

OFFERING CIRCULAR



PLACES FOR PEOPLE CAPITAL MARKETS PLC

(Incorporated in England with limited liability with registered number 7623063)

and

PLACES FOR PEOPLE HOMES LIMITED

(Incorporated in England with limited liability under the Industrial and Provident Societies Act 1965 with registration number 19447R and registered with the Tenant Services Authority under the Housing and Regeneration Act 2008 with number L0659)

£650,000,000

Euro Medium Term Note Programme

Under this £650,000,000 Euro Medium Term Note Programme (the **Programme**), Places for People Capital Markets plc and Places for People Homes Limited (the **Issuers** and each as **Issuer** and references to the **relevant Issuer** being to the Issuer of the relevant Notes) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payment of all amounts due in respect of Notes issued by Places for People Capital Markets plc will be guaranteed by Places for People Homes Limited (in such capacity, the **Guarantor**). References herein to the **Obligors** shall be to Places for People Capital Markets plc and Places for People Homes Limited (each an **Obligor**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £650,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified below and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms (the **Final Terms**) which will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of Final Terms in relation to Notes will also be published on the website of the London Stock Exchange through a regulatory information service.

Places for People Homes Limited has been rated A2 (Stable) by Moody's Investors Service Ltd. (**Moody's**). Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated by Moody's or may be unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to Places for People Homes Limited by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

Morgan Stanley

Dealers

Barclays

HSBC

Investec Bank plc

Lloyds Bank

Morgan Stanley

National Australia Bank Limited

RBC Capital Markets

The Royal Bank of Scotland

The date of this Offering Circular is 19 August 2013.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended) (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the **Prospectus Directive**).

Each Obligor accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Obligors (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information in the second paragraph under the heading "**Other Income & Regulatory Risks**" on page 12 of this Offering Circular relating to the Spending Review 2010 has been extracted from Hansard (the official report of the UK Parliament) dated 20 October 2010, the information in the fifth and seventh paragraphs under the heading "**Other Income & Regulatory Risks**" on page 13 of this Offering Circular relating to the creation of the HCA (as defined below) and the review of social housing has been extracted from the Department for Communities and Local Government publication "Review of Social Housing Regulation", dated 18 October 2010, the information in the sixth paragraph under the heading "**Other Income & Regulatory Risks**" on page 13 of this Offering Circular relating to the HCA's powers has been extracted from the Home & Communities Agency publication "Protecting Social Housing Assets in a more diverse sector", the information in the seventh and ninth paragraphs under the heading "**Other Income & Regulatory Risks**" on page 13 of this Offering Circular relating to the abolition of the TSA and the social housing spending cuts (as defined below) has been extracted from Hansard (the official report of the UK Parliament) dated 20 October 2010 and the information in the second paragraph under the heading "**Operational Risk**" on page 14 of this Offering Circular relating to interest rate and currency risk has been extracted from the Department for Communities and Local Government publication "A Decent Home – Definition and Guidance for Implementation" (June 2006 update). Each of the Obligors confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the UK Parliament, the Department for Communities and Local Government and the Home & Communities Agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Obligors in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Obligors in connection with the Programme.

No person is or has been authorised by the Obligors or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors, any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Obligors, any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Obligors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Obligors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Obligors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Obligors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Obligors, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Obligors, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom) and Japan (see "*Subscription and Sale*").

The minimum denomination of the Notes shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Offering Circular, all references to:

- **Sterling** and **£** refer to pounds sterling; and
- **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the **Prospectus Regulation**).

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this overview.

Issuers:	Places for People Capital Markets plc. Places for People Homes Limited.
Guarantor (in the case of Notes issued by Places for People Capital Markets plc):	Places for People Homes Limited.
Risk Factors:	There are certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below and include risks related to the structure of a particular issue of Notes and risks related to Notes generally. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee (if applicable). These are set out under “ <i>Risk Factors</i> ” below and include risks related to the structure of a particular issue of Notes and risks related to the Notes generally. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also set out under “ <i>Risk Factors</i> ” and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Programme Size:	Up to £650,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Description:	Euro Medium Term Note Programme.
Arranger:	Morgan Stanley & Co. International plc
Dealers:	Barclays Bank PLC, HSBC Bank plc, Investec Bank plc, Lloyds TSB Bank plc, Morgan Stanley & Co. International plc, National Australia Bank Limited, RBC Europe Limited, The Royal Bank of Scotland plc and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”)

including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Issuing and Principal Paying Agent:	The Bank of New York Mellon, London Branch.
Trustee:	Prudential Trustee Company Limited.
Currencies:	Notes may be denominated in Sterling or euro and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer and/or the Guarantor (if applicable) or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none">(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or(b) on the basis of the reference rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) appearing on the agreed screen page of a commercial quotation service. The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

Index Linked Notes:

The Programme provides for the issue of Notes in respect of which the amount of interest payable (**Index Linked Interest Notes**) and/or the amount to be repaid upon redemption of the Notes (**Index Linked Redemption Notes**) and, together with Index Linked Interest Notes, (**Index Linked Notes**) may be calculated by reference to the United Kingdom Retail Prices Index. Where Notes are specified as being Index Linked Notes in the applicable Final Terms, the additional provisions set out in Conditions 5.1 to 5.6 of the Notes will apply.

Index Linked Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) for taxation reasons; (ii) following an Event of Default; or (iii) in the case of Index Linked Notes only, for Index Reasons) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United Kingdom as provided in Condition 8. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor (if applicable) will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will not contain a negative pledge provision.

Financial Covenant:

The terms of the Notes will contain a financial covenant as further

described in Condition 4.

Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.
Guarantee:	The Notes issued by Places for People Capital Markets plc will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
Rating:	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to Places for People Homes Limited. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	Application has been made for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
United States Selling Restrictions:	Reg. S compliance, Category 2. TEFRA C or TEFRA D/ TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the relevant Issuer and the Guarantor, if applicable, may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer and the Guarantor, if applicable, becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers and the Guarantor, if applicable, may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuers' and, if applicable, the Guarantor's control. The Issuers and the Guarantor, if applicable, have identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuers and the Guarantor, if applicable, believe that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the relevant Issuer and the Guarantor, if applicable, to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuers and the Guarantor, if applicable, do not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect Places for People Capital Markets plc's ability to fulfil its obligations under Notes issued under the Programme

Special Purpose Financial Entity

Places for People Capital Markets plc is a special purpose financial entity with no business operations other than the incurrance of financial indebtedness, including the issuance of Notes. As such Places for People Capital Markets plc is entirely dependent upon receipt of funds received from Places for People Homes Limited in order to fulfil its obligations under the Notes.

Liability of the relevant Issuer under the Notes

The Notes will be obligations of the relevant Issuer only. The Notes will constitute unsubordinated and unsecured obligations of the relevant Issuer and will rank equally among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer from time to time outstanding.

Factors that may affect Places for People Homes Limited's ability to fulfil its obligations under Notes issued by it under the Programme or ability to fulfil its obligations under the Guarantee (if applicable)

Liability of the relevant Issuer under the Notes

The Notes will be obligations of the relevant Issuer only. The Notes will constitute unsubordinated and unsecured obligations of the relevant Issuer and will rank equally among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer from time to time outstanding.

Non-payment Risks

The tenants of Places for People Homes Limited's properties are personally responsible for the rental payments on its occupied properties. There is a greater risk of non-payment for those tenants who are not in receipt of full or partial housing benefit. In the event that any such tenants fail to pay rent in full or fail to pay rent in full on a timely basis, the

ability of Places for People Homes Limited to meet its payment obligations under the Notes and/or the Guarantee on a timely basis could also be affected.

Rental Income, Housing Benefit and Local Housing Allowance

A proportion of the rent received by Places for People Homes Limited is derived from housing benefit payable by the local authority in whose area the property is situated or local housing allowance (**LHA**). The reduction or termination of housing benefit or LHA may accordingly have an adverse impact on the level of rent received. Payments of housing benefit or LHA may be delayed as a result of, among other things, the need to establish a new claimant's entitlement thereto, the failure of the claimant to regularly pay rent, an overriding interest of the claimant not to make payments direct to the landlord, industrial action or otherwise. In such circumstances, the non-payment, or any delay in payment, could affect the ability of Places for People Homes Limited to meet its payment obligations under the Notes on a timely basis.

Since the change of Government in May 2011, a number of changes have been announced by the Government with the stated aim of simplifying and improving the efficiency of the housing benefits system. Among other consequences, these changes will affect the structure and entitlement to housing benefit. The full effect of the changes is as yet uncertain as they are still subject to consultation and full implementation. However, such changes may affect the ability of claimants of housing benefit to pay their rent and also the ability of Places for People Homes Limited to meet its payment obligations under the Notes on a timely basis.

Other Income & Regulatory Risks

Future levels of rental income are impacted by the U.K. Retail Price Index (**RPI**) published by the Office for National Statistics at the time of the annual increase. They may also be impacted by any limitations on rent increases imposed by the Government and reviewed annually when the Department for Communities and Local Government sets its guideline limits for rent changes and cap levels under its rent convergence policy. Places for People Homes Limited will apply future rent increases, or decreases in the case of negative RPI, in accordance with the Government rent regimes in place at that time subject to any ability of Places for People Homes Limited to take advantage of a "waiver" which may be granted by the Homes and Communities Agency (**HCA**) in respect of Places for People Homes Limited's ability to comply with the Government's target rent regime. It is possible that, at some stage in the future, the Government may replace the reference to RPI with the Consumer Price Index.

As part of the Spending Review 2010, the Chancellor announced that registered providers would be able to grant new tenancies carrying intermediate rents at around 80 per cent. of the market rent levels. Thereafter such rents will also be impacted by the RPI as described above.

The challenges facing the housing market during difficult credit markets also have an impact on demand for Places for People Homes Limited's property for sale provision which could place pressure on the operation cashflows and its ability to meet cash interest cover. In addition, providers of social housing are being encouraged by the HCA to switch a number of their properties held for sale into rented provision to assist in mitigating market risk, which could have adverse short-term cashflow implications. However, Places for People Homes Limited considers that, properly managed, such risk should be reasonably low.

Places for People Homes Limited also generates revenue from its housing for sale programmes (which included shared ownership sales and outright sales) and is, therefore, exposed to market risk, in relation to housing for sale, including both demand and pricing risks. Places for People Homes Limited currently receives social housing grant funding through the HCA, the government agency that funds new affordable homes and regulates housing associations in England. Due to the nature of grant funding, there is a risk that the HCA may revise the terms of a grant and reduce entitlement, a risk that future grant funding could be withdrawn if Places for People Homes Limited fails to comply with the HCA's regulatory framework or if development performance falls below agreed levels in terms of delivery of its approved development programme and a risk that a grant funding may be required to be repaid under certain circumstances. Any such reduction in, withdrawal of or repayment of grant funding could adversely impact the future development of Places for People Homes Limited.

Taking over from the Tenant Services Authority (TSA) on 1 April 2012, under the Housing and Regeneration Act 2008, the HCA was created as the national housing and regeneration agency for England and the distributor of government capital grant for new housing, again replacing a responsibility previously carried out by the Housing Corporation.

The HCA has powers to intervene in the affairs of registered providers of social housing in England that fall into financial or managerial difficulties in order to protect the interests of tenants and to preserve the housing stock of a housing association within the social housing sector and within the regulatory regime, including the power to place a moratorium of 28 days on the financial transactions of an insolvent housing association pending reaching agreement with secured creditors on a solution.

