

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached consent solicitation statement (the “**Consent Solicitation Statement**”), whether received by e-mail, accessed from an Internet page or otherwise received as a result of electronic communication and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached document. In accessing the attached Consent Solicitation Statement, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access. Capitalized terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Consent Solicitation Statement.

Confirmation of your representation: In order to be eligible to view the Consent Solicitation Statement or to provide a Consent (as defined below) in respect of the Consent Solicitations, you must be able to participate lawfully in the solicitation by: (i) Elli Finance (UK) Plc (the “**2019 Notes Issuer**”) to certain holders (each, a “**2019 Holder**”) of the 2019 Notes Issuer’s 8.750% Senior Secured Notes due 2019 (the “**2019 Notes**”) to consent to certain amendments to the 2019 Notes (the “**2019 Notes Consents**”) and/or (ii) Elli Investments Limited (the “**2020 Notes Issuer**”) to certain holders (each, a “**2020 Holder**”) and, together with the 2019 Holders, the “**Holders**”) of the 2020 Notes Issuer’s 12.250% Senior Notes due 2020 (the “**2020 Notes**” and, together with the 2019 Notes, the “**Notes**”) to consent to certain amendments to the 2020 Notes (the “**2020 Notes Consents**” and, together with the 2019 Notes Consents, the “**Consents**”, and each a “**Consent**”), in each case, as specified in and on the terms and subject to the conditions set forth in the Consent Solicitation Statement.

You have been sent the attached Consent Solicitation Statement on the basis that you have confirmed to Lucid Issuer Services Limited (the “**Information and Tabulation Agent**”), the 2019 Notes Issuer and the 2020 Notes Issuer that:

- (i) you are a Holder or beneficial owner of, or are a custodian or intermediary acting on behalf of a beneficial owner or Holder of, the Notes;
- (ii) you shall not pass on the Consent Solicitation Statement to third parties or otherwise make the Consent Solicitation Statement publicly available;
- (iii) you have understood and agreed to the terms set out herein;
- (iv) you are not a person to or from whom it is unlawful to send the attached Consent Solicitation Statement or to solicit Consents under the Consent Solicitation described in the Consent Solicitation Statement under any applicable laws; and
- (v) you consent to the delivery of the attached Consent Solicitation Statement by electronic transmission.

The attached Consent Solicitation Statement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Information and Tabulation Agent, the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees nor any person who controls, or is a director, officer, employee or agent of any of the Information and Tabulation Agent, the 2019 Notes Issuer, the 2020 Notes Issuer or the Notes Trustees nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Consent Solicitation Statement distributed to you in electronic format and the hard copy version available to you on request from the Information and Tabulation Agent.

You are reminded that the attached Consent Solicitation Statement has been delivered to you on the basis that you are a person into whose possession the attached Consent Solicitation Statement may be lawfully delivered in accordance with the laws of any jurisdiction in which you are located and you may not nor are you authorized to deliver the attached Consent Solicitation Statement to any other person. Failure to comply with this directive may result in a violation of the applicable laws of other jurisdictions. Notwithstanding the foregoing, provided that you may lawfully do so, you may deliver the attached Consent Solicitation Statement to any purchaser or transferee to whom you have sold or otherwise transferred all or some of your holdings of the Notes, or any broker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

None of the 2019 Notes Trustee, the 2020 Notes Trustee, nor any agent under the Indentures makes any representation or warranties with respect to the accuracy, adequacy or completeness of the attached Consent Solicitation Statement or any subsequent modifications of amendments thereof or for any failure by the 2019 Notes Issuer or the 2020 Notes Issuer, respectively, to disclose events or circumstances which may have occurred or may affect the significance or accuracy of any such information. None of the 2019 Notes Trustee, the 2020 Notes Trustee, nor any agent under the Indentures expresses any opinion as to the merits of the proposals as presented to Holders in the attached Consent Solicitation Statement. Further, none of the 2019 Notes Trustee, the 2020 Notes Trustee, nor any agent under the Indentures makes any assessment of the impact of the proposals as presented to Holders on the interests of the Holders, either as a class or as individuals, and makes no recommendation as to whether or not the Holders should deliver Consents in the Consent Solicitations. Each of the 2019 Notes Trustee and the 2020 Notes Trustee will be relying solely on the certification of the Information and Tabulation Agent that the relevant Required Consents have been obtained. Additionally, each of the 2019 Notes Trustee and the 2020 Notes Trustee will also be relying on officers’ certificates of, and on opinions of counsel to, the 2019 Notes Issuer and the 2020 Notes Issuer, respectively, relating to the execution and delivery of the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture.

The distribution of the attached Consent Solicitation Statement in certain jurisdictions may be restricted by law. Persons into whose possession the attached Consent Solicitation Statement comes are required by the 2019 Notes Issuer, the 2020 Notes Issuer, and the Information and Tabulation Agent to inform themselves about, and to observe, any such restrictions, and none of the 2019 Notes Issuer, the 2020 Notes Issuer or the Information and Tabulation Agent is responsible for the compliance by such persons with such restrictions.

CONSENT SOLICITATION STATEMENT

DATED December 20, 2017

THIS CONSENT SOLICITATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND IT OR ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK INDEPENDENT FINANCIAL ADVICE FROM YOUR OWN APPROPRIATELY AUTHORIZED INDEPENDENT FINANCIAL, TAX OR LEGAL ADVISOR IMMEDIATELY.

This Consent Solicitation Statement does not constitute an invitation to participate in the Consent Solicitations in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of this Consent Solicitation Statement in certain jurisdictions may be restricted by law. Persons into whose possession this Consent Solicitation Statement comes are required by the 2019 Notes Issuer, the 2020 Notes Issuer, the Information and Tabulation Agent and the Notes Trustees (each as defined below) to inform themselves about, and to observe, any such restrictions.

ELLI FINANCE (UK) PLC

(the “2019 Notes Issuer”)

Solicitation of Consents from holders as of the Record Date (as defined herein) of its

£350,000,000 8.750% Senior Secured Notes due 2019 (the “2019 Notes”)

(Regulation S ISIN: XS0794785633; Regulation S Common Code: 079478563

Rule 144A ISIN: XS0794786011; Rule 144A Common Code: 079478601)

ELLI INVESTMENTS LIMITED

(the “2020 Notes Issuer” and, together with the 2019 Notes Issuer, the “Issuers”)

Solicitations of Consents from holders as of the Record Date of its

£175,000,000 12.250% Senior Notes due 2020 (the “2020 Notes” and, together with the 2019 Notes, the “Notes”)

(Regulation S ISIN: XS0794787175; Regulation S Common Code: 079478717

Rule 144A ISIN: XS0794787415; Rule 144A Common Code: 079478741)

THE RECORD DATE FOR THE CONSENT SOLICITATIONS IS DECEMBER 1, 2017. THE CONSENT SOLICITATIONS WILL EXPIRE AT 5:00 P.M. LONDON TIME, ON JANUARY 10, 2018 (SUCH DATE AND TIME AS MAY BE EXTENDED IN ACCORDANCE WITH THE TERMS HEREOF, THE “EXPIRATION TIME”). HOLDERS MAY REVOKE THEIR CONSENTS AT ANY TIME ON OR PRIOR TO BUT NOT AFTER THE REVOCATION DEADLINE (AS DEFINED BELOW). NO CONSENT PAYMENT WILL BE MADE TO HOLDERS IN RESPECT OF THE CONSENT SOLICITATIONS.

On the terms and conditions described in this Consent Solicitation Statement, consents from the respective holders as of the Record Date (as defined herein) of the Notes are being sought to, *inter alia*, (i) defer the December 15, 2017 interest payment date in respect of the 2019 Notes and the 2020 Notes to March 4, 2018 (subject to certain provisions set out herein), (ii) waive each Issuer’s defaults or events of default under the relevant Indenture (as defined herein) that may have resulted or will result from such Issuer’s breach of obligations to pay interest on December 15, 2017 and (iii) make certain other amendments to the respective Indentures.

The Information and Tabulation Agent for the Consent Solicitation is:

Lucid Issuer Services Limited

Tankerton Works

12 Argyle Walk

London WC1H 8HA

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CERTAIN DEFINED TERMS

In this Consent Solicitation Statement, the following terms have the meanings set out below:

2019 Holders	the holders of record as of the Record Date of the 2019 Notes
2019 Notes	£350,000,000 8.750% Senior Secured Notes due 2019 issued by the 2019 Notes Issuer
2019 Notes Consent Solicitations	solicitation of Consents to the 2019 Notes Proposals from the 2019 Holders
2019 Notes Indenture	the indenture, dated as of June 28, 2012, as amended, restated, supplemented or otherwise modified from time to time among, <i>inter alia</i> , the 2019 Notes Issuer, the 2019 Notes Trustee, The Bank of New York Mellon, London Branch, as transfer agent, principal paying agent and escrow agent, The Bank of New York Mellon SA/NV, Dublin Branch (formerly The Bank of New York Mellon (Ireland) Limited), as paying agent in Ireland, The Bank of New York Mellon SA/NV, Luxembourg Branch (formerly The Bank of New York Mellon (Luxembourg) S.A.), as registrar and Barclays Bank PLC, as security agent, pursuant to which the 2019 Notes were issued
2019 Notes Issuer	Elli Finance (UK) Plc
2019 Notes Proposals	as defined under “ <i>Overview–Notes Proposals</i> ”
2019 Notes Trustee	Wilmington Trust, National Association
2020 Holders	the holders of record as of the Record Date of the 2020 Notes
2020 Notes	£175,000,000 12.250% Senior Notes due 2020 issued by the 2020 Notes Issuer
2020 Notes Consent Solicitations	solicitation of Consents to the 2020 Notes Proposals from the 2020 Holders
2020 Notes Indenture	the indenture, dated as of June 28, 2012, as amended, restated, supplemented or otherwise modified from time to time among, <i>inter alia</i> , the 2020 Notes Issuer, the 2020 Notes Trustee, The Bank of New York Mellon, London Branch, as transfer agent, principal paying agent and escrow agent, The Bank of New York Mellon SA/NV, Dublin Branch (formerly The Bank of New York Mellon (Ireland) Limited), as paying agent in Ireland, The Bank of New York Mellon SA/NV, Luxembourg Branch (formerly The Bank of New York Mellon (Luxembourg) S.A.) as registrar and Barclays Bank PLC, as security agent, pursuant to which the 2020 Notes were issued
2020 Notes Issuer	Elli Investments Limited
2020 Notes Proposals	as defined under “ <i>Overview–Notes Proposals</i> ”
2020 Notes Trustee	The Bank of New York Mellon, London Branch
Consent Solicitations	the 2019 Notes Consent Solicitations and the 2020 Notes Consent Solicitations
Consents	as defined under “ <i>Overview–Consent Solicitations</i> ”
Effective Time	the time at which the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture are executed and the Notes Proposals become effective
Expiration Time	5:00 P.M. London Time on January 10, 2018 (such date and time, as it may be extended in accordance with the terms hereof), <i>provided</i> that the Expiration Time (as amended or extended) shall occur no later than the Long Stop Date
 Holders	the 2019 Holders and the 2020 Holders
 Indentures	the 2019 Notes Indenture and the 2020 Notes Indenture
 Information and Tabulation Agent	Lucid Issuer Services Limited
 Issuers	the 2019 Notes Issuer and the 2020 Notes Issuer
 Long Stop Date	January 19, 2018, unless extended in accordance with the Standstill and Deferral Agreement
 Notes Proposals	the 2019 Notes Proposals and the 2020 Notes Proposals
 Notes Trustees	the 2019 Notes Trustee and the 2020 Notes Trustee
 Record Date	December 1, 2017
 Revocation Deadline	the earlier of the Effective Time and the Expiration Time
 Standstill and Deferral Agreement	the standstill and deferral agreement dated as of December 14, 2017 among the Issuer, guarantors under the Indentures and certain holders of the Notes, including H/2 Credit Manager LLC for and on behalf of certain investment funds managed by it or its affiliates (collectively, “ H/2 ”) (available at https://www.fshc.co.uk/investors), as the same may be amended from time to time

IMPORTANT INFORMATION

CAUTIONARY STATEMENT REGARDING INFORMATION OR REPRESENTATIONS NOT CONTAINED IN THIS CONSENT SOLICITATION STATEMENT

Under no circumstances shall this Consent Solicitation Statement constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for the Notes in any jurisdiction. Nothing in this Consent Solicitation Statement constitutes a tender or exchange offer for, or an offer to sell, or a solicitation of an offer to buy any securities in the United States or any other jurisdiction.

No person has been authorized to give any information or make any representations other than those contained in this Consent Solicitation Statement and other accompanying materials. If given or made, such information or representations must not be relied upon as having been authorized by the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees, the Information and Tabulation Agent or any other person. The delivery of this Consent Solicitation Statement at any time does not imply that the information herein is correct as of any date subsequent to the date on the cover page hereof.

The Consent Solicitations are not being made to, and no Consents are being solicited from, Holders or beneficial owners of the Notes in any jurisdiction in which it is unlawful to make such Consent Solicitations or grant such Consents. However, the 2019 Notes Issuer and the 2020 Notes Issuer may, in their sole discretion and in compliance with any applicable laws, take such actions as it may deem necessary to solicit Consents in any jurisdiction and, provided no Forbearance Expiration Date has occurred, may extend the Consent Solicitations (subject to the Long Stop Date and the Expiration Extension Consent (as defined below)) to, and solicit Consents from, persons in such jurisdiction.

THIS CONSENT SOLICITATION STATEMENT HAS NOT BEEN FILED WITH OR REVIEWED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY JURISDICTION, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CONSENT SOLICITATION STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

The making of the Consent Solicitations may be restricted by law in some jurisdictions. Persons into whose possession this Consent Solicitation Statement comes must inform themselves about and observe these restrictions.

