shares in any manner that would contravene any legal or regulatory requirement applicable in any territory or jurisdiction and no aspect of its participation in the Placing will contravene any legal or regulatory requirement applicable in any territory or jurisdiction in any respect or cause the Company or Peel Hunt to contravene any such legal or regulatory requirement in any respect;
- (q) (applicable terms and expressions used in this paragraph have the meanings that they have in Regulation S made under the US Securities Act) (i) the Placing Shares have not been and will not be registered under the US Securities Act or under the securities laws of any State of or other jurisdiction within the United States, (ii) subject to certain exceptions, Placing Shares may not be offered or sold, resold, or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US person (as defined in Regulation S under the US Securities Act), (iii) it is (and any such account for which it is acting is) either (a) a QIB, who will execute and return a representation letter to that effect to the Company and Peel Hunt prior to Admission; or (ii) is not within the United States and it is not a US person and will be acquiring Placing Shares in an "offshore transaction", (iv) it has not offered, sold or delivered and will not offer sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (v) neither it, its affiliates, nor any persons acting on its behalf, has engaged or will engage in any directed selling efforts with respect to the Placing Shares, (vi) it will not be receiving Placing Shares with a view to resale in or into the United States, and (vii) it will not distribute this document or any offering material relating to Placing Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;
- (r) it is not and, if different, the intended beneficial owner of the Placing Shares allocated to it is not, and at the time the Placing Shares are acquired will not be, a resident of Canada, Japan, Australia or the Republic of South Africa, and (ii) the Placing Shares have not been and will not be registered under the securities legislation of Canada, Japan, Australia or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, in or into those jurisdictions;
- (s) Peel Hunt may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other Peel Hunt Person or any person associated with any Peel Hunt Person to do so;
- (t) time is of the essence as regards its obligations under this Appendix;
- (u) this Appendix and any contract which may be entered into between it and Peel Hunt and/or the Company pursuant to this Appendix or the Placing, and all non-contractual obligations arising between it and Peel Hunt and/or the Company in respect of the Placing, will be governed by and construed in accordance with the laws of England, for which purpose it submits (for itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and Peel Hunt will have the right to bring enforcement proceedings in respect of any judgement obtained against such Placee in the English courts or in the courts of any other relevant jurisdiction;
- (v) each right or remedy of the Company or Peel Hunt provided for in this Appendix is in addition to any other right or remedy which is available to such person and the exercise of any such

right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy;

- (w) any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Peel Hunt;
- (x) nothing in this Appendix will exclude any liability of any person (i) for any contents of the Announcement as a result of such person being responsible for such contents pursuant to the AIM Rules for Companies or applicable law or (ii) for fraud on its part, and all times and dates in this Appendix are subject to amendment at the discretion of Peel Hunt except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date;
- (y) none of its rights or obligations in respect of the Placing is conditional on any other person agreeing to be allotted any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing will affect any of its obligations in respect of the Placing;
- (z) it has substantial experience in evaluating and investing in shares of companies similar to the Company such that it is capable of evaluating the merits and risks of an investment in the Company and has such knowledge and experience in financial matters as to be capable of protecting its own interests;
- (aa) it will be making the commitment to subscribe for Placing Shares solely on the basis of publicly available information; and
- (bb) it will indemnify on an after tax basis and hold the Company and Peel Hunt and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this appendix and further agrees that the provisions of this appendix shall survive after completion of the Placing.