On 18 October 2010, the Government published its "Review of Social Housing Regulation". The Review announced the Government's intention of abolishing the TSA and moving its economic regulation and "backstop" consumer regulation functions to the HCA. The HCA will continue to provide economic regulation for registered providers in order to ensure they are financially viable and well governed and to support the confidence of private lenders to provide funds at competitive rates.

During 2013, the HCA has entered into a consultation with registered providers of social housing assets entitled "Protecting Social Housing Assets in a more diverse sector – A discussion paper on the principles for amending the Regulatory Framework for social housing in England".

Places for People Homes Limited understands the rationale behind the launch of this consultation by the HCA. Given the cuts of £4 billion to social housing spending announced by the Government in 2010, Places for People Homes Limited increasingly considers new income-generating opportunities to fund the development and upkeep of its social housing portfolio. Places for People Homes Limited believes ring fencing social housing assets and associated private investments will help in reducing risk for investors.

Reduction in Places for People Homes Limited's income due to the reasons described above may impact Places for People Homes Limited's ability to meet its obligations under the Notes.

Capital Resources & Treasury Risk

To mitigate liquidity risk and augment its capital resources, Places for People Homes Limited currently relies on financing through committed revolving credit facilities from major banks, typically up to five years. It also holds longer term fixed rate capital markets debt which match the longer term nature of its housing assets. Private placements have also been made denominated in foreign currency and swapped back and fixed in sterling.

The shorter term bank lines could become unavailable to Places for People Homes Limited, for example if banks decline to renew existing facilities, or if a reduction in Places for People Homes Limited's credit rating makes the cost of accessing the public and private debt markets prohibitive. Although Places for People Homes Limited considers that the diversity of its financing helps to protect it from liquidity risk, it could find itself unable to access these sources of financing.

Places for People Homes Limited is also subject to interest rate and currency risk in respect of its variable rate lines of credit and overseas borrowings. Places for People Homes Limited's treasury function has clear policies and operating parameters, including in relation to interest rate and currency risk management, and its activities are regularly reviewed and audited. The function does not operate as a profit centre and the undertaking of speculative transactions is not permitted.

Operational Risk

Residential property investment is subject to varying degrees of risk, not least, market risk in relation to housing developed for sale. Political factors can influence government regulation and planning and tax laws which might adversely impact Places for People Homes Limited's ability to develop land acquired, or the value of its land investments. Interest rate increases, build cost inflation and the cost of financing can all adversely impact outturn development costs reducing rental yields and profitability on for sale developments.

Places for People Homes Limited needs to continue to invest in its stock of housing assets held for rent and in its neighbourhoods in order to maintain its stock condition and to guard against neighbourhood decline and stock obsolescence. The government has imposed a duty on all public sector landlords to ensure that their properties conform to a “Decent Homes Standard”.

Places for People Homes Limited faces operational risk resulting from major systems failure or breaches in systems security; although it has prepared disaster recovery plans in order to mitigate against this, it is dependent upon its technologies in order to deliver business process. As the business grows and diversifies it needs to recruit staff with the requisite skills and competencies to deliver its vision; it also needs to invest in the skills and competencies of its existing staffing resources in order to develop and retain expertise in order to deliver its plans and guard against business failure.

The business is also at risk to the consequences of theft, fraud, health and safety and environmental issues, natural disaster and acts of terrorism. Operational risk of this kind can occur in many forms including, among others, errors, business interruptions, inappropriate behaviour of, or misconduct by, employees or of those contracted to perform services for Places for People Homes Limited, and also third parties that fail to perform in accordance with their contractual agreements. These events could result in financial loss to Places for People Homes Limited.

Places for People Homes Limited's approach to operational risk management is intended to reduce the risk of loss; to monitor and manage operational risk, Places for People Homes Limited maintains a framework of internal controls and risk matrices designed to provide a sound and well-controlled operating environment overseen by a business assurance unit. Places for People Homes Limited strives to maintain appropriate levels of operational risk relative to its businesses strategies, its competitive and regulatory environment, and the markets in which it operates. Places for People Homes Limited is indemnified in a number of instances under insurance policies for operating risks that can be mitigated.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that Places for People Homes Limited will be unable to comply with its obligations as a company with securities admitted to the Official List.

Housing Market

Residential property investment is subject to varying degrees of market risk. Market risks which may impact upon both the rental market and the development of residential properties include the risk of changes to Government regulation, including, but not limited to, regulation relating to planning, taxation, landlords and tenants and welfare benefits. Furthermore, the maintenance of existing properties, development of existing sites and acquisition of additional sites may be subject to the availability of finance facilities and the costs of facilities, interest rates and inflation may also have an effect on the housing market. Among other things, these market risks may impact upon the expenses incurred by Places for People Homes Limited associated with existing residential properties, rental income produced by these properties, the value of its existing investments, its ability to develop land that it has acquired and its ability to acquire additional sites. This could, in turn, impact upon Places for People Homes Limited's cash flow and its ability to satisfy any asset cover covenants which it is required to maintain pursuant to the terms of existing financing arrangements.

Litigation Risk

To date, claims made against Places for People Homes Limited have not had a material impact on its revenue or business, although there can be no assurance that Places for People Homes Limited will not, in the future, be subject to a claim which may have a material impact upon its revenue or business. Furthermore, Places for People Homes Limited has the benefit of insurance for, among others, employer's liability, public liability and professional indemnity at a level which the management of Places for People Homes Limited considers to be prudent for the type of business in which Places for People Homes Limited is engaged.