If you have sold or otherwise transferred all of your Notes, please forward this Consent Solicitation Statement to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. Beneficial owners of Notes should handle this matter through their bank or broker. Questions concerning the terms of the Consent Solicitations should be directed to the Information and Tabulation Agent, and requests for additional copies of this Consent Solicitation Statement or other related documents should be directed to the Information and Tabulation Agent at the address or telephone number set forth on the back cover page hereof.

INFORMATION CONTAINED IN THIS CONSENT SOLICITATION STATEMENT

The information provided in this Consent Solicitation Statement is based upon information provided by the 2019 Notes Issuer and the 2020 Notes Issuer (together with the 2019 Notes Issuer and their subsidiaries, the “**Group**”). None of the Information and Tabulation Agent, the Notes Trustees, nor any agent under the Indentures has independently verified, and none of them makes any representation or warranty, express or implied, nor assumes any responsibility, as to the accuracy or adequacy of the information contained herein.

None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Information and Tabulation Agent, the Notes Trustees, the Notes Paying Agent or the Notes Registrar makes any recommendation as to whether Consents to the Notes Proposals

should be given. Recipients of this Consent Solicitation Statement and the accompanying materials should not construe its contents as legal, business or tax advice.

Each Holder is responsible for assessing the merits of the Consent Solicitation with respect to the Notes held by it. None of the Notes Trustees, any agent under the Indentures, or the Information and Tabulation Agent expresses any view or opinion whatsoever as to the merits of the Consent Solicitation or the Notes Proposals to Holders in this Consent Solicitation Statement (of which neither was involved in the negotiation or formulation) and makes no recommendations whatsoever regarding the Consent Solicitation and the execution of the Supplemental Indentures. Accordingly, the Notes Trustees and the Information and Tabulation Agent each urges Holders who are in doubt as to the impact of the implementation of the Notes Proposals in connection with the Consent Solicitations (including any tax consequences) to seek their own independent advice. The Notes Trustees, any agent under the Indentures, and the Information and Tabulation Agent each has not made and will not make any assessment of the merits of any Consent Solicitation or of the impact of any Consent Solicitation on the interests of the Holders either as a class or as individuals. The entry into the Supplemental Indentures as a result of the Consent Solicitation will not require the Notes Trustees or the Information and Tabulation Agent to, and neither the Notes Trustees nor the Information and Tabulation Agent will, consider the interests of the Holders either as a class or as individuals. None of the Notes Trustees, any agent under the Indentures, or the Information and Tabulation Agent has been involved in the Consent Solicitations or in negotiating or formulating terms of the Consent Solicitations, the Notes Proposals or the Supplemental Indentures, and neither makes any representation that all information has been disclosed to Holders in, or pursuant to, this Consent Solicitation Statement. None of the Information and Tabulation Agent, the Notes Trustees or any agent under the Indentures, takes or accepts any responsibility for the accuracy, completeness, validity or correctness of the statements made herein or any other documents prepared in connection with the Consent Solicitations or any omissions therefrom. The Notes Trustees will assess whether to comply with any direction they are given by the Holders pursuant to the Consent Solicitations as described hereunder in accordance with their respective rights and duties under the 2019 Notes Indenture and the 2020 Notes Indenture, respectively. Accordingly, Holders who are in any doubt as to the impact of the Consent Solicitations or of the implementation of the Notes Proposals should seek their own independent advice.

AVAILABLE INFORMATION

As long as the Notes are admitted to the Official List of the Irish Stock Exchange and trading on the Global Exchange Market and the rules and regulations of such exchange require, copies of reports and other information concerning the 2019 Notes Issuer and the 2020 Notes Issuer may be obtained, free of charge, during normal business hours on any business day at the office of the Irish Listing Agent, The Bank of New York Mellon SA/NV, Dublin Branch (formerly The Bank of New York Mellon (Ireland) Limited), at Hanover Building, Windmill Lane, Dublin 1, Ireland.

The 2019 Notes Issuer has submitted, pursuant to Section 4.03 of the 2019 Notes Indenture, quarterly and annual reports required thereunder. Such reports have been delivered to Wilmington Trust, National Association, 1100 North Market Street, Wilmington, DE 19890-0001, as trustee under the 2019 Notes Indenture.

The 2020 Notes Issuer has submitted, pursuant to Section 4.03 of the 2020 Notes Indenture, quarterly and annual reports required thereunder. Such reports have been delivered to The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, as trustee under the 2020 Notes Indenture.

All notices with respect to the Consent Solicitations and the results of the Consent Solicitations will be published on the website of the Irish Stock Exchange (www.ise.ie) and will be available on the following website <http://www.lucid-is.com/elli>, operated by the Information and Tabulation Agent for the purpose of the Consent Solicitations.

None of the Information and Tabulation Agent or the Notes Trustees takes any responsibility for the accuracy, completeness, validity or correctness of the information contained in such documents and records, or for any failure

by the 2019 Notes Issuer or the 2020 Notes Issuer to disclose events or circumstances which may have occurred or may affect the significance or accuracy of any such information.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following information is incorporated by reference into this Consent Solicitation Statement:

- The 2020 Notes Issuer’s financial results for the quarter ended September 30, 2017 (available at: https://www.fshc.co.uk/specific/files/FSHC_Results_-_Q3_2017.pdf) and annual reports and consolidated financial statements for the years ended December 31, 2016 and 2015 (available at: https://www.fshc.co.uk/specific/files/Elli_Investments_Limited_31_12_16.pdf and https://www.fshc.co.uk/specific/files/Elli_Investments_Annual_Report_-_December_2015.pdf) (together, the “**2020 Notes Issuer’s Financial Results**”);
- The Group’s investor presentation for the third quarter of 2017 (available at: https://www.fshc.co.uk/specific/files/Four_Seasons_-_HYB_Presentation_-_Q3_2017.pdf) (the “**Third Quarter 2017 Investor Presentation**”);
- The October 17, 2017 announcement from the 2019 Notes Issuer and the 2020 Notes Issuer pertaining to the intention to launch a financial creditor and leasehold estate restructuring of the Group in 2017 (available at: https://www.fshc.co.uk/specific/files/Announcement_-_17_October_2017.pdf) (the “**Restructuring Announcement**”);
- The November 21, 2017 announcement from the 2019 Notes Issuer and the 2020 Notes Issuer pertaining to the proposal by H/2 (available at: [https://www.fshc.co.uk/specific/files/Elli_Finance_\(UK\)_Plc_&_Elli_Investments_Ltd_Announcement.pdf](https://www.fshc.co.uk/specific/files/Elli_Finance_(UK)_Plc_&_Elli_Investments_Ltd_Announcement.pdf)) (the “**November Announcement**”); and
- The December 14, 2017 announcement from the 2019 Notes Issuer and the 2020 Notes Issuer pertaining to non-payment of interest under the Notes on December 15, 2017 and entry into the Standstill and Deferral Agreement (defined below) (the “**December Announcement**”).

Information accessible through the URLs and hyperlinks in the 2020 Notes Issuer’s Financial Results, the Third Quarter 2017 Investor Presentation, the Restructuring Announcement, the November Announcement and the December Announcement is neither part of, nor incorporated by reference in this Consent Solicitation Statement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Consent Solicitation Statement includes forward-looking statements. All statements, other than statements of historical fact, included in this Consent Solicitation Statement regarding the financial condition of the 2019 Notes Issuer or the 2020 Notes Issuer or regarding future events or prospects are forward-looking statements. The words “aim,” “anticipate,” “believe,” “continue,” “estimate,” “expect,” “future,” “help,” “intend,” “may,” “plan,” “shall,” “should,” “will” or the negative or other variations of them as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements. The 2019 Notes Issuer and the 2020 Notes Issuer have based these forward-looking statements on respective management’s current view with respect to future events and financial performance. These views reflect the best judgment of the 2019 Notes Issuer’s and the 2020 Notes Issuer’s management but involve a number of risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those predicted in the 2019 Notes Issuer’s or the 2020 Notes Issuer’s forward-looking statements and from past results, performance or achievements. All forward-looking statements contained in this Consent Solicitation Statement are qualified in their entirety by this cautionary statement.

There is no intention to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the 2019 Notes

Issuer or the 2020 Notes Issuer, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Consent Solicitation Statement. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements.

OVERVIEW

On October 17, 2017, the 2019 Notes Issuer and the 2020 Notes Issuer noted in the Restructuring Announcement, that the Group believes its capital structure is not appropriate for the long-term stability and requirements of the business and has been engaged in discussions with its stakeholders and certain creditors to bring about a consensual solution to the capital structure of the Group, which is ongoing.

On December 14, 2017, the 2019 Notes Issuer and the 2020 Notes Issuer announced that they would not pay the interest due under the Notes on December 15, 2017 and that they are exploring the terms of a consensual solution to a financial restructuring. On December 14, 2017, the 2019 Notes Issuer, the 2020 Notes Issuer, guarantors under the Notes and certain holders of the Notes, including H/2, also entered into the Standstill and Deferral Agreement with respect to the Notes, pursuant to which the parties thereto agreed, *inter alia*, to, and to direct the respective Notes Trustees and security agents under the Notes to, forbear (pursuant to the terms of the Standstill and Deferral Agreement) until, but not including, the Forbearance Expiration Date, from taking or exercising any Enforcement Action in connection with the Subject Defaults (all undefined capitalised terms used in this sentence shall have the meanings ascribed thereto in the Standstill and Deferral Agreement). Under and subject to the terms of the Standstill and Deferral Agreement, H/2 (who are the beneficial holders of more than 50% of the 2019 Notes and more than 75% of the 2020 Notes) has agreed to vote in favour of the Notes Proposals in respect of its holdings. A copy of the Standstill and Deferral Agreement is available on the following website <https://www.fshc.co.uk/investors>.

The Notes Proposals will: (i) defer the December 15, 2017 interest payment date in respect of the 2019 Notes and the 2020 Notes to March 4, 2018, *provided* that if the Forbearance Expiration Date (as defined in the Standstill and Deferral Agreement) occurs any time after January 13, 2018 and before March 4, 2018, the accrued and unpaid interest on the 2019 Notes and the 2020 Notes shall be immediately due and payable as of such Forbearance Expiration Date (collectively, “**December Coupon Deferral**”); (ii) waive any Default or Event of Default (each as defined under the respective Notes Indentures) that may have resulted or will result from each Issuer’s breach of its obligations to pay interest on December 15, 2017 under the relevant Notes Indenture (the “**Waivers**”); and (iii) make certain other amendments to the respective Indentures. Adoption of the Notes Proposals will provide a stable platform for financial restructuring discussions to take place, in a manner that ensures continuity of care for residents. See “*Purpose of the Notes Proposals*” for a more detailed description of the reasons for the Consent Solicitations.

The 2019 Notes Issuer and the 2020 Notes Issuer solicit the Consents of Holders to approve the Notes Proposals. These Consent Solicitations are made on the terms and subject to the conditions set out in this Consent Solicitation Statement. Before making a decision as to whether to provide the Consents, Holders should carefully consider all of the information contained in, and incorporated by reference into, this Consent Solicitation Statement and, in particular, the risk factors described or referred to herein under “*Certain significant considerations*”.

The Consent Solicitations and any approvals are made in accordance with the provisions of the Standstill and Deferral Agreement, including, without limitation, Section 1.2(g) thereof. Nothing in this Consent Solicitation Statement in any way limits, modifies or amends the rights of the parties to the Standstill and Deferral Agreement, and failure by the Issuers to receive the Required Consents (as defined below) will not result in a termination of the Standstill and Deferral Agreement.

CONSENT SOLICITATIONS

Consents from 2019 Holders (each a “**2019 Notes Consent**”) are being sought to, with the consent of 2019 Holders representing not less than 90% of the outstanding principal amount of the 2019 Notes (the “**2019 Notes Required Consents**”):

- (i) amend certain provisions of the 2019 Notes Indenture to provide for the December Coupon Deferral and to correspondingly change the record date for the payment of such interest;

- (ii) approve the Waivers with respect to the 2019 Notes; and
- (iii) make certain other amendments to the 2019 Notes Indenture described below under the heading “– *Notes Proposals*”.

Consents from 2020 Holders (each a “**2020 Notes Consent**”, and together with the 2019 Notes Consents, the “**Consents**”) are being sought to, with the consent of 2020 Holders representing not less than 90% of the outstanding principal amount of the 2020 Notes (the “**2020 Notes Required Consents**”):

- (i) amend certain provisions of the 2020 Notes Indenture to provide for the December Coupon Deferral and to correspondingly change the record date for the payment of such interest;
- (ii) approve the Waivers with respect to the 2020 Notes; and
- (iii) make certain other amendments to the 2020 Notes Indenture described below under the heading “– *Notes Proposals*”.

The 2019 Notes Issuer and the 2020 Notes Issuer anticipate that, if the Required Consents are obtained at or prior to the Expiration Time, the 2019 Notes Issuer and the 2020 Notes Issuer will give respective written notices to the 2019 Notes Trustee and the 2020 Notes Trustee that the Required Consents with respect to the Notes have been received, and the 2019 Notes Issuer, the Guarantors (as defined in the 2019 Notes Indenture) and the 2019 Notes Trustee will execute the eighth supplemental indenture with respect to the 2019 Notes (the “**2019 Notes Supplemental Indenture**”) and the 2020 Notes Issuer, the Guarantors (as defined in the 2020 Notes Indenture) and the 2020 Notes Trustee will execute the seventh supplemental indenture with respect to the 2020 Notes (the “**2020 Notes Supplemental Indenture**” and, together with the 2019 Notes Supplemental Indenture, the “**Supplemental Indentures**”) upon receipt of the required documentation under the 2019 Notes Indenture and the 2020 Notes Indenture, respectively, in form and substance satisfactory to the respective Notes Trustees and the satisfaction of all other requirements. The 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture will become effective upon their respective execution.

The Notes Trustees have no responsibility or liability to ensure that Holders who deliver a Consent (i) validly delivered such Consent and (ii) did not validly revoke such Consent pursuant to the terms set forth in this Consent Solicitation Statement.

The Notes Proposals will become effective (i) if the Required Consents are received at or prior to the Expiration Time and no Forbearance Expiration Date has occurred at or prior to such time, and (ii) when the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture are executed (following the Notes Trustees’ receipt of required documentation under the 2019 Notes Indenture and the 2020 Notes Indenture, respectively, in form and substance satisfactory to the respective Notes Trustees).

If the Notes Proposals are adopted and become effective, each present and future holder of the 2019 Notes and the 2020 Notes will be bound by their terms, whether or not any such holder delivered Consents pursuant to the Consent Solicitation.

REQUIRED CONSENTS

Adoption of the 2019 Notes Proposals requires the 2019 Notes Required Consents. Adoption of the 2020 Notes Proposals requires the 2020 Notes Required Consents. **The Notes Proposals shall only be implemented for both the 2019 Notes and the 2020 Notes, and only if: (i) both the 2019 Notes Required Consents and the 2020 Notes Required Consents (together, the “Required Consents”) are obtained at or prior to the Expiration Time and (ii) no Forbearance Expiration Date has occurred at or prior to the Effective Time.**

If either the 2019 Notes Required Consents or the 2020 Notes Required Consents are not received by the Expiration Time, then none of the Notes Proposals shall be adopted and Holders will remain entitled to receive interest due on their respective Notes on the respective due dates, together with any interest accrued on any deferred interest in accordance with the Indentures.

Consents with respect to any of the Notes, in order to be valid, must be delivered in accordance with the procedures established by and in the minimum denominations required by the relevant Clearing System (as defined below). If the Required Consents are received at or prior to the Expiration Time, the 2019 Notes Issuer and the 2020 Notes Issuer will give written notice and provide written certifications from the Information and Tabulation Agent to the respective Notes Trustees, upon which the Notes Trustees may conclusively rely, that the Required Consents have been validly delivered, not validly revoked and received and the 2019 Notes Issuer and the 2019 Notes Trustee, and the 2020 Notes Issuer and the 2020 Notes Trustee (in each case, following receipt of: (i) an Officer's Certificate, (ii) an Opinion of Counsel and (iii) any other required documentation under the 2019 Notes Indenture and the 2020 Notes Indenture, respectively, which is required in connection with the Consent Solicitations, each in form and substance satisfactory to the respective Notes Trustees) will execute the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture, respectively.

If the 2019 Notes Required Consents and the 2020 Notes Required Consents are received at or prior to the Expiration Time and no Forbearance Expiration Date has occurred at or prior to the Effective Time, the Notes Proposals shall become effective at the Effective Time.

As soon as practicable after the Effective Time or the Expiration Time (whichever is earlier), the 2019 Notes Issuer and the 2020 Notes Issuer will make an announcement by sending a notice via the Clearing Systems and by posting a notice on the Irish Stock Exchange website (*www.ise.ie*) informing holders of the Notes: (i) of the results of the Consent Solicitations, including whether the Required Consents have been obtained; and (ii) whether the Effective Time has occurred, and whether the 2019 Notes Proposals and the 2020 Notes Proposals, respectively, have become effective. All Holders of the Notes, including the holders who are not Consenting Holders (as defined below) (the "**Nonconsenting Holders**"), and all subsequent holders will be bound by the Notes Proposals from the Effective Time.

See "*The Consent Solicitations*" for a more detailed description of the Required Consents.

REVOCATION OF CONSENTS

All Consents will be made on the basis of the terms set out in this Consent Solicitation Statement and, once made in the manner described above, may only be revoked by a Holder of the Notes on or prior to, but not after, the Revocation Deadline. See "*The Solicitation—Revocation of Consents*".

NOTES PROPOSALS

The 2019 Notes Proposal

The 2019 Notes Issuer, subject to the terms and conditions set forth in this Consent Solicitation Statement, is soliciting the 2019 Notes Consents from 2019 Holders to (collectively, the "2019 Notes Proposals"):

- amend (pursuant to Section 9.02(b) (*Amendment, Supplement and Waiver—With Consents of Holders*) of the 2019 Notes Indenture) Section 4.01 (*Payment of Notes*) of the 2019 Notes Indenture to provide that:
 - (i) the December 15, 2017 interest payment date will be deferred to March 4, 2018, such that accrued and unpaid interest on the 2019 Notes from and including June 15, 2017 to and including March 3, 2018 will be paid on March 4, 2018 (and, to the extent interest is not paid on such date, an Event of Default would result under Section 6.01(a)(1) of the 2019 Notes Indenture following the expiration of the 30-day grace period thereunder), *provided*, however

that if the Forbearance Expiration Date (as defined below) occurs any time after January 13, 2018 and before March 4, 2018, any such accrued and unpaid interest from and including June 15, 2017 to the Forbearance Expiration Date shall be immediately due and payable as of such Forbearance Expiration Date (such date, the “**2019 Notes Deferred Coupon Payment Date**”). The interest in respect of the subsequent interest period will accrue from and including the day following the 2019 Notes Deferred Coupon Payment Date; and

- (ii) the record date for the payment of interest on the 2019 Notes Deferred Coupon Payment Date shall remain December 1, 2017;

For purposes of the 2019 Notes Proposals, the “Forbearance Expiration Date” shall occur on the date on which holders of a majority in aggregate principal amount of the 2019 Notes notify the 2019 Notes Issuer and the 2019 Notes Trustee in writing that a Forbearance Expiration Date (as defined in, and in accordance with, the Standstill and Deferral Agreement) has occurred, which notice shall specify whether the 2019 Notes Deferred Coupon Payment Date has occurred, and the 2019 Notes Trustee and the relevant paying agents may rely conclusively on such holder notice;

- waive, pursuant to Section 9.02(j) (*Amendment, Supplement and Waiver–With Consents of Holders*) of the 2019 Notes Indenture, any Default or Event of Default (each as defined under the 2019 Notes Indenture) arising pursuant to:
 - (i) Section 6.01(a)(1) (*Events of Default*) of the 2019 Notes Indenture that has resulted or will result from the 2019 Notes Issuer’s failure to pay interest due under the 2019 Notes and the 2019 Notes Indenture on December 15, 2017; and
 - (ii) Section 6.01(a)(5) (*Events of Default*) of the 2019 Notes Indenture that may result due to default, acceleration or other non-payment described therein in respect of any Indebtedness referred to therein, solely due to the 2019 Notes Issuer’s failure to pay interest due under the 2019 Notes and the 2019 Notes Indenture on December 15, 2017;

provided that if the Forbearance Expiration Date occurs at any time after January 13, 2018 and before March 4, 2018, any such waivers shall cease to be effective as of the Forbearance Expiration Date and: (i) an Event of Default will occur under Section 6.01(a)(1) of the 2019 Notes Indenture on the Forbearance Expiration Date (with no further grace period applicable under such provision) and (ii) a Default or Event of Default may occur under Section 6.01(a)(5) of the 2019 Notes Indenture, if applicable.

- For the avoidance of doubt, if the 2019 Note Proposals become effective, provisions related to any defaulted interest under Section 2.12 of the 2019 Notes Indenture will not apply in respect of the interest not paid on December 15, 2017, *provided* that the requirements of such Section 2.12 will apply in the event of any failure to pay interest on the 2019 Notes Deferred Coupon Payment Date as if such payment had not been made on December 15, 2017;
- make a conforming change (pursuant to Section 9.02(b) (*Amendment, Supplement and Waiver–With Consents of Holders*) of the 2019 Notes Indenture) to Section 6.07 (*Rights of Holders to Receive Payment*) of the 2019 Notes Indenture to provide that the rights of Holders to receive payment as described thereunder are subject to Section 9.02 of the 2019 Notes Indenture;
- authorize and direct the 2019 Notes Trustee to enter into the 2019 Notes Supplemental Indenture as set out herein in Annex 1, such 2019 Notes Supplemental Indenture to be entered into upon receipt of the 2019 Notes Required Consents validly delivered and not validly revoked at or prior to the Expiration Time and upon the 2019 Notes Trustee’s receipt of required documentation under the 2019 Notes Indenture in form and substance satisfactory to the 2019 Notes Trustee;

- to the extent necessary under the 2019 Notes Indenture, authorize and direct the 2019 Notes Trustee to give effect to, and permit, the 2019 Notes Proposals such 2019 Notes Proposals to become effective at the Effective Time; and
- release the 2019 Notes Trustee from any claims and any and all liability that may arise as a result of the 2019 Notes Trustee taking any of the actions referred to in the bullet points above.

See Annex 1 for the form of the Eighth Supplemental Indenture, setting out the 2019 Notes Proposals in full.

The 2020 Notes Proposal

The 2020 Notes Issuer, subject to the terms and conditions set forth in this Consent Solicitation Statement, is soliciting the 2020 Notes Consents from 2020 Holders to (collectively, the “2020 Notes Proposals”):

- amend (pursuant to Section 9.02(b) (*Amendment, Supplement and Waiver–With Consents of Holders*) of the 2020 Notes Indenture) Section 4.01 (*Payment of Notes*) of the 2020 Notes Indenture to provide that:
 - (i) the December 15, 2017 interest payment date will be deferred to March 4, 2018, such that accrued and unpaid interest on the 2020 Notes from and including June 15, 2017 to and including March 3, 2018 will be paid on March 4, 2018 (and, to the extent interest is not paid on such date, an Event of Default would result under Section 6.01(a)(1) of the 2020 Notes Indenture following the expiration of the 30-day grace period thereunder), *provided*, however that if the Forbearance Expiration Date (as defined below) occurs any time after January 13, 2018 and before March 4, 2018, any such accrued and unpaid interest from and including June 15, 2017 to the Forbearance Expiration Date shall be immediately due and payable as of such Forbearance Expiration Date (such date, the “**2020 Notes Deferred Coupon Payment Date**”). The interest in respect of the subsequent interest period will accrue from and including the day following the 2020 Notes Deferred Coupon Payment Date; and
 - (ii) the record date for the payment of interest on the 2020 Notes Deferred Coupon Payment Date shall remain December 1, 2017;

For purposes of the 2020 Notes Proposals, the “Forbearance Expiration Date” shall occur on the date on which holders of a majority in aggregate principal amount of the 2020 Notes notify the 2020 Notes Issuer and the 2020 Notes Trustee in writing that a Forbearance Expiration Date (as defined in, and in accordance with, the Standstill and Deferral Agreement) has occurred, which notice shall specify whether the 2020 Notes Deferred Coupon Payment Date has occurred, and the 2020 Notes Trustee and the relevant paying agents may rely conclusively on such holder notice;

- waive, pursuant to Section 9.02(j) (*Amendment, Supplement and Waiver–With Consents of Holders*) of the 2020 Notes Indenture, any Default or Event of Default (each as defined under the 2020 Notes Indenture) arising pursuant to:
 - (i) Section 6.01(a)(1) (*Events of Default*) of the 2020 Notes Indenture, that has resulted or will result from the 2020 Notes Issuer’s failure to pay interest due under the 2020 Notes and the 2020 Notes Indenture on December 15, 2017; and
 - (ii) Section 6.01(a)(5) (*Events of Default*) of the 2020 Notes Indenture, that may result due to default acceleration or other non-payment described therein in respect of any Indebtedness referred to therein, solely due to the 2020 Notes Issuer’s failure to pay interest due under the 2020 Notes and the 2020 Notes Indenture on December 15, 2017;

provided that if the Forbearance Expiration Date occurs at any time after January 13, 2018 and before March 4, 2018, any such waivers shall cease to be effective as of the Forbearance Expiration Date and: (i) an Event

of Default will occur under Section 6.01(a)(1) of the 2020 Notes Indenture on the Forbearance Expiration Date (with no further grace period applicable under such provision) and (ii) a Default or Event of Default may occur under Section 6.01(a)(5) of the 2020 Notes Indenture, if applicable.

- For the avoidance of doubt, if the 2020 Note Proposals become effective, provisions related to any defaulted interest under Section 2.12 of the 2020 Notes Indenture will not apply in respect of the interest not paid on December 15, 2017, *provided* that the requirements of such Section 2.12 will apply in the event of any failure to pay interest on the 2020 Notes Deferred Coupon Payment Date as if such payment had not been made on December 15, 2017;
- make a conforming change (pursuant to Section 9.02(b) (*Amendment, Supplement and Waiver–With Consents of Holders*) of the 2020 Notes Indenture) to Section 6.07 (*Rights of Holders to Receive Payment*) of the 2020 Notes Indenture to provide that the rights of Holders to receive payment as described thereunder are subject to Section 9.02 of the 2020 Notes Indenture;
- authorize and direct the 2020 Notes Trustee to enter into the 2020 Notes Supplemental Indenture as set out herein in Annex 2, such 2020 Notes Supplemental Indenture to be entered into upon receipt of the 2020 Notes Required Consents validly delivered and not validly revoked at or prior to the Expiration Time and upon the 2020 Notes Trustee’s receipt of required documentation under the 2020 Notes Indenture in form and substance satisfactory to the 2020 Notes Trustee;
- to the extent necessary under the 2020 Notes Indenture, authorize and direct the 2020 Notes Trustee to give effect to, and permit, the 2020 Notes Proposals, such 2020 Notes Proposals to become effective at the Effective Time; and
- release the 2020 Notes Trustee from any claims and any and all liability that may arise as a result of the 2020 Notes Trustee taking any of the actions referred to in the bullet points above.

See Annex 2 for the form of the Seventh Supplemental Indenture, setting out the 2020 Notes Proposals in full.

CONSENT PAYMENT

There will be no consent fee paid to Holders in connection with the Consent Solicitations.

CONSENTS CONDITIONS

The Notes Proposals shall become effective if: (i) the Required Consents are obtained at or prior to the Expiration Time and (ii) no Forbearance Expiration Date has occurred at or prior to the Effective Time.

GENERAL

The Consent Solicitations are being made on the terms and are subject to the conditions set forth in this Consent Solicitation Statement. The 2019 Notes Issuer and the 2020 Notes Issuer expressly reserve the right, in their sole discretion, subject to applicable law and the terms hereof, to terminate, amend or extend the Consent Solicitations at any time (so long as no Forbearance Expiration Date has occurred and subject to the Long Stop Date and the Expiration Extension Consent).