Pensions Risk

Places for People Homes Limited participates in The Places for People Group Retirement Benefit Scheme, a defined benefit pension scheme (the **Scheme**) in the UK. The Scheme was closed to new members on 1 September 2004 and was closed to future accrual in October 2010. An actuarial valuation of the Scheme was carried out at 31 March 2010 by an independent qualified actuary. The calculations for this valuation have been updated to determine the Scheme's

liabilities as at 31 March 2013 according to Financial Reporting Standard 17 (**FRS17**). An unaudited asset value of £117 million has been arrived at based on the asset information provided by the Scheme's investment managers and including the balance of the scheme's trustees' bank account as at 31 March 2013. The FRS17 funding position calculates a Scheme deficit of £40 million. The Scheme trustees are required to negotiate with Places for People Homes Limited to ensure that the deficit is reduced as quickly as possible although they are not expected to make demands which would place Places for People Homes Limited in financial difficulty or trigger a collapse of Places for People Homes Limited or Scheme. Places for People Homes Limited has agreed to increase its contributions to the Scheme as an interim measure.

Places for People Homes Limited also participates in The Social Housing Pension Scheme (**SHPS**). The SHPS is a multi-employer scheme and as a result it is not possible to identify the share of assets and liabilities for each participating employer. Places for People Homes Limited has been notified by The Pensions Trust that the estimated employer debt on withdrawal from SHPS at 30 September 2012 was £13.2 million.

Solvency Risk

If the relevant Issuer or the Guarantor (if applicable), goes out of business or becomes insolvent, Noteholders may lose some or, in the worst case scenario, all of their investment in the Notes issued under the Programme. In the event that the relevant Issuer or the Guarantor (if applicable) becomes insolvent, Noteholders will recover their investment in priority to shareholders of the relevant Issuer or Guarantor (if applicable). However a Noteholder could still lose the money it has invested.

Environmental considerations

Under relevant UK environmental legislation, liability for environmental matters can be imposed on the "owner" or any "person in control" of land. The term "owner" is not specifically defined and could include anyone with a proprietary interest in a property. Environmental laws may impose liability on the owner for cleanup costs if a property is or becomes contaminated. Places for People Homes Limited may therefore be liable for the entire amount of the clean-up and redemption costs for a contaminated site regardless of whether the contamination was caused by it or not. These costs may be significant.

In addition, the presence of hazardous or toxic substances, or the failure to adequately remedy adverse environmental conditions at a property, may adversely affect its market value, as well as Places for People Homes Limited's ability to sell, lease or refinance the property. Any environmental liability imposed on Places for People Homes Limited could result in a shortfall in funds available to meet its obligations under the Notes and/or the Guarantee.

Sufficiency of Insurance

Although each property of Places for People Homes Limited is insured at appropriate levels and against customary risks, there can be no assurance that any loss incurred will be of a type covered by such insurance, nor can there be any assurance that the loss will not exceed the limits of such insurance. Any interruption in income or any loss or damage caused to a property not adequately covered by insurance could result in a shortfall in funds available to Places for People Homes Limited to meet its obligations under the Notes and/or the Guarantee.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Risks applicable to all Notes

If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the relevant Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

*Notes which are linked to the Retail Prices Index (**Index Linked Notes**)*

Index Linked Notes may be issued on terms that the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of the Notes will be calculated by reference to movements in RPI during a reference period. RPI may go down as well as up.

Where Notes are issued in respect of which the amount of interest payable is subject to adjustment by reference to the RPI, a decrease in RPI over the reference period will reduce the interest amount for the relevant interest payment. In a deflationary environment, the annual interest received may be lower than the specified rate of interest. Where the amount payable upon redemption of the Notes is subject to adjustment by reference to RPI, a decrease in RPI over the reference period may reduce the amount to be repaid upon redemption of the Notes to less than the face amount of the Notes, unless the applicable Final Terms specifies a minimum redemption amount which is equal to or higher than the face principal amount of the Notes.

In respect of such Index Linked Notes, potential investors should be aware that:

- the market price may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time than expected;

- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- an index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; and
- the timing of changes in an index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the relevant index, the greater the effect on yield.

Fixed Rate Notes

Fixed Rate Notes bear interest at a fixed rate. Potential investors should note that (i) if interest rates start to rise then the income to be paid by the Notes might become less attractive and the price they get if they sell could fall. However, the market price has no effect on the income investors receive or what investors get back on expiry of the Notes if they hold on to the Notes until they expire; and (ii) inflation will reduce the real value of the Notes over time, which may affect what the investors could buy with their investment in the future and which may make the fixed rate on the Notes less attractive in the future.

General

If investors choose to sell the Notes issued under the Programme at any time prior to their expiry, the price they receive from a purchaser could mean that they get back less than their original investment when they sell them. Factors that will influence the price include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and financial position of the relevant Issuer or the Guarantor (if applicable).

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15 of the conditions of the Notes.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information

exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer, the Guarantor (if any), any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding

The U.S. "Foreign Account Tax Compliance Act" (or **FATCA**) imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The relevant Issuer's and Guarantor's, if applicable, obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the clearing systems (as bearer holder of the Notes) and the relevant Issuer or Guarantor, as applicable, has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and the custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as the state of the credit markets in general and the creditworthiness of the Obligors, as well as other factors such as time remaining to the maturity of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The relevant Issuer will pay principal and interest on the Notes and the Guarantor (if applicable) will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer and the Guarantor, if applicable, to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to Places for People Homes Limited or any Notes may not reflect all risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No.1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or

suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

Yield associated with Fixed Rate Notes

The indication of yield stated with the Final Terms of the Notes applies only to investments made at (as opposed to above or below) the issue price of the Notes. If an investor invests in Notes issued under the Programme at a price other than the issue price of the Notes, the yield on the investment will be different from the indication of yield on the Notes as set out in the Final Terms of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Offering Circular and have been filed with the Financial Conduct Authority, shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditor's report and audited annual financial statements of Places for People Homes Limited for the financial year ended 31 March 2013 as set out on pages 5 to 34 of the Places for People Homes Limited Annual Report for the year ended 31 March 2013;
- (b) the auditor's report and audited annual financial statements of Places for People Homes Limited for the financial year ended 31 March 2012 as set out on pages 6 to 35 of the Places for People Homes Limited Annual Report for the year ended 31 March 2012;
- (c) the auditor's report and audited annual financial statements of Places for People Capital Markets Limited for the financial year ended 31 March 2013 as set out on pages 5 to 13 of the Places for People Capital Markets Limited Annual Report for the year ended 31 March 2013;
- (d) the auditor's report and audited annual financial statements of Places for People Capital Markets Limited for the financial year ended 31 March 2012 as set out on pages 5 to 12 of the Places for People Capital Markets Limited Annual Report for the year ended 31 March 2012; and
- (e) the Terms and Conditions of the Notes contained in the previous Offering Circulars dated 20 July 2007 (pages 27 to 46 (inclusive)), 6 May 2010 (pages 29 to 48 (inclusive)) and 6 May 2011 (pages 49 to 69 (inclusive)) prepared by Places for People Homes Limited and/or Places for People Capital Markets plc in connection with the Programme.

Following the publication of this Offering Circular, a supplement may be prepared by Obligors and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered offices of the Obligors and from the specified office of the Paying Agent for the time being in London. Documents may also be viewed electronically and free of charge at http://www.placesforpeople.co.uk/about_us.aspx/investor_relations.aspx.

Any documents (including websites) themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The Obligors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note** and together with any Temporary Global Note, the **Global Notes**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent (the **Agent**).

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the relevant Issuer. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent

requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Agent and the Trustee.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor (if applicable) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The relevant Issuer and the Guarantor (if applicable) may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a new Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The relevant Issuer will procure that, at the time of issue of each Tranche of Notes, Euroclear and Clearstream, Luxembourg (the **ICSDs**) are notified whether or not such Notes are intended to be held in a manner which would allow Eurosystem eligibility. Such notification will confirm whether the Notes are to be issued in NGN form. The fact that Notes are intended to be held in a manner which would allow Eurosystem eligibility simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

If, in respect of any Tranche of Notes, the applicable Final Terms specify that the Global Note may be exchanged for definitive Notes in circumstances other than upon the occurrence of an Exchange Event, such Notes will be issued with only one Specified Denomination or all Specified Denominations of such Notes will be an integral multiple of the lowest Specified Denomination, as specified in the applicable Final Terms.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

[Places for People Capital Markets plc]

[Places for People Homes Limited]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed by Places for People Homes Limited]
under the £650,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published via the regulatory news service maintained by the London Stock Exchange (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date] which are incorporated by reference in the Offering Circular dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated [current date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published via the regulatory news service maintained by the London Stock Exchange (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).]

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a relevant Member State) and includes any relevant implementing measure in the relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

- | | | | |
|----|-----|---|--|
| 1. | (a) | Issuer: | [Places for People Capital Markets plc]
[Places for People Homes Limited] |
| | (b) | [Guarantor: | Places for People Homes Limited] |
| 2. | (a) | Series Number: | [] |
| | (b) | Tranche Number: | [] |
| | (c) | Date on which the Notes will be consolidated and form a | The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as |

- single Series: referred to in paragraph 24 below, which is expected to occur on or about [] [Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (a) Specified Denominations: []
- (b) Calculation Amount: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [/Issue Date/Not Applicable]
8. Maturity Date: [[]/Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
- [LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
- [Zero Coupon]
- [Index Linked Interest]
- (see paragraph [14]/[15]/[16]/[17] below)
10. Redemption Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount] [Index Linked Redemption]
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Investor Put]
- [Issuer Call]
- [Redemption for Index Reasons – Condition 5.6 applies]
- [see paragraph [19]/[20] below]
13. [Date [Board] approval for issuance of [] [and [], respectively]] Notes [and Guarantee] obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/[]] in arrear on each Interest Payment Date]
- (b) Interest Payment [[] in each year up to and including the Maturity Date]

- Date(s): [subject to adjustment in accordance with the Business Day Convention specified in paragraph 14(g)]
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
- (g) Business Day Convention: [Modified Following Business Day Convention [[unadjusted]/[adjusted]]/ Not Applicable]
- (h) Additional Business Centre(s): []/[Not Applicable]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination:
- Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of [] per cent. per annum

- Interest:
- (j) Maximum Rate of [] per cent. per annum
Interest:
- (k) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7.5(c) and 7.8 apply]
17. Index Linked Interest Note Provisions [Applicable/Not Applicable]
- (a) Rate of Interest: []
- (b) Party responsible for calculating the Rate(s) of Interest and Interest Amount (if not the Calculation Agent): [] [Not Applicable]
- (c) Provisions for determining Interest Amount where calculation by reference to Index and/or Formula is impossible, impracticable or otherwise disrupted: Condition(s) 5.3 to [5.4/5.5] apply
- (d) Specified Period(s)/Specified Interest Payment Dates: []
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (f) Additional Business Centre(s): [] [Not Applicable]
- (g) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)]

Actual/365 (Sterling)

Actual/360

30/360

30E/360

30E/360 (ISDA)]

(See Condition 3 for alternatives)

- (h) Minimum Indexation [Not Applicable][]
Factor:
- (i) Maximum Indexation [Not Applicable][]
Factor:
- (j) Limited Indexation [] [Not Applicable]
Month(s) or period for
calculation of Limited
Indexation Factor:
- (k) Base Index Figure: []
- (l) "Index" or "Index [Sub-paragraph [(i)/(ii)/(iii)] of the definition of "Index" or
Figure" (Condition "Index Figure" as set out in Condition 5.1 shall apply] [Not
5.1): Applicable]
- (m) Minimum Rate of [[] per cent. per annum][Not Applicable]
Interest:
- (n) Maximum Rate of [[] per cent. per annum][Not Applicable]
Interest:
- (o) Reference Gilt: [] [Not Applicable]
- (p) Calculation Agent: []
- (q) Condition 5.5 [Yes][No]
applicable:

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for Condition 7.2: Minimum period: [30] [] days
Maximum period: [60] [] days
19. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption []
Date(s):
- (b) Optional Redemption [] per Calculation Amount
Amount:
- (c) If redeemable in part:
- (i) Minimum []
Redemption
Amount:
- (ii) Maximum []
Redemption

Amount:

- (d) Notice periods: Minimum period: [15] [] days
Maximum period: [30] [] days
20. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) Notice periods: Minimum period: [15] [] days
Maximum period: [30] [] days
21. Final Redemption Amount: [] per Calculation Amount
22. In cases where the Final Redemption Amount is Index-Linked:
- (a) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [] [Not Applicable]
- (b) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula: The final Redemption Amount per Note shall be its outstanding nominal amount adjusted in accordance with Condition 5
- (c) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: Condition(s) 5.3 to [5.4/5.5] shall apply
- (d) Reference Gilt: [] [Not Applicable]
- (e) Calculation Agent: []
- (f) Notice Periods (Condition 5.6): Minimum Period: [30] [] days
Maximum Period: [60] [] days
- (g) Condition 5.5 applicable: [Yes][No]
23. Early Redemption Amount payable on redemption for taxation reasons, redemption for index reasons (if applicable) or an event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
 - (b) New Global Note: [Yes][No]
25. Additional Financial Centre(s): [Not Applicable/[]]
26. Talons for future Coupons to be attached to Definitive Notes: [Yes]/[No]

THIRD PARTY INFORMATION

[[.....] has been extracted from [.....]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:

Duly authorised

[Signed on behalf of the Guarantor:

By:

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market and admitted to the Official List of the UK Listing Authority with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market and admitted to the Official List of the UK Listing Authority with effect from [].]
- (b) Estimate of total expenses related to admission to trading: []

2. RATING

- Rating: [The Notes to be issued [have been/are expected to be] rated:
- [] by Moody’s Investors Service Ltd.]
- [The Notes to be issued are not rated.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. / The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]

4. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(a) Reasons for the offer: []
- [(b) Estimated net proceeds: []
- [(c) Estimated total expenses: []]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

7. PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index Linked Notes only*)

- (a) Name of underlying index: U.K. Retail Prices Index (**RPI**) (all items) published by the Office for National Statistics
- (b) Information about the index, its volatility and past and future performance can be obtained from: Information on RPI can be found at www.statistics.gov.uk

8. OPERATIONAL INFORMATION

- (a) ISIN Code: []
- (b) Common Code: []
- (c) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/[]]
- (d) Delivery: Delivery [against/free of] payment
- (e) Names and addresses of additional Paying Agent(s) (if any): []
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the London Stock Exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The term **Issuer** as used in these Terms and Conditions refers to the Issuer specified as such in the applicable Final Terms in relation to a particular Tranche of Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by the Issuer specified as such in the applicable Final Terms (as defined below), being either Places for People Homes Limited or Places for People Capital Markets plc (the relevant Issuer so specified being the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 July 2007 made between Places for People Homes Limited and Prudential Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee). The payment of all amounts in respect of the Notes issued by Places for People Capital Markets plc have been guaranteed by Places for People Homes Limited (in such capacity, the **Guarantor**) pursuant to the Trust Deed.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 19 August 2013 and made between the Places for People Homes Limited, Places for People Capital Markets plc, the Trustee, The Bank of New York Mellon, London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at 19 August 2013 at Laurence Pountney Hill, London EC4R 0HH and at the specified office of each of the Paying Agents. The applicable Final Terms will be published on the

website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed, the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms provided that the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note or a combination of any of the foregoing, depending upon the Interest/Redemption Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Guarantor (if applicable), the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if applicable), the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor (if applicable), any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

2. STATUS OF THE NOTES AND THE GUARANTEE (IF APPLICABLE)

2.1 The Notes and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

2.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes issued by Places for People Capital Markets plc and all other moneys payable by Places for People Capital Markets plc under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Guarantee**). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index Linked Interest Notes.

3.1 Interest on Fixed Rate Notes

This Condition 3.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (subject to adjustment as described below).

If the Modified Following Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date (or other date) should occur or (y) if any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day (as defined in Condition 3.2(a)), then such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day. Unless the applicable Final Terms specify that the Business Day Convention is "adjusted", any such adjustment to an Interest Payment Date (or other date) shall not affect the amount of interest payable in respect of a Fixed Rate Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date (or other date).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

3.2 Interest on Floating Rate Notes and Index Linked Interest Notes

This Condition 3.2 applies to Floating Rate Notes and Index Linked Interest Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and index linked interest and must be read in conjunction with this Condition 3.2 for full information on the manner in which interest is calculated on Floating Rate Notes and Index Linked Interest Notes. In particular, in the case of Floating Rate Notes, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business

Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates (if applicable) and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page. In particular, in the case of Index Linked Interest Notes, the applicable Final Terms will identify the Specified Interest Payment Dates, any Specified Period, the Business Day Convention, the Minimum/Maximum Indexation Factors and other provisions pursuant to Condition 5.

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and

- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the TARGET2 System) is open.

(b) Rate of Interest for Floating Rate Notes

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) **Rate of Interest for Index Linked Interest Notes**

The Rate of Interest payable from time to time in respect of Index Linked Interest Notes shall be determined in accordance with Condition 5 and in the manner specified in the applicable Final Terms.

(d) **Minimum Rate of Interest and/or Maximum Rate of Interest and Rounding**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency which is available as legal tender in the country of such currency.

(e) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (if applicable), the Trustee and the London Stock Exchange and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to the London Stock Exchange and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (e) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or

proven error) be binding on the Issuer, the Guarantor (if applicable), the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders as provided in the Trust Deed.