Irrespective of whether the Notes Proposals become effective and/or operative, the Notes will continue to legally exist and be outstanding and secured in accordance with all other terms of the 2019 Notes Indenture, the 2020 Notes Indenture, the 2019 Notes, the 2020 Notes and the Security Documents (as defined in the 2019 Notes Indenture and the 2020 Notes Indenture, respectively).

If the Required Consents are not obtained and/or the Forbearance Expiration Date has occurred at or prior to the Effective Time, the Notes Proposals shall not become effective, and Holders will remain entitled to

receive interest due on their respective Notes on the respective due dates, together with any interest accrued on any deferred interest in accordance with the Indentures.

The 2019 Notes Issuer and the 2020 Notes Issuer were not in a position to pay the £26.0 million of interest due on the Notes on December 15, 2017. If the Required Consents are not obtained at or prior to the Expiration Time, the interest payments are not made and following the applicable grace period, an event of default will occur under the terms of the 2019 Notes Indenture and the 2020 Notes Indenture. See “*Certain Significant Considerations*” for a more detailed description of the risks relating to the Notes Proposals not becoming effective.

KEY DATES IN RELATION TO CONSENT SOLICITATION

The following summary of key dates is qualified in its entirety by the more detailed information appearing elsewhere in this Consent Solicitation Statement or incorporated by reference herein. Capitalized terms have the meanings assigned to them elsewhere in this Consent Solicitation Statement.

Holders should take note of the following dates in connection with the Consent Solicitations. However, the dates below are subject to modification in accordance with the terms of the Consent Solicitations:

Date	Calendar Date	Event
Record Date	December 1, 2017.	The date at which positions are struck at the end of the day to note which parties are entitled to vote. Only a Holder as of the Record Date may deliver or revoke a Consent, whether or not such Holder continues to be a Holder of Notes after the Record Date. Any person or entity that becomes a holder of Notes after the Record Date will not have the authority to deliver or revoke a Consent.
Consent Solicitations Launch Date	December 20, 2017.	Commencement of the Consent Solicitations.
Revocation Deadline	The earlier of the Expiration Time and the Effective Time.	The deadline for Holders to revoke Consents previously delivered. Consents may not be revoked following this time.
Effective Time	If the Required Consents are received at or prior to the Expiration Time and no Forbearance Expiration Date has occurred at or prior to such time, the time at which the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture are executed (following the Notes Trustees' receipt of required documentation under the 2019 Notes Indenture and the 2020 Notes Indenture in form and substance satisfactory to the respective Notes Trustees).	The time at which the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture will be executed.
Expiration Time	5:00 P.M. London Time on January 10, 2018 (such date and time, as it may be extended in accordance with the terms hereof), provided that the Expiration Time (as amended or extended) shall occur no later than the Long Stop Date.	The time at or prior to which Holders must validly deliver Consents to the Notes Proposals.
Announcement of Consent Solicitations Results	As soon as practicable after the Effective Time or the Expiration Time (whichever is earlier).	The date on which the results of the Consent Solicitations are announced by the 2019 Notes Issuer and the 2020 Notes Issuer by sending a notice via the Clearing Systems and by posting a notice on the Irish Stock Exchange website (www.ise.ie).

THE GROUP

The 2019 Notes Issuer is a company incorporated in England and Wales with company number 08094161. Its registered office is at Norcliffe House, Station Road, Wilmslow SK9 1BU, United Kingdom.

The 2020 Notes Issuer is a company incorporated in Guernsey with company number 55185. Its registered office is at Old Bank Chambers, La Grande Rue, St Martin's, GY4 6RT, Guernsey.

The Group is one of the largest independent providers of elderly care services in the United Kingdom and is a leading provider of specialist services, including brain injury rehabilitation and mental health care services.

For further information about the Group, see "*Incorporation of Certain Information by Reference*".

BACKGROUND TO THE SOLICITATION

Overview

As a consequence of various market and operational factors and challenges, reported earnings before income tax depreciation and amortisation (EBITDA) of the Group has declined from £96.6 million in 2012 to £55.4 million in 2016, with EBITDA in 2015 dropping as low as £38.7 million. As disclosed in the 2020 Notes Issuer's Financial Results and Third Quarter 2017 Investor Presentation, the Group's EBITDA for the twelve months ended September 30, 2017 was £52.2 million.

Selected Group Financial and Operating Information

The table below presents the Group's budget for the financial year 2018:

	Group Forecast Q4 2017 ⁽⁴⁾⁽⁶⁾	2018											
		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Effective beds	16,467	16,332	16,332	16,332	16,299	16,299	16,299	16,238	16,238	16,238	16,238	16,238	16,238
Occupancy %	89.5%	89.1%	89.1%	89.5%	90.0%	90.5%	90.8%	91.2%	91.4%	91.5%	91.5%	91.5%	91.4%
Revenue (£m).....	171.4	47.7	59.9	48.2	49.2	62.0	50.0	50.3	62.8	50.6	50.6	63.3	50.6
Own staff (% of total revenue).....	58.9%	61.0%	59.6%	59.7%	60.0%	59.0%	58.6%	58.0%	57.9%	57.6%	57.2%	57.3%	59.4%
Agency (% of total revenue).....	7.0%	6.1%	5.7%	5.5%	5.3%	4.9%	4.9%	5.0%	5.2%	5.6%	5.6%	4.8%	4.6%
Expenses (% of total revenue).....	13.7%	14.8%	14.5%	14.5%	13.7%	13.4%	13.2%	12.8%	12.8%	12.9%	13.3%	13.4%	14.0%
Rent (% of total revenue).....	8.0%	8.5%	8.4%	8.4%	8.3%	8.2%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
Central cost (% of total revenue).....	5.3%	7.2%	5.7%	7.1%	7.0%	5.5%	6.9%	6.8%	5.5%	6.8%	6.6%	5.3%	6.6%
Other net income (% of total revenue).....	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Change in working capital (% of total revenue).....	0.6%	(15.2%)	(1.1%)	3.0%	(3.2%)	3.0%	(0.1%)	(4.2%)	(1.0%)	4.3%	(6.6%)	(2.6%)	9.3%
Maintenance and Central capex (% of total revenue).....	(5.5%)	(4.5%)	(4.2%)	(4.5%)	(4.4%)	(4.3%)	(4.5%)	(4.5%)	(4.4%)	(4.4%)	(4.4%)	(4.2%)	(4.4%)
Development capex (% of total revenue) ⁽⁵⁾	(2.0%)	(0.7%)	(0.8%)	(1.0%)	(1.5%)	(1.2%)	(1.3%)	(1.6%)	(1.2%)	(1.3%)	(0.7%)	(0.7%)	(0.7%)
Cash Exceptionals - Restructuring (% of revenue) ⁽⁷⁾	(5.1)	(4.3%)	(1.9%)	(1.8%)	(1.7%)	(1.4%)	(1.7%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Exceptionals - Other (% of revenue).....	(1.7%)	(3.2%)	(1.2%)	(3.2%)	(1.0%)	(0.8%)	(1.1%)	(2.0%)	(2.2%)	(1.1%)	(1.1%)	(0.8%)	(0.8%)
Disposals (% of total revenue).....	4.7%	0.0%	0.2%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash interest and tax (% of total revenue) ⁽³⁾	1.1%	(1.2%)	(0.1%)	(0.1%)	0.1%	(0.1%)	(0.7%)	(1.5%)	(0.1%)	(0.1%)	0.1%	(0.1%)	(0.3%)

Notes:

- (1) All income statement revenue and expense items shown as positive percentages. Cash flow items shown as a positive or negative percentage respectively based on cash flow impact. The Budget is presented on a management accounts basis.
- (2) Budget prepared based on current estate and current capital structure.
- (3) No interest is assumed to be paid on the 2019 Notes or the 2020 Notes in FY18 or Q4 2017.
- (4) Excludes statutory adjustments, in particular the non-cash credit resulting from the unwind of the Group's onerous lease provision. Statutory EBITDA is expected to be c£52m in 2017, consistent with statements made on the Q3 2017 high yield bond call.
- (5) The majority of FY18 Budget development capex is not yet committed.
- (6) Q3 2017 closing cash was £24.8m, as disclosed in the Q3 2017 results.
- (7) Does not include restructuring expenses relating to creditor's advisor costs.

The tables below present summary of the Group's leasehold estate (by rent cover) for the respective periods:

Summary of Leasehold Estate (sorted by rent cover)

(£'000. Quartiles based on Sep-17 YTD
EBITDARM Cover)

Quartile	Description	# of Homes	FY2016A					Sep-17 YTD				
			EBIT-DARM	Rent	Maint. Capex	EBIT-DARM Cover (x)	EBIT-DARM - M.Capex Cover (x)	EBIT-DARM	Rent	Maint. Capex	EBIT-DARM Cover (x)	EBIT-DARM - M.Capex Cover (x)
1	Greater than or equal to: 2.0x	20	15,036	(5,947)	(1,304)	2.5x	2.3x	13,345	(4,728)	(804)	2.8x	2.7x
2	Between: 1.25x and 2.0x	94	36,432	(23,050)	(6,413)	1.6x	1.3x	27,723	(17,337)	(4,729)	1.6x	1.3x
3	Between: 0.5x and 1.25x	32	9,441	(10,193)	(2,410)	0.9x	0.7x	6,682	(7,792)	(1,860)	0.9x	0.6x
4	Less than or equal to: 0.5x ..	15	1,840	(4,089)	(1,032)	0.4x	0.2x	(576)	(2,951)	(873)	(0.2)x	(0.5)x
Subtotal: Open Homes		161	62,749	(43,279)	(11,159)	1.4x	1.2x	47,174	(32,809)	(8,266)	1.4x	1.2x
	Closed Homes (rent still paid)	27	826	(5,843)	(635)	0.1x	0.0x	149	(4,383)	(246)	0.0x	0.0x
Total: Open Homes + Closed Homes		188	63,575	(49,123)	(11,794)	1.3x	1.1x	47,323	(37,192)	(8,512)	1.3x	1.0x

Note:

Table shows operating and closed leasehold homes in the estate as at 24 September 2017.

(£'000)

Landlord	# of Homes	FY2016A					Sep-17 YTD				
		EBIT-DARM	Rent	Maint. Capex	EBIT-DARM Cover (x)	EBIT-DARM - M.Capex Cover (x)	EBIT-DARM	Rent	Maint. Capex	EBIT-DARM Cover (x)	EBIT-DARM - M.Capex Cover (x)
Landlord 1	61	18,334	(16,967)	(3,591)	1.1x	0.9x	15,059	(12,998)	(2,059)	1.2x	1.0x
Landlord 2	60	16,219	(11,062)	(3,653)	1.5x	1.1x	11,836	(8,116)	(2,984)	1.5x	1.1x
Landlord 3	10	4,467	(2,910)	(704)	1.5x	1.3x	2,967	(2,246)	(554)	1.3x	1.1x
Landlord 4	10	2,335	(3,602)	(621)	0.6x	0.5x	1,410	(2,727)	(587)	0.5x	0.3x
Landlord 5	9	5,474	(2,689)	(583)	2.0x	1.8x	3,901	(2,058)	(526)	1.9x	1.6x
Landlord 6	7	3,239	(2,059)	(571)	1.6x	1.3x	2,426	(1,596)	(331)	1.5x	1.3x
Landlord 7	2	1,131	(601)	(158)	1.9x	1.6x	651	(401)	(189)	1.6x	1.2x
Landlord 8	2	1,875	(763)	(157)	2.5x	2.3x	1,332	(595)	(153)	2.2x	2.0x
Landlord 9	2	1,525	(1,006)	(86)	1.5x	1.4x	1,320	(772)	(66)	1.7x	1.6x
Remaining Landlords	25	8,975	(7,464)	(1,669)	1.2x	1.0x	6,421	(5,682)	(1,063)	1.1x	0.9x
Total	188	63,575	(49,123)	(11,794)	1.3x	1.1x	47,323	(37,192)	(8,512)	1.3x	1.0x

Note:

Table shows operating and closed leasehold homes in the estate as at 24 September 2017.

As announced in the Restructuring Announcement, the Group believes its capital structure is not appropriate for the long-term stability and requirements of the business and has been engaged in discussions with its stakeholders and certain creditors to bring about a consensual solution to the capital structure of the Group, which is ongoing.

On December 14, 2017, the 2019 Notes Issuer and the 2020 Notes Issuer announced that they would not pay the interest due under the Notes on December 15, 2017 and that the 2019 Notes Issuer, the 2020 Notes Issuer, guarantors under the Indentures and certain holders of the Notes, including H/2, had entered into the Standstill and Deferral Agreement. Pursuant to the Standstill and Deferral Agreement, the parties thereto agreed, *inter alia*, to, and to direct the respective Notes Trustees and security agents under the Indentures to, forbear (pursuant to the terms of the Standstill and Deferral Agreement) until, but not including, the Forbearance Expiration Date, from taking or

exercising any Enforcement Action in connection with the Subject Defaults (all undefined capitalised terms used in this sentence shall have the meanings ascribed thereto in the Standstill and Deferral Agreement). Under and subject to the terms of the Standstill and Deferral Agreement, H/2 (who are the beneficial holders of more than 50% of the 2019 Notes and more than 75% of the 2020 Notes) has agreed to vote in favour of the Notes Proposals in respect of its holdings. A copy of the Standstill and Deferral Agreement is available on the following website <https://www.fshc.co.uk/investors>.

PURPOSE OF THE NOTES PROPOSALS

The Notes Proposals will implement the December Coupon Deferral and the Waivers. Adoption of the Notes Proposals will provide a stable platform for financial restructuring discussions to take place, in a manner that ensures continuity of care for residents.

The 2019 Notes Issuer and the 2020 Notes Issuer were not in a position to pay the £26.0 million of interest due on the Notes on December 15, 2017. If the Notes Proposals are not adopted and the interest payments are not made, following the expiration of the applicable grace period an event of default will occur under the terms of the 2019 Notes Indenture and the 2020 Notes Indenture.

CERTAIN SIGNIFICANT CONSIDERATIONS

None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees, any agent under the Indentures, the Information and Tabulation Agent and any of their respective directors, officers, employees, agents or affiliates makes any recommendation as to whether a Holder of the 2019 Notes and/or the 2020 Notes should consent to the Notes Proposals and none of the 2019 Notes Issuer, the 2020 Notes Issuer or their respective boards of directors have authorized any person to make any such statement. The 2019 Holders and the 2020 Holders are urged to evaluate carefully all information included in this Consent Solicitation Statement, consult with their own legal, investment and tax advisors and make their own decision whether to provide their consent to the Notes Proposals pursuant to the Consent Solicitations. In deciding whether to consent to the Notes Proposals, you should carefully consider the following, in addition to the other information contained in this Consent Solicitation Statement.

RISKS RELATED TO THE PROPOSED TRANSACTIONS

Risks relating to the Notes Proposals not becoming effective

Irrespective of whether the Notes Proposals become effective and/or operative, the 2019 Notes and the 2020 Notes will continue to legally exist and be outstanding and secured in accordance with all other terms of the 2019 Notes Indenture, the 2020 Notes Indenture, the 2019 Notes, the 2020 Notes and the Security Documents (as defined in the 2019 Notes Indenture and the 2020 Notes Indenture, respectively).

If the Required Consents are not obtained and/or the Forbearance Expiration Date has occurred at or prior to the Effective Time, the Notes Proposals shall not become effective. The 2019 Notes Issuer and the 2020 Notes Issuer were not in a position to pay the £26.0 million of interest due on the Notes on December 15, 2017. If the interest payments are not made and following the applicable grace period, an event of default will occur under the terms of the 2019 Notes Indenture and the 2020 Notes Indenture.

If the Notes Proposals sought in the Consent Solicitations become effective, all Notes will be subject to the terms of, and bound by, all such Notes Proposals.

If the Notes Proposals become effective, all holders of the respective Notes will be bound by the respective Notes Proposals implemented under the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture, whether or not such Holder delivered a Consent or revoked its Consent or otherwise affirmatively objected to the Notes Proposals. Nonconsenting Holders (whether or not they affirmatively objected to the Notes Proposals) will not be entitled to any rights of appraisal or similar rights of dissenters (whether pursuant to the 2019 Notes Indenture, the 2020 Notes Indenture or the organizational instruments of the 2019 Notes Issuer or the 2020 Notes Issuer) with respect to the adoption of the Notes Proposals and the execution of the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture.

Limited ability to revoke Consents and certain consequences for Consents delivered

Consents may be validly revoked at any time at or prior to the Effective Time or the Expiration Time, but not thereafter, unless required by applicable law. In addition, the 2019 Notes Issuer and the 2020 Notes Issuer may, in their sole discretion, subject to applicable law and certain contractual restrictions, extend, amend or terminate the Consent Solicitations (so long as no Forbearance Expiration Date has occurred and subject to the Long Stop Date and the Expiration Extension Consent).

Certain tax considerations

For a summary of certain tax considerations related to the Consent Solicitations, see “*Certain Tax Considerations.*”

Holders of the Notes will be responsible for assessing the merits of the Consent Solicitations and complying with the procedures of the Consent Solicitations

Each Holder is responsible for assessing the merits of the Consent Solicitations. None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees, any agent under the Indentures or the Information and Tabulation Agent has made or will make any assessment of the merits of the Consent Solicitations or of the impact of the Consent Solicitations on the interests of the Holders either as a class or as individuals.

The Holders are solely responsible for complying with all of the procedures for participating in the Consent Solicitations, including the submission of Consents. None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees, any agent under the Indentures or the Information and Tabulation Agent assumes any responsibility for informing Holders of any irregularities with respect to Consents.

THE SOLICITATION

In order to provide a Consent, each person who is shown in the records of the clearing systems of Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, *société anonyme* (“**Clearstream**”) and, together with Euroclear, the “**Clearing Systems**” and each a “**Clearing System**”) as a Holder (also referred to as “**Direct Participants**” and each a “**Direct Participant**”) as of the Record Date must deliver an Electronic Consent Instruction (as defined below) through such Clearing Systems in accordance with the procedures of, and within the time limit specified by, such Clearing Systems for receipt by the Information and Tabulation Agent at or prior to the Expiration Time.

Holders who wish to provide a Consent and whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee institution must contact such nominee promptly and instruct such nominee, to consent in accordance with the customary procedures of either Euroclear and Clearstream or, on behalf of the Holder of the Notes. The deadlines set by any such custodial entity and each Clearing System for the submission of Consents (or the revocation thereof (in the limited circumstances in which revocation is permitted)) may be earlier than the deadlines specified in this Consent Solicitation Statement.

Neither of the Notes Trustees nor any agent under the Indentures has any responsibility or liability for monitoring, tabulating or verifying compliance with deadlines or other formalities in connection with the delivery or revocation of Consents and each Note Trustee will be relying conclusively on the 2019 Notes Issuer, the 2020 Notes Issuer and the Information and Tabulation Agent, as applicable, for such purpose.

None of the Information and Tabulation Agent, the Notes Trustees, or any agent under the Indentures nor any of their respective directors, employees or affiliates, makes any recommendation as to whether the Holders, Direct Participants or beneficial owners should deliver their Consents.

REQUIRED CONSENTS

Pursuant to Sections 9.02(b) and (j) of the 2019 Notes Indenture, adoption of the 2019 Notes Proposals requires the receipt of the valid Consents of 2019 Holders of not less than 90% in outstanding principal amount of the 2019 Notes at or prior to the Expiration Time. As of the Record Date and the date hereof, the outstanding principal amount of the 2019 Notes was £350,000,000.

Pursuant to Section 9.02(b) and (j) of the 2020 Notes Indenture, adoption of the 2020 Notes Proposals requires the receipt of the valid Consents of 2020 Holders of not less than 90% in outstanding principal amount of the 2020 Notes then outstanding at or prior to the Expiration Time. As of the Record Date and the date hereof, the outstanding principal amount of the 2020 Notes was £175,000,000.

The Notes Proposals with respect to the 2019 Notes Indenture and the 2020 Notes Indenture will become effective at the Effective Time.

There will be no consent fee paid to Holders in connection with the Consent Solicitations.

There can be no assurance that the Notes Proposals will become effective.

The Notes Proposals shall only be implemented for both the 2019 Notes and the 2020 Notes, and only if: (i) both the 2019 Notes Required Consents and the 2020 Notes Required Consents are obtained at or prior to the Expiration Time and (ii) no Forbearance Expiration Date has occurred at or prior to the Effective Time.

If the Required Consents are obtained and all required documents under the 2019 Notes Indenture and the 2020 Notes Indenture are delivered in form and substance satisfactory to the respective Notes Trustees, the respective Notes Trustees will enter into the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental Indenture to give effect to the Notes Proposals. If the Notes Proposals become effective, the Notes Proposals as set forth in the 2019 Notes Supplemental Indenture and the 2020 Notes Supplemental

Indenture will be binding on all holders of the 2019 Notes and the 2020 Notes, respectively, and their transferees whether or not such holders have consented to (or have revoked their consents to) the Notes Proposals.

FAILURE TO OBTAIN REQUIRED CONSENTS

The Notes Proposals shall only become effective for both the 2019 Notes and the 2020 Notes, and only if: (i) both the 2019 Notes Required Consents and the 2020 Notes Required Consents are obtained at or prior to the Expiration Time and (ii) no Forbearance Expiration Date has occurred at or prior to the Effective Time. In the event that the Required Consents are not obtained at or prior to the Expiration Time, any other condition set forth in this Consent Solicitation Statement with respect to the Notes Proposals is not satisfied and/or waived, or the Consent Solicitations are terminated, none of the Notes Proposals will become operative.

If the Required Consents are not obtained and/or the Forbearance Expiration Date has occurred at or prior to the Effective Time, the Notes Proposals shall not become effective, and Holders will remain entitled to receive interest due on their respective Notes on the respective due dates, together with any interest accrued on any deferred interest in accordance with the Indentures.

The 2019 Notes Issuer and the 2020 Notes Issuer were not in a position to pay the £26.0 million of interest due on the Notes on December 15, 2017. If the Required Consents are not obtained at or prior to the Expiration Time and the interest payments are not made then, following the applicable grace period, an event of default will occur under the terms of the 2019 Notes Indenture and the 2020 Notes Indenture. See “*Certain Significant Considerations*” for a more detailed description of the risks relating to the Notes Proposals not becoming effective.

EXPIRATION TIME; EXTENSIONS; AMENDMENTS

The term “**Expiration Time**” means 5:00 P.M., London Time, on January 10, 2018, unless the 2019 Notes Issuer and the 2020 Notes Issuer extend the Expiration Time, in which case the Expiration Time shall be the latest date and time for which an extension is effective. The Standstill and Deferral Agreement provides that the Issuers may only extend the Expiration Time of the Consent Solicitations with the prior written consent of Holders holding more than 50% of the aggregate principal amount of 2019 Notes and more than 50% of the aggregate principal amount of 2020 Notes, in each case then outstanding (the “**Expiration Extension Consent**”) and that the Expiration Time (as amended or extended) shall occur no later than the Long Stop Date as set forth in the Standstill and Deferral Agreement, which is January 19, 2018. Subject to the foregoing, in order to extend the Consent Solicitations period, the 2019 Notes Issuer and the 2020 Notes Issuer will notify the Information and Tabulation Agent and the Notes Trustees of any extension by written notice and will make a public announcement thereof, each prior to 5:00 p.m., London Time, on the next business day after the previously scheduled Expiration Time. The 2019 Notes Issuer and the 2020 Notes Issuer may elect to utilize any means reasonably calculated to inform Holders of such extension. Failure of any Holder to be so notified will not affect the extension of the Consent Solicitations.

The 2019 Notes Issuer and the 2020 Notes Issuer expressly reserve the right, in their sole discretion, at any time (so long as no Forbearance Expiration Date has occurred) to (i) terminate the Consent Solicitations, (ii) extend the Expiration Time (subject to the Long Stop Date and the Expiration Extension Consent) and/or (iii) amend the terms of the Consent Solicitations in any manner.

If this Consent Solicitation Statement is amended in a manner determined by the 2019 Notes Issuer and the 2020 Notes Issuer to constitute a material change, it will promptly disclose such amendment in a manner reasonably calculated to inform the Holders of such amendment and, if required by applicable law, extend the Expiration Time (so long as no Forbearance Expiration Date has occurred and subject to the Long Stop Date and the Expiration Extension Consent) as so required.

The minimum period during which the Consent Solicitations will remain open following a material change in the terms of this Consent Solicitation Statement or in the information concerning the Consent Solicitations (other than a change in consideration or a change in percentage of Notes sought) will depend upon the facts and circumstances of such change, including the relative materiality of the terms or information changes.

So long as no Forbearance Expiration Date has occurred, if the 2019 Notes Issuer and/or the 2020 Notes Issuer elects to extend the Expiration Time (subject to the Long Stop Date and the Expiration Extension Consent) and/or amend the terms of the Consent Solicitations with respect to the 2019 Notes Indenture and/or the 2020 Notes Indenture in a manner favourable to the Holders, all Consents received will remain valid until the Expiration Time (including any extension thereof). If the 2019 Notes Issuer and/or the 2020 Notes Issuer terminates or shortens the Consent Solicitations period and/or amends the terms of the Consent Solicitations in a manner which the 2019 Notes Issuer and/or the 2020 Notes Issuer determines is prejudicial to the Holders, all Consents received will be cancelled and the Holders who wish to provide a Consent will be required to submit a new Consent.

Without limiting the manner in which the 2019 Notes Issuer and/or the 2020 Notes Issuer may choose to make a public announcement of any extension (so long as no Forbearance Expiration Date has occurred and subject to the Long Stop Date and the Expiration Extension Consent), amendment or termination of the Consent Solicitations, the 2019 Notes Issuer and the 2020 Notes Issuer will have no obligation to publish, advertise, or otherwise communicate such public announcement, other than by complying with any applicable notice provisions of the 2019 Notes Indenture and the 2020 Notes Indenture, respectively.

None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Information and Tabulation Agent or the Notes Trustees is responsible if any Holder fails to meet these deadlines and cannot participate in the Consent Solicitations.

PROCEDURES FOR CONSENTING

The 2019 Notes Issuer and the 2020 Notes Issuer will accept Consents given in accordance with the customary procedures of Euroclear and Clearstream.

UNDER NO CIRCUMSTANCES SHOULD ANY PERSON TENDER OR DELIVER NOTES TO THE 2019 NOTES ISSUER, THE 2020 NOTES ISSUER, THE INFORMATION AND TABULATION AGENT, THE NOTES TRUSTEES, THE REGISTRAR OR THE IRISH LISTING AGENT AT ANY TIME.

The 2019 Notes Issuer and the 2020 Notes Issuer will resolve all questions as to the validity, form, eligibility (including time of receipt) and acceptance of Consents, and those determinations will be binding. The 2019 Notes Issuer and the 2020 Notes Issuer reserve the right to reject any or all Consents not validly given or any Consents the 2019 Notes Issuer's and/or the 2020 Notes Issuer's acceptance of which could, in the opinion of the 2019 Notes Issuer's and/or the 2020 Notes Issuer's counsel, be unlawful. The 2019 Notes Issuer and the 2020 Notes Issuer also reserve the right to waive any defects or irregularities in connection with deliveries or to require a cure of such irregularities within such time as the 2019 Notes Issuer and the 2020 Notes Issuer determine. None of the 2019 Notes Issuer, the 2020 Notes Issuer, any of their affiliates, the Notes Trustees, the Information and Tabulation Agent or any other person will have any duty to give notification of any such waiver, defects or irregularities, nor will any of them incur any liability for failure to give such notification. Deliveries of Consents will be deemed not to have been made until such irregularities have been cured or waived.