4. FINANCIAL COVENANT

For so long as any of the Notes remain outstanding (as defined in the Trust Deed), Places for People Homes Limited shall ensure that the Net Available Properties Value shall not be less than 1.1 times the Total Unsecured Debt.

For the purposes of the foregoing:

Applicable Valuation Basis means a market value subject to tenancies basis, as defined in "The Red Book – Royal Institution of Chartered Surveyors Appraisal and Valuation Standards" (as may be amended or supplemented from time to time), taking into account any restrictions of which the Valuer is aware, or such other valuations basis as the Valuer might consider appropriate at any time;

Fixed Asset Investments and Stock & WIP means the amounts as shown in the most recent audited financial statements of Places for People Homes Limited for such items;

Net Available Properties Value means the Total Properties Value less the aggregate of Total Secured Debt and Public Sector Grant;

Public Sector Grant means the amount of social housing grant and other capital grants (howsoever described or delineated) received and not having become repayable as shown in the most recent audited financial statements of Places for People Homes Limited;

Total Properties Value means such amount as represents the aggregate of the total value, as at the last day of the financial year of Places for People Homes Limited of each of the Properties (each determined in accordance with the Applicable Valuation Basis) as confirmed to Places for People Homes Limited by the Valuer (a copy of which confirmation shall be delivered to, but need not be addressed to, the Trustee together with each certificate referred to in Condition 4.1) and the Fixed Asset Investments and Stock & WIP;

Total Secured Debt means the aggregate of all secured borrowings of Places for People Homes Limited, as at the last day of each financial year of Places for People Homes Limited, calculated by reference to the audited financial statements of Places for People Homes Limited for such financial year;

Total Unsecured Debt means the aggregate of all unsecured borrowings of Places for People Homes Limited, as at the last day of each financial year of Places for People Homes Limited, calculated by reference to the audited financial statements of Places for People Homes Limited for such financial year; and

Valuer means any firm of external or independent professional valuers as may be from time to time be appointed by Places for People Homes Limited with the prior approval of the Trustee.

4.1 Compliance Certificate

A certificate addressed to the Trustee by two authorised signatories of Places for People Homes Limited as to any of the following may, in the absence of manifest error, be relied on by the Trustee and, if so relied upon, shall be conclusive and binding on the Issuer, the Guarantor (if applicable) and the Noteholders and Couponholders:

- (a) compliance with the covenant in Condition 4.1; and
- (b) any calculation under Condition 4.1; and
- (c) any amount or quantification of any defined term under Condition 4.1,

provided the requirement for a confirmation of the Valuer as provided under the definition of Total Properties Value is met.

Places for People Homes Limited will deliver such a certificate (together with the confirmation of the Valuer referred to in the definition of Total Properties Value) to the Trustee within 210 days of the end of each financial year of Places for People Homes Limited.

The Trustee may accept and rely on the confirmation of the Valuer whether or not any such confirmation or any document entered into by the Trustee and the Valuer in connection therewith contains any limit on liability of the Valuer.

5. INDEXATION

This Condition 5 is applicable only if the relevant Final Terms specifies the Notes as Index Linked Interest Notes and/or Index Linked Redemption Notes (**Index Linked Notes**).

5.1 Definitions

Where the relevant Final Terms specifies the Notes as Index Linked Notes, Conditions 5.1 to 5.6 will apply. For the purposes of Conditions 5.1 to 5.6, unless the context otherwise requires, the following defined terms shall have the following meanings:

Base Index Figure means (subject to Condition 5.3(i)) the base index figure as specified in the relevant Final Terms;

Calculation Agent means the person appointed by the Issuer as calculation agent in relation to a Series of Index Linked Notes and specified in the applicable Final Terms, and shall include any successor calculation agent appointed in respect of such Notes;

Her Majesty's Treasury means Her Majesty's Treasury or any officially recognised party performing the function of a calculation agent (whatever such party's title), on its or its successor's behalf, in respect of the Reference Gilt;

Index or **Index Figure** means, subject as provided in Condition 5.3(i), the U.K. Retail Price Index (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the U.K. Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt (the **RPI**). Any reference to the Index Figure which is specified in the relevant Final Terms as:

- (i) applicable to a particular month, shall, subject as provided in Conditions 5.3 and 5.5, be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication; or
- (ii) applicable to the first calendar day of any month shall, subject as provided in Conditions 5.3 and 5.5, be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (iii) applicable to any other day in any month shall, subject as provided in Conditions 5.3 and 5.5, be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (ii) above and (y) the Index

Figure applicable to the first calendar day of the month following, calculated as specified in sub-paragraph (ii) above and rounded to the nearest fifth decimal place.

Index Ratio applicable to any month or date, as the case may be, means the Index Figure applicable to such month or date, as the case may be, divided by the Base Index Figure and rounded to the nearest fifth decimal place;

Limited Index Ratio means (a) in respect of any month or date, as the case may be, prior to the relevant Issue Date, the Index Ratio for that month or date, as the case may be, (b) in respect of any Limited Indexation Date after the relevant Issue Date, the product of the Limited Indexation Factor for that month or date, as the case may be, and the Limited Index Ratio as previously calculated in respect of the month or date, as the case may be, twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

Limited Indexation Date means any date falling during the period specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

Limited Indexation Factor means, in respect of a Limited Indexation Month or Limited Indexation Date, as the case may be, the ratio of the Index Figure applicable to that month or date, as the case may be, divided by the Index Figure applicable to the month or date, as the case may be, twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

Limited Indexation Month means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

Limited Index Linked Notes means Index Linked Notes to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies; and

Reference Gilt means the index-linked Treasury Stock/Treasury Gilt specified as such in the relevant Final Terms for so long as such gilt is in issue, and thereafter such issue of index-linked Treasury Stock/Treasury Gilt determined to be appropriate by a gilt-edged market maker or other adviser selected by the Issuer (an **Indexation Adviser**).