The Consent Solicitation is being made to all persons in whose name the 2019 Notes or the 2020 Notes were registered as of the Record Date. Only Holders and Direct Participants may deliver a Consent. For the purposes of the Consent Solicitations, the term "Holder" shall be deemed to include Direct Participants who held Notes through Euroclear or Clearstream as of the Record Date. A beneficial owner of an interest in Notes held through a Direct Participant must properly instruct such Direct Participant sufficiently in advance of the Expiration Time to cause a Consent to be delivered by such Direct Participant.

The execution and delivery of a Consent will not affect a Holder’s right to sell or transfer Notes. All validly delivered Consents received by the Information and Tabulation Agent at or prior to the Expiration Time will be effective notwithstanding a transfer of the related Notes subsequent to the Record Date, unless the subsequent Holder arranges for the Holder that gave the Consent to validly revoke such Consent by following the procedures set forth under “Revocation of Consents”.

REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

By submitting, or requesting the Direct Participant to submit on its behalf, a valid Electronic Consent Instruction (as defined below) to Euroclear or Clearstream, the Holder and any beneficial owner of the Notes is deemed to represent, warrant and undertake to the 2019 Notes Issuer and the 2020 Notes Issuer, the relevant Notes Trustee, and the Information and Tabulation Agent that:

- it has received and reviewed this Consent Solicitation Statement and understands that it agrees to be bound by the terms and subject to the terms and conditions set forth in this Consent Solicitation Statement, including the relevant Notes Proposals, each as described in this Consent Solicitation Statement and to make the representations, warranties and undertakings set forth therein;
- it was the holder of record as of December 1, 2017 of the 2019 Notes and/or the 2020 Notes, as the case may be;
- it acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings, and every obligation of it and the Consents given by it will be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and will not be affected by, and shall survive, its death or incapacity;
- no information has been provided to it by the 2019 Notes Issuer, the 2020 Notes Issuer, the Information and Tabulation Agent, the relevant Notes Trustees, or any agent under the relevant Indenture with regard to the tax consequences to holders of the Notes arising from the participation in the Consent Solicitations (other than as set forth in “*Certain Tax Considerations*”) and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of the its participation in the Consent Solicitation and agrees that it will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against the 2019 Notes Issuer, the 2020 Notes Issuer, the Information and Tabulation Agent, the Notes Trustees, any agent under the relevant Indenture; or any other person in respect of such taxes and payments. If the relevant Holder and/or any beneficial owner of the Notes is unable to give the representations and warranties described above, it should contact the Information and Tabulation Agent;
- it does hereby release and forever discharge the relevant Notes Trustee, its employees, officers, directors, affiliates, and agents, predecessors and successors, of and from any and all manner of actions, causes of actions, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever in law or in equity arising for which it may have become or may become responsible for under the relevant Indenture or the relevant Notes or otherwise in respect of any act or omission by any party related to or in connection with the Consent Solicitation, the relevant Notes Proposals or any of their implementation;
- it consents to the relevant Notes Proposals as described in this Consent Solicitation Statement and authorizes, directs and requests the relevant Notes Trustee to enter into the relevant Supplemental Indenture to give effect to, and permit, the relevant Notes Proposals;
- it empowers, authorizes, and requests the relevant Notes Trustee to do all things as may be necessary or expedient to carry out and give effect to the Consent or this Consent Solicitation Statement;

- it declares and acknowledges that the relevant Notes Trustee will not be held responsible for any liabilities or consequences arising as a result of acts taken by them or pursuant to the terms of the Consent, this Consent Solicitation Statement or the relevant Notes Proposals and it further declares that the relevant Notes Trustee has no responsibility for the terms of the Consent, the Consent Solicitation Statement or the relevant Notes Proposals;
- it hereby acknowledges that this Consent Solicitation Statement and the transactions contemplated hereby will not be deemed to be investment advice or a recommendation as to a course of conduct by the relevant Note Trustees or any of its officers, directors, employees or agents; it further represents that, in executing and delivering the Electronic Consent Instruction, it has made an independent investment decision in consultation with its own agents and professionals;
- none of the 2019 Notes Issuer, the 2020 Notes Issuer, the Information and Tabulation Agent, the Notes Trustees, any agent under the relevant Indenture nor any of their respective affiliates, directors, officers, employees or agents has given it any information with respect to the Consent Solicitation save as expressly set out in this Consent Solicitation Statement and any notice in relation thereto;
- it irrevocably and unconditionally waives any right and claim against the relevant Notes Trustee arising as a result of any loss or damage suffered or incurred as a result of such Notes Trustee (i) executing any amendments (including but not limited to circumstances where it is subsequently found that such amendments are not valid or binding on the relevant Holders) or any other documents or agreements such Notes Trustee may be asked to sign or (ii) taking (or refraining from taking) any action by such Notes Trustee or any other party related to or in connection with the Consent Solicitation; and
- it indemnifies and holds harmless the relevant Notes Trustee and any agent under the relevant Indenture from and against all losses, liabilities, damages, costs, charges and expenses which may be suffered or incurred by them as a result of any claims (whether or not successful, compromised or settled), actions, demands or proceedings brought against such Notes Trustee and any agent under the relevant Indenture and against all losses, liabilities, damages, costs, charges and expenses (including legal fees) which such Notes Trustee or such agent may suffer or incur which in any case arise as a result of or in connection with the Consent Solicitation, any actions (or actions which such Notes Trustee refrains from taking) taken in connection therewith, including any documents or agreements such Notes Trustee may be asked to sign.

All authority conferred or agreed to be conferred pursuant to the foregoing representations, warranties and undertakings and every obligation of such Holder or any beneficial owner of the Notes and the Consents given by such Holder any beneficial owner of the Notes shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of such Holder or any beneficial owner of the Notes and shall not be affected by, and shall survive, the death or incapacity of the Holder or any beneficial owner of the Notes.

EUROCLEAR AND CLEARSTREAM

Consent for the Notes shall be given through the procedures of Euroclear or Clearstream. Consents delivered with respect to any of the Notes in accordance with the procedures described below will constitute the delivery of a written Consent by such Holder with respect to such Notes.

Delivery of Consents

The delivery of Consents pursuant to the procedures set forth below will constitute a binding agreement between such Holder and the 2019 Notes Issuer and the 2020 Notes Issuer, respectively, seeking such Consent in accordance with the terms and subject to the conditions set forth in this Consent Solicitation Statement.

Electronic Consent Instruction

To validly deliver Consents by Electronic Consent Instruction (as defined below), a Direct Participant should contact Euroclear or Clearstream for participation procedures and deadlines regarding the submission of an electronic consent instruction (each an “**Electronic Consent Instruction**”) to authorize the delivery of Consents. Holders who wish to provide a Consent and whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee institution must contact such nominee promptly and instruct such nominee to effect the submission of an Electronic Consent Instruction to authorize the delivery of Consents for such Holder in accordance with the procedures set out herein.

The valid submission or delivery of an Electronic Consent Instruction in accordance with Euroclear’s and Clearstream’s procedures shall constitute a written consent to the Consent Solicitations.

For the avoidance of doubt, only Direct Participants can submit an Electronic Consent Instruction. The receipt of such Electronic Consent Instruction by Euroclear or Clearstream may be acknowledged in accordance with the standard practices of Euroclear or Clearstream. For the avoidance of doubt any such acknowledgement does not constitute an acceptance of the Consent by or on behalf of the 2019 Notes Issuer and/or the 2020 Notes Issuer.

None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees, the Information and Tabulation Agent or any of their respective affiliates, officers, directors or employees or any other person will be under any duty to give notification of any defects, irregularities or delays in such Electronic Consent Instruction, nor will any of such entities or persons incur any liability for failure to give such notification.

Procedures for Delivering Consents

A Holder may consent by submitting, or requesting the Direct Participant to submit on its behalf, a valid Electronic Consent Instruction to Euroclear or Clearstream in accordance with the requirements established by the relevant Clearing System. The Electronic Consent Instruction must contain:

- the outstanding principal amount of the Notes with respect to which the Holder wishes to deliver a Consent, such amount of Notes, in order to be valid, being in minimum denominations of £200,000 and multiples of £1,000 in excess thereof;
- the name of the Direct Participant, the securities account number for Euroclear or Clearstream in which the Notes are held; and
- whether the Holder consents to the Notes Proposals.

All information in the Electronic Consent Instruction will be disclosed to the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees, and the Information and Tabulation Agent and their respective legal advisers.

Unless revoked at or prior to the Expiration Time, the Consent by a Holder of the Notes will, on acceptance of the Consent by the 2019 Notes Issuer and the 2020 Notes Issuer and verification to the Holders thereof, constitute a binding agreement between such Holder and such issuer in accordance with the terms, and subject to the conditions, set forth in this Consent Solicitation Statement and in the Electronic Consent Instruction, as the case may be. Unless revoked at or prior to the Expiration Time, a Consent will be binding on the consenting Holder upon receipt by Euroclear or Clearstream of a valid Electronic Consent Instruction in respect of the Notes Proposals.

The deadlines imposed by each of Euroclear and Clearstream for the submission of Electronic Consent Instructions may be earlier than the relevant deadlines specified in this Consent Solicitation Statement.

No Letter of Transmittal or Consent Form

There shall be no letter of transmittal or consent form delivered in connection with the Consent Solicitations. The submission of an Electronic Consent Instruction in the manner provided in this Consent Solicitation Statement shall constitute written consent to the Consent Solicitations.

All Consents will be made on the basis of the terms set out in this Consent Solicitation Statement and, once made in the manner described above, will be binding on the Holder (unless such Holder revokes its consent prior the Effective Time or to the Expiration Time (whichever is earlier)). Consents in respect of the Notes may only be made by submission of a valid Electronic Consent Instruction to Euroclear or Clearstream no later than the Expiration Time.

The receipt of an Electronic Consent Instruction by Euroclear or Clearstream will be acknowledged in accordance with the standard practices of Euroclear or Clearstream. All questions as to validity, form and eligibility (including time of receipt) of any Electronic Consent Instruction will be determined solely by the 2019 Notes Issuer and the 2020 Notes Issuer. Such determination as to whether or when an Electronic Consent Instruction is received or whether it is duly completed and signed shall be final and binding.

Holders of the Notes must submit, or request the Direct Participant to submit on its behalf, or deliver Electronic Consent Instructions through Euroclear or Clearstream in accordance with the procedures of, and within the time limits specified by, Euroclear or Clearstream for receipt by the Information and Tabulation Agent, at or prior to the Expiration Time.

By submitting or delivering an Electronic Consent Instruction through Euroclear or Clearstream to the Information and Tabulation Agent, Direct Participants are deemed to authorize Euroclear or Clearstream to disclose its identity, the principal amount of the Notes subject to the Electronic Consent Instruction and Euroclear or Clearstream account details to the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees and the Information and Tabulation Agent and their respective legal advisers.

Beneficial owners of Notes who are not direct account holders in Euroclear or Clearstream should arrange for the Direct Participant through which they hold its Notes to submit or deliver an Electronic Consent Instruction on its behalf to and through Euroclear or Clearstream, in accordance with the procedures of, and within the time limits specified by, Euroclear or Clearstream for receipt by the Information and Tabulation Agent, at or prior to the Expiration Time. The Direct Participant will vote in accordance with the instructions given to it by the beneficial owners of the Notes.

Unless waived by the 2019 Notes Issuer and/or the 2020 Notes Issuer, any irregularities in connection with Electronic Consent Instructions must be cured within such time as the 2019 Notes Issuer and the 2020 Notes Issuer shall in their absolute discretion determine. None of the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees and the Information and Tabulation Agent, any of their respective affiliates, directors or employees or any other person will be under any duty to give notification of any defects or irregularities in such Electronic Consent Instruction, nor will any of such entities or persons incur any liability for failure to give such notification.

Consent of Notes in Physical Form

All holders of the Notes hold the Notes through a Clearing System participant account and there are no Notes in physical form.

No Guaranteed Delivery

There are no guaranteed delivery procedures provided by the 2019 Notes Issuer or the 2020 Notes Issuer in connection with the Consent Solicitations. Beneficial owners of Notes that are held in the name of a custodian must contact such entity sufficiently in advance of the Expiration Time if they wish to consent.

Direct Participants in Euroclear or Clearstream delivering Consents must give authority to Euroclear or Clearstream to disclose its identity to the 2019 Notes Issuer, the 2020 Notes Issuer, the Notes Trustees or the Information and Tabulation Agent.

REVOCACTION OF CONSENTS

A Holder may revoke its Consent at any time on or prior to but not after the Revocation Deadline.

All Consents received at or prior to the Expiration Time will be counted, unless, at any time at or prior to the Expiration Time, a notice of revocation is delivered in accordance with the procedures of Euroclear and/or Clearstream, as described below. Any notice of revocation or withdrawal request received after the Revocation Deadline with respect to the Consent will not be effective.

Any Holder of Notes that has delivered Consents through Euroclear or Clearstream may revoke such Consents prior to the Revocation Deadline by submission of an electronic withdrawal instruction through Euroclear or Clearstream. If the Holder has requested that a custodian submit an Electronic Consent Instruction on its behalf and wishes to withdraw its Electronic Consent Instruction, the Holder should contact such custodian prior to the Revocation Deadline. The Holder should be aware, however, that the custodian may impose earlier deadlines for withdrawing or revising an Electronic Consent Instruction in accordance with its procedures.

A revocation of the Consent will be effective only as to the Notes listed on the revocation and only if such revocation complies with the provisions of this Consent Solicitation Statement. Only a Holder is entitled to revoke a Consent previously given. A beneficial owner of the Notes must arrange with its broker, dealer, commercial bank, trust company or other nominee institution to execute and deliver on its behalf a revocation of any Consent already given with respect to such Notes.

A purported notice of revocation that is not received by the Information and Tabulation Agent in a timely fashion and accepted by the 2019 Notes Issuer and the 2020 Notes Issuer as a valid revocation will not be effective to revoke a Consent previously given.

A revocation of a Consent may only be rescinded by the delivery of a new Consent in accordance with the procedures set forth in this Consent Solicitation Statement. A Holder who has delivered a revocation may after such revocation deliver a new electronic instruction at any time at or prior to the Expiration Time.

The 2019 Notes Issuer and the 2020 Notes Issuer reserve the right to contest the validity of any revocations.

All revocations of Consents must be delivered in accordance with the customary procedures of Euroclear and Clearstream, as applicable.

From and after the Effective Time, each present and future Holder of the Notes will be bound by the Notes Proposals whether or not such Holder delivered a Consent or otherwise affirmatively objected to the Notes Proposals.

See “Certain Significant Considerations—If the Notes Proposals sought in the Consent Solicitations become effective, all Notes will be subject to the terms of, and bound by, all such Notes Proposals.”

CERTAIN TAX CONSIDERATIONS

Certain U.S. Federal Income Tax Considerations

The following summary describes certain U.S. federal income tax considerations for beneficial owners of the Notes relating to the Consent Solicitations, including the adoption of the Notes Proposals. This summary does not address the U.S. federal income tax considerations related to the acquisition, ownership or disposition of the Notes. This discussion deals only with U.S. Holders (as defined below) that hold their Notes as capital assets and does not address investors subject to special treatment under U.S. federal income tax laws, for example, dealers in securities or currencies, banks or other financial institutions, tax-exempt entities, insurance companies, real estate investment trusts, regulated investment companies, individual retirement accounts or other tax-deferred accounts, partnerships or other pass-through entities for U.S. federal income tax purposes, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons holding Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, U.S. expatriates or persons whose “functional currency” is not the U.S. dollar. This summary does not represent a detailed description of the U.S. federal income tax considerations relevant to a holder in light of the holder's particular circumstances and does not address U.S. state, local or non-U.S. tax considerations or any U.S. tax considerations other than U.S. federal income tax considerations that may be applicable to particular U.S. Holders (e.g., the estate and gift tax, alternative minimum tax or the Medicare tax on net investment income).

Furthermore, the discussion below is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended and the U.S. Treasury Regulations (“**Regulations**”), administrative pronouncements and judicial decisions thereunder as of the date of this Consent Solicitation Statement. These authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax considerations different from those discussed below.

As used herein, a “**U.S. Holder**” means a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any state thereof, including for this purpose the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds a Note, the U.S. federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and upon the activities of the partnership. Partnerships holding a Note should consult their tax advisors as to the particular U.S. federal income tax considerations for them and their partners relating to the Consent Solicitations.

The below summary is not intended to constitute a complete analysis of all U.S. federal income tax considerations related to the Consent Solicitations. Holders should consult their own tax advisers concerning the U.S. federal, state and local and non-U.S. and other tax consequences of the Consent Solicitations and the potential implementation of Notes Proposals in light of their particular situations.

Treatment of the Modification of the Notes

The modification of a debt instrument generally will be treated as a deemed exchange of an old debt instrument for a new debt instrument (a “**Deemed Exchange**”) if the modification is “significant” within the meaning of the relevant Regulations. Generally, a modification is “significant” if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are economically significant.

Both the 2019 Notes Issuer and the 2020 Notes Issuer intend to treat the adoption of the Notes Proposals as effecting a change to the legal rights or obligation of the Notes that is not economically significant. Under this approach, U.S. Holders (whether or not they consent) would not recognise gain or loss as a result of the adoption of the Notes Proposals and should have the same adjusted tax basis and holding period in the Notes after the adoption of the Notes Proposals.

No assurance can be given that future extensions of interest payments on, or variations of the terms of, the Notes will not result in a Deemed Exchange of the Notes. U.S. Holders are urged to consult their tax advisors regarding the consequences to them of the Notes Proposals and possible future extensions of interest payments, or variations of the terms of, the Notes.

INFORMATION AND TABULATION AGENT

The 2019 Notes Issuer and the 2020 Notes Issuer have retained Lucid Issuer Services Limited as the Information and Tabulation Agent in connection with the Consent Solicitations. The 2019 Notes Issuer and the 2020 Notes Issuer have entered into an information and tabulation agent agreement with the Information and Tabulation Agent, which contains provisions regarding payment of fees, expense reimbursement and indemnification arrangements. At any given time, the Information and Tabulation Agent may trade the Notes for its own account, or for the accounts of its customers, and accordingly, may hold a long or short position in the Notes.

The Information and Tabulation Agent does not assume any responsibility for the accuracy or completeness of the information contained in this Consent Solicitation Statement or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

Neither the 2019 Notes Issuer nor the 2020 Notes Issuer have authorized the Information and Tabulation Agent to give any information or make any representations in connection with these Consent Solicitations other than those contained in this Consent Solicitation Statement and, if given or made, such information or representations must not be relied upon as having been authorized.

EXPENSES OF THE SOLICITATION

The 2019 Notes Issuer and the 2020 Notes Issuer have agreed to pay the Information and Tabulation Agent customary fees for services in connection with these Consent Solicitations. Each Notes Trustee and its counsel are entitled to be paid their usual fees and expenses in connection with a request of the type contained in this Consent Solicitation Statement. The 2019 Notes Issuer and the 2020 Notes Issuer have agreed to reimburse the Information and Tabulation Agent and the Notes Trustees for their respective out-of-pocket expenses (including fees and disbursements of counsel) and to indemnify them against certain liabilities, including liabilities under federal securities laws. Except for amounts paid to the Information and Tabulation Agent and the Notes Trustees, the 2019 Notes Issuer and the 2020 Notes Issuer will not pay any fees or commissions to any broker, dealer or other person for soliciting Consents in the Consent Solicitations.

ANNEX 1

FORM OF THE 2019 NOTES SUPPLEMENTAL INDENTURE

EIGHTH SUPPLEMENTAL INDENTURE

Eighth Supplemental Indenture (this “**Eighth Supplemental Indenture**”), dated as of [●], among Elli Finance (UK) Plc, a limited liability company incorporated under the laws of England and Wales (the “**Issuer**”), the Guarantors (as defined in the Indenture), Wilmington Trust, National Association as Trustee (the “**Trustee**”) and The Bank of New York Mellon, London Branch, as Transfer Agent and as Principal Paying Agent (the “**Principal Paying Agent**”).

WITNESSETH

Whereas, the Issuer has heretofore executed and delivered to the Trustee an indenture, dated as of June 28, 2012, as supplemented by the first and second supplemental indentures, dated July 12, 2012, the third and fourth supplemental indentures, dated August 10, 2012, the fifth supplemental indenture, dated December 20, 2013, the sixth supplemental indenture, dated October 1, 2015 and the seventh supplemental indenture, dated February 4, 2016 (the “**Indenture**”), providing for the issuance of 8.750 per cent Senior Secured Notes due 2019 (the “**Notes**”);

Whereas, pursuant to Section 9.02 (*Amendment, Supplement and Waiver—With Consents of Holders*) of the Indenture, the Issuer and the Trustee may amend or supplement certain terms and covenants contained in the Indenture and/or waive a Default or Event of Default under the Indenture with the written consent of the Holders of not less than 90% of the outstanding principal amount of the Notes (the “**Required Consents**”);

Whereas, on December 14, 2017, the Issuer, guarantors under the Indenture and certain holders of the Notes, including H/2 Credit Manager LLC for and on behalf of certain investment funds managed by it or its affiliates, entered into a standstill and deferral agreement with respect to the Notes (the “**Standstill and Deferral Agreement**”), pursuant to which the Holders (as defined in the Standstill and Deferral Agreement) agreed, *inter alia*, to, and to direct the Trustee and the Security Agent to, forbear (pursuant to the terms of the Standstill and Deferral Agreement) until, but not including, the Forbearance Expiration Date (as defined in the Standstill and Deferral Agreement), from taking or exercising any Enforcement Action (as defined in the Standstill and Deferral Agreement) in connection with the Subject Defaults (as defined in the Standstill and Deferral Agreement);

Whereas, the Issuer is seeking a waiver of certain Defaults and Events of Default and intends to amend certain provisions of the Indenture, in each case on the terms set forth below;

Whereas, upon the terms and subject to the conditions set forth in the consent solicitation statement, dated December 20, 2017, in respect of the Notes (the “**Consent Solicitation Statement**”), the Issuer has been soliciting consents of, among others, the Holders of Notes to certain proposed amendments to and waivers under the Indenture and the Notes, requiring the Required Consents (the “**Notes Proposals**”) (and to the execution of this Eighth Supplemental Indenture), as described in more detail in the Consent Solicitation Statement, and the Issuer has now obtained the Required Consents, and as such, this Eighth Supplemental Indenture, the amendments set forth herein and the Trustee’s execution and delivery of and entry into this Eighth Supplemental Indenture are authorized pursuant to Section 9.02 of the Indenture; and

Whereas, all conditions to the execution and delivery of this Eighth Supplemental Indenture pursuant to Sections 9.02, 9.06, and 13.04 of the Indenture have been satisfied, this Eighth Supplemental Indenture has been duly authorized by the parties hereto, and all other acts necessary to make this Eighth Supplemental Indenture a valid and binding supplement to the Indenture, effectively amending the Indenture as set forth herein have been duly taken by the Issuer and the Guarantors.

Now therefore, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Guarantors and the Trustee and the Principal Paying Agent mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

ARTICLE ONE

1 *Amendments to the Indenture.* Pursuant to Sections 9.02(b) and (j) (as applicable) of the Indenture, the Issuer, the Guarantors and the Trustee (in the case of the Trustee, acting in reliance upon the instructions and directions of the Holders of the Required Consents obtained pursuant to the Consent Solicitation Statement) hereby agree to amend or supplement certain provisions of the Indenture, as follows:

1.1 Section 4.01 (*Payment of Notes*) of the Indenture shall hereby be amended by:

(i) adding the following sentences after the first sentence thereof:

Notwithstanding any other provision of this Indenture or the Notes, the December 15, 2017 interest payment date will be deferred to March 4, 2018, such that accrued and unpaid interest on the Notes from and including June 15, 2017 to and including March 3, 2018 will be paid on March 4, 2018 (and, to the extent interest is not paid on such date, an Event of Default would result under Section 6.01(a)(1) of the Indenture following the expiration of the 30-day grace period thereunder), provided, however, that if the Forbearance Expiration Date (as defined below) occurs any time after January 13, 2018 and before March 4, 2018, any such accrued and unpaid interest from and including June 15, 2017 to the Forbearance Expiration Date shall be immediately due and payable as of such Forbearance Expiration Date (such date, the “Deferred Coupon Payment Date”). The interest in respect of the subsequent interest period will accrue from and including the day following the Deferred Coupon Payment Date to the next interest payment date being June 15, 2018. The record date for the payment of interest on the Deferred Coupon Payment Date shall remain December 1, 2017.

For purposes of the foregoing and Section 2 of this Eighth Supplemental Indenture, the “**Forbearance Expiration Date**” shall occur on the date on which Holders of a majority in aggregate principal amount of the Notes notify the Issuer and the Trustee in writing that a Forbearance Expiration Date (as defined in, and in accordance with, the Standstill and Deferral Agreement, dated as of December 14, 2017, among the Issuer, Guarantors and certain Holders and available at <https://www.fshc.co.uk/investors> (as the same may be amended from time to time)) has occurred, which notice shall specify whether the Deferred Coupon Payment Date has occurred, and the Trustee and the Paying Agent may rely conclusively on such holder notice.

1.2 Section 6.07 (*Rights of Holders to Receive Payment*) of the Indenture shall hereby be amended by deleting the language “Notwithstanding any other provision of this Indenture” and adding the language “Subject to Section 9.02 of this Indenture”, as follows:

~~Notwithstanding any other provision of this Indenture~~ **Subject to Section 9.02 of this Indenture**, the right of any Holder to receive payment of principal, premium, if any, and interest on the Note held by such Holder, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

2 *Waivers.*

Any Default or Event of Default arising, directly or indirectly, as a result of: (a) the Issuer’s failure to pay interest due under the Notes and the Indenture on December 15, 2017 pursuant to Section 6.01(a)(1) of the Indenture; or (b) default, acceleration or other non-payment described therein in respect of any Indebtedness described in Section 6.01(a)(5) of the Indenture, solely due to the Issuer’s failure to pay interest due under the Notes and Indenture on December 15, 2017 has been waived with the consent of Holders in accordance

with Section 9.02 of the Indenture; *provided* that if the Forbearance Expiration Date occurs at any time after January 13, 2018 and before March 4, 2018, any such waiver shall cease to be effective as of the Forbearance Expiration Date and: (i) an Event of Default will occur under Section 6.01(a)(1) of the Indenture on the Forbearance Expiration Date (with no further grace period applicable under such provision) and (ii) a Default or Event of Default may occur under Section 6.01(a)(5) of the Indenture, if applicable.

3 *Notice*

The Trustee shall not be deemed to have notice or any knowledge of any matter (including notice of the occurrence of the Forbearance Expiration Date, the Deferred Coupon Payment Date occurring thereupon, or the occurrence of any default, Default or Event of Default resulting therefrom or relating thereto), unless and until the Trustee shall have received written notice from the Holders of a majority in aggregate principal amount of the Notes in accordance with Section 1.1 of this Eighth Supplemental Indenture and such notice clearly references the Notes, the Issuer or this Eighth Supplemental Indenture.

ARTICLE TWO

MISCELLANEOUS

1 *Capitalized Terms.* Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2 *Supplemental Indenture; Indenture.* This Eighth Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of, the Indenture for any and all purposes.

3 *Notes.* With effect on and from the date hereof, each Global Note shall be deemed supplemented, modified and amended in such manner as necessary to make the terms of such Global Note consistent with the terms of the Indenture, as amended by this Eighth Supplemental Indenture. To the extent of any conflict between the terms of the Global Notes and the terms of the Indenture, as supplemented by this Eighth Supplemental Indenture, the terms of the Indenture, as supplemented by this Eighth Supplemental Indenture, shall govern and be controlling. The Issuer shall, as soon as practicable after the date hereof, deliver to the Depositary a true copy of this Eighth Supplemental Indenture which shall be annexed to each Global Note.

4 *Ratification of Indenture; Supplemental Indenture Part of Indenture.* Except as expressly amended hereby, the Indenture, including the Guarantees contained therein, as amended by this Eighth Supplemental Indenture, is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. Upon and after execution of this Eighth Supplemental Indenture, and each reference in the Indenture, as amended by this Eighth Supplemental Indenture, to “this Indenture,” “hereunder,” “hereof” or words of like import referring to the Indenture shall mean and be a reference to the Indenture as modified hereby. In addition, every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5 *Standstill and Deferral Agreement.* This Eighth Supplemental Indenture is made without prejudice to the provisions of section 1.2(g) of the Standstill and Deferral Agreement.

6 *Conditions Precedent.* The Issuer represents and warrants that each of the conditions precedent to the amendment and supplement of the Indenture (including such conditions pursuant to Section 9.02(b) of the Indenture and the conditions set forth in the Consent Solicitation Statement) have been satisfied in all respects.

7 *Governing Law.* THIS EIGHTH SUPPLEMENTAL INDENTURE, THE NOTES AND THE GUARANTEES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

- 8** *Counterpart Originals.* The parties may sign any number of copies of this Eighth Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.
- 9** *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction hereof.
- 10** *Entire Agreement.* This Eighth Supplemental Indenture constitutes the entire agreement of the parties hereto with respect to the amendments to the Indenture set forth herein.
- 11** *The Trustee.* The Trustee accepts the amendments of the Indenture effected by this Eighth Supplemental Indenture and agrees to execute the trust created by the Indenture as hereby amended, but on the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting its liabilities and responsibilities in the performance of the trust created by the Indenture as hereby amended, and without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer, and the Trustee makes no representation with respect to any such matters. Additionally, the Trustee makes no representations as to the validity or sufficiency of this Eighth Supplemental Indenture. For the avoidance of doubt, the Trustee by executing this Eighth Supplemental Indenture in accordance with the terms of the Indenture does not agree to undertake additional actions nor does it consent to any transaction beyond what is expressly set forth in this Eighth Supplemental Indenture, and the Trustee reserves all rights and remedies under the Indenture.
- 12** *Conflicts.* To the extent of any inconsistency between the terms of the Indenture or the Global Notes and this Eighth Supplemental Indenture, the terms of this Eighth Supplemental Indenture will control.
- 13** *Successors.* All covenants and agreements in this Eighth Supplemental Indenture by the parties hereto shall bind their successors.

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ANNEX 2

FORM OF THE 2020 NOTES SUPPLEMENTAL INDENTURE

SEVENTH SUPPLEMENTAL INDENTURE

Seventh Supplemental Indenture (this “**Seventh Supplemental Indenture**”), dated as of [●], among Elli Investments Limited, a limited liability company incorporated under the laws of Guernsey (the “**Issuer**”), the Guarantors (as defined in the Indenture) and The Bank of New York Mellon, London Branch, as Trustee (the “**Trustee**”) and as Principal Paying Agent (the “**Principal Paying Agent**”).

WITNESSETH

Whereas, the Issuer has heretofore executed and delivered to the Trustee an indenture, dated as of June 28, 2012, as supplemented by the first and second supplemental indentures, dated July 12, 2012, the third and fourth supplemental indentures, dated August 10, 2012, the fifth supplemental indenture, dated December 20, 2013 and the sixth supplemental indenture, dated October 1, 2015 (the “**Indenture**”), providing for the issuance of 12.250 per cent Senior Notes due 2020 (the “**Notes**”);

Whereas, pursuant to Section 9.02 (*Amendment, Supplement and Waiver—With Consents of Holders*) of the Indenture, the Issuer and the Trustee may amend or supplement certain terms and covenants contained in the Indenture and/or waive a Default or Event of Default under the Indenture with the written consent of the Holders of not less than 90% of the outstanding principal amount of the Notes (the “**Required Consents**”);

Whereas, on December 14, 2017, the Issuer, guarantors under the Indenture and certain holders of the Notes, including H/2 Credit Manager LLC for and on behalf of certain investment funds managed by it or its affiliates, entered into a standstill and deferral agreement with respect to the Notes (the “**Standstill and Deferral Agreement**”) pursuant to which the Holders (as defined in the Standstill and Deferral Agreement) agreed, *inter alia*, to, and to direct the Trustee and the Security Agent to, forbear (pursuant to the terms of the Standstill and Deferral Agreement) until, but not including, the Forbearance Expiration Date (as defined in the Standstill and Deferral Agreement), from taking or exercising any Enforcement Action (as defined in the Standstill and Deferral Agreement) in connection with the Subject Defaults (as defined in the Standstill and Deferral Agreement);

Whereas, the Issuer is seeking a waiver of certain Defaults and Events of Default and intends to amend certain provisions of the Indenture, in each case on the terms set forth below;

Whereas, upon the terms and subject to the conditions set forth in the consent solicitation statement, dated December 20, 2017, in respect of the Notes (the “**Consent Solicitation Statement**”), the Issuer has been soliciting consents of, among others, the Holders of Notes to certain proposed amendments to and waivers under the Indenture and the Notes, requiring the Required Consents (the “**Notes Proposals**”) (and to the execution of this Seventh Supplemental Indenture), as described in more detail in the Consent Solicitation Statement, and the Issuer has now obtained the Required Consents, and as such, this Seventh Supplemental Indenture, the amendments set forth herein and the Trustee’s execution and delivery of and entry into this Seventh Supplemental Indenture are authorized pursuant to Section 9.02 of the Indenture; and

Whereas, all conditions to the execution and delivery of this Seventh Supplemental Indenture pursuant to Sections 9.02, 9.06, and 13.04 of the Indenture have been satisfied, this Seventh Supplemental Indenture has been duly authorized by the parties hereto, and all other acts necessary to make this Seventh Supplemental Indenture a valid and binding supplement to the Indenture, effectively amending the Indenture as set forth herein have been duly taken by the Issuer and the Guarantors.

Now therefore, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Guarantors, the Trustee and the Principal Paying Agent mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

ARTICLE ONE

1 *Amendments to the Indenture.* Pursuant to Sections 9.02(b) and (j) (as applicable) of the Indenture, the Issuer, the Guarantors and the Trustee (in the case of the Trustee, acting in reliance upon the instructions and directions of the Holders of the Required Consents obtained pursuant to the Consent Solicitation Statement) hereby agree to amend or supplement certain provisions of the Indenture, as follows:

1.1 Section 4.01 (*Payment of Notes*) of the Indenture shall hereby be amended by:

(i) adding the following sentences after the first sentence thereof:

Notwithstanding any other provision of this Indenture or the Notes, the December 15, 2017 interest payment date will be deferred to March 4, 2018, such that accrued and unpaid interest on the Notes from and including June 15, 2017 to and including March 3, 2018 will be paid on March 4, 2018 (and, to the extent interest is not paid on such date, an Event of Default would result under Section 6.01(a)(1) of the Indenture following the expiration of the 30-day grace period thereunder), provided, however, that if the Forbearance Expiration Date (as defined below) occurs any time after January 13, 2018 and before March 4, 2018, any such accrued and unpaid interest from and including June 15, 2017 to the Forbearance Expiration Date shall be immediately due and payable as of such Forbearance Expiration Date (such date, the “Deferred Coupon Payment Date”). The interest in respect of the subsequent interest period will accrue from and including the day following the Deferred Coupon Payment Date to the next interest payment date being June 15, 2018. The record date for the payment of interest on the Deferred Coupon Payment Date shall remain December 1, 2017.

For purposes of the foregoing and Section 2 of this Seventh Supplemental Indenture, the “**Forbearance Expiration Date**” shall occur on the date on which Holders of a majority in aggregate principal amount of the Notes notify the Issuer and the Trustee in writing that a Forbearance Expiration Date (as defined in, and in accordance with, the Standstill and Deferral Agreement, dated as of December 14, 2017, among the Issuer, Guarantors and certain Holders and available at <https://www.fshc.co.uk/investors> (as the same may be amended from time to time)) has occurred, which notice shall specify whether the Deferred Coupon Payment Date has occurred, and the Trustee and the Paying Agent may rely conclusively on such holder notice.

1.2 Section 6.07 (*Rights of Holders to Receive Payment*) of the Indenture shall hereby be amended by deleting the language “Notwithstanding any other provision of this Indenture” and adding the language “Subject to Section 9.02 of this Indenture”, as follows:

~~Notwithstanding any other provision of this Indenture~~ **Subject to Section 9.02 of this Indenture**, the right of any Holder to receive payment of principal, premium, if any, and interest on the Note held by such Holder, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

2 *Waivers.*

Any Default or Event of Default arising, directly or indirectly, as a result of: (a) the Issuer’s failure to pay interest due under the Notes and the Indenture on December 15, 2017 pursuant to Section 6.01(a)(1) of the Indenture; or (b) default, acceleration or other non-payment described therein in respect of any Indebtedness described in Section 6.01(a)(5) of the Indenture, solely due to the Issuer’s failure to pay interest due under the Notes and Indenture on December 15, 2017 has been waived with the consent of Holders in accordance

with Section 9.02 of the Indenture; *provided* that if the Forbearance Expiration Date occurs at any time after January 13, 2018 and before March 4, 2018, any such waiver shall cease to be effective as of the Forbearance Expiration Date and: (i) an Event of Default will occur under Section 6.01(a)(1) of the Indenture on the Forbearance Expiration Date (with no further grace period applicable under such provision) and (ii) a Default or Event of Default may occur under Section 6.01(a)(5) of the Indenture, if applicable.

3 *Notice*

The Trustee shall not be deemed to have notice or any knowledge of any matter (including notice of the occurrence of the Forbearance Expiration Date, the Deferred Coupon Payment Date occurring thereupon, or the occurrence of any default, Default or Event of Default resulting therefrom or relating thereto), unless and until the Trustee shall have received written notice from the Holders of a majority in aggregate principal amount of the Notes in accordance with Section 1.1 of this Seventh Supplemental Indenture and such notice clearly references the Notes, the Issuer or this Seventh Supplemental Indenture.

ARTICLE TWO

MISCELLANEOUS

1 *Capitalized Terms.* Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2 *Supplemental Indenture; Indenture.* This Seventh Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of, the Indenture for any and all purposes.

3 *Notes.* With effect on and from the date hereof, each Global Note shall be deemed supplemented, modified and amended in such manner as necessary to make the terms of such Global Note consistent with the terms of the Indenture, as amended by this Seventh Supplemental Indenture. To the extent of any conflict between the terms of the Global Notes and the terms of the Indenture, as supplemented by this Seventh Supplemental Indenture, the terms of the Indenture, as supplemented by this Supplemental Indenture, shall govern and be controlling. The Issuer shall, as soon as practicable after the date hereof, deliver to the Depository a true copy of this Seventh Supplemental Indenture which shall be annexed to each Global Note.

4 *Ratification of Indenture; Supplemental Indenture Part of Indenture.* Except as expressly amended hereby, the Indenture, including the Guarantees contained therein, as amended by this Seventh Supplemental Indenture, is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. Upon and after execution of this Seventh Supplemental Indenture, and each reference in the Indenture, as amended by this Seventh Supplemental Indenture, to “this Indenture,” “hereunder,” “hereof” or words of like import referring to the Indenture shall mean and be a reference to the Indenture as modified hereby. In addition, every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5 *Standstill and Deferral Agreement.* This Seventh Supplemental Indenture is made without prejudice to the provisions of section 1.2(g) of the Standstill and Deferral Agreement.

6 *Conditions Precedent.* The Issuer represents and warrants that each of the conditions precedent to the amendment and supplement of the Indenture (including such conditions pursuant to Section 9.02(b) of the Indenture and the conditions set forth in the Consent Solicitation Statement) have been satisfied in all respects.

7 *Governing Law.* THIS SEVENTH SUPPLEMENTAL INDENTURE, THE NOTES AND THE GUARANTEES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

- 8** *Counterpart Originals.* The parties may sign any number of copies of this Seventh Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.
- 9** *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction hereof.
- 10** *Entire Agreement.* This Seventh Supplemental Indenture constitutes the entire agreement of the parties hereto with respect to the amendments to the Indenture set forth herein.
- 11** *The Trustee.* The Trustee accepts the amendments of the Indenture effected by this Seventh Supplemental Indenture and agrees to execute the trust created by the Indenture as hereby amended, but on the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting its liabilities and responsibilities in the performance of the trust created by the Indenture as hereby amended, and without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer, and the Trustee makes no representation with respect to any such matters. Additionally, the Trustee makes no representations as to the validity or sufficiency of this Seventh Supplemental Indenture. For the avoidance of doubt, the Trustee by executing this Seventh Supplemental Indenture in accordance with the terms of the Indenture does not agree to undertake additional actions nor does it consent to any transaction beyond what is expressly set forth in this Seventh Supplemental Indenture, and the Trustee reserves all rights and remedies under the Indenture.
- 12** *Conflicts.* To the extent of any inconsistency between the terms of the Indenture or the Global Notes and this Seventh Supplemental Indenture, the terms of this Seventh Supplemental Indenture will control.
- 13** *Successors.* All covenants and agreements in this Seventh Supplemental Indenture by the parties hereto shall bind their successors.

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THE 2019 NOTES ISSUER

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United Kingdom

THE 2020 NOTES ISSUER

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THE 2019 NOTES TRUSTEE

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United States

THE 2020 NOTES TRUSTEE

The Bank of New York Mellon, London Branch
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E14 5AL
United Kingdom

Solicitation of Consents to the Notes Proposals

THE INFORMATION AND TABULATION AGENT

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Tankerton Works
12 Argyle Walk
London WC1H 8HA
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Email: elli@lucid-is.com