5.2 Application of the Index Ratio

Each payment of interest (in the case of Index Linked Interest Notes) and principal (in the case of Index Linked Redemption Notes) in respect of the Notes shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Index Linked Notes applicable to the month in or date on, as the case may be, which such payment falls to be made and rounded in accordance with Condition 3.2(d).

5.3 Changes in Circumstances Affecting the Index

- (i) Change in base: if at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be, (1) the definition of **Index** and **Index Figure** in Condition 5.1 shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the existing Base Index Figure and the Index Figure for the date on which such substitution takes effect, divided by the Index Figure for the date immediately preceding the date on which such substitution takes effect.
- (ii) Delay in publication of Index: if sub-paragraph (i) of the definition of Index Figure is applicable: If the Index Figure which is normally published in the seventh month and which relates to the eighth

month (the **relevant month**) before the month in which a payment is due to be made is not published on or before the fourteenth business day before the date on which such payment is due (the **date for payment**), the Index Figure applicable to the month in which the date for payment falls shall be (1) such substitute index figure (if any) as the Indexation Adviser considers to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 5.3(i)) before the date for payment.

- (iii) Delay in publication of Index: if sub-paragraph (ii) and/or (iii) of the definition of Index Figure is applicable: if the Index Figure relating to any month (the **calculation month**) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the **date for payment**), the Index Figure applicable for the relevant calculation month shall be (1) such substitute index figure (if any) as the Indexation Adviser considers to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Trustee (acting solely on the advice of the Indexation Adviser)) or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 5.3(i)) before the date for payment.

5.4 Application of Changes

Where the provisions of Condition 5.3(ii) or Condition 5.3(iii) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 5.3(ii)(2) or Condition 5.3(iii)(2), the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while a Note is still outstanding, then:

- (i) in relation to a payment of principal (in the case of Index Linked Redemption Notes) or interest (in the case of Index Linked Interest Notes) in respect of such Note other than upon final redemption of such Note, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced, as the case may be, by an amount equal to the shortfall or excess, as the case may be, of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 5.3(ii)(2) or Condition 5.3(iii)(2) below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (ii) in relation to a payment of principal (in the case of Index Linked Redemption Notes) or interest (in the case of Index Linked Interest Notes) upon final redemption, no subsequent adjustment to amounts paid will be made.

5.5 Cessation of, or Fundamental Changes to, the Index

If (i) the Trustee has been notified by the Calculation Agent that the Index has ceased to be published or (ii) only if Condition 5.5 is specified in the Final Terms as applicable to the Notes, any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of (A) the Issuer be materially prejudicial to the interests of the Issuer, or (B) the Trustee (acting solely on the advice of the Indexation Adviser), be materially prejudicial to the interests of the Noteholders, the Issuer will give written notice of such occurrence to the Trustee in the case of (A) or the Trustee will give written notice of such occurrence to the Issuer in the case of (B), and the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Notes one or more

adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave both the Issuer and the Noteholders in substantially a no better and no worse position than they would have been had the Index not ceased to be published or, if applicable, the relevant fundamental change not been made.

If the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Issuer and the Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 day period referred to above, by the Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the **Expert**), to determine for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Noteholders in substantially a no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Trustee in connection with such appointment shall be borne by the Issuer and neither the Expert nor the Indexation Adviser shall be liable to the Noteholders for determinations made by it pursuant to this Condition 5.

The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Trustee (acting solely on the advice of the Indexation Adviser) and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the Trustee and the Noteholders, and the Issuer shall give notice to the Noteholders in accordance with Condition 14 of such amendments as promptly as practicable following such notification.

5.6 Redemption for Index Reasons

If either (i) the Index Figure for three consecutive months is required to be determined on the basis of an Index Figure previously published as provided in Condition 5.3(ii)(2) and the Trustee has been notified by the Calculation Agent that publication of the Index has ceased or (ii) notice is published by Her Majesty's Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index shall have been advised by the Indexation Adviser to the Issuer and such circumstances are continuing, the Issuer may, upon giving not more than 60 nor less than 30 days' notice to the Trustee and the Noteholders (or such other notice period as may be specified in the relevant Final Terms) in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption (in each case adjusted in accordance with Condition 5.2).

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

6.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor (if applicable) to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (if applicable), adverse tax consequences to the Issuer or the Guarantor (if applicable).

6.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;

- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.5); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor (if applicable) has become obliged to make payment under or pursuant to the terms of the Guarantee and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (if applicable) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to Noteholders (i) a certificate signed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the Guarantor (if applicable) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor (if applicable) has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum nor more than the maximum period of notice specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

7.5 Early Redemption Amounts

For the purpose of Conditions 5.6 and 7.2 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.6 Purchases

The Issuer, the Guarantor (if applicable) or any member of the Group may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor (if applicable), as the case may be, surrendered to any Paying Agent for cancellation.

In these Conditions **Group** means Places for People Homes Limited, its subsidiaries (if any) and any associate (as defined in Section 271 of the Housing and Regeneration Act 2008) of the Issuer.

7.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

7.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or the Guarantor (if applicable) will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (if applicable) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the United Kingdom; or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.5); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used herein the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer or the Guarantor (if applicable) and (e) to (i) inclusive below, only if the Trustee shall have certified in writing to the Issuer and the Guarantor (if applicable) that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount

together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer or the Guarantor (if applicable) fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the Guarantor (if applicable), as the case may be, of notice requiring the same to be remedied; or
- (c) (A) any other present or future indebtedness of the Issuer or the Guarantor (if applicable) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Guarantor (if applicable) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds £15,000,000 or its equivalent (as reasonably determined by the Trustee) and provided further, for the avoidance of doubt, that the amounts mentioned in this paragraph (c) shall exclude the amount of any Housing Grant (as defined below) except for any Housing Grant which is or becomes due and payable to the relevant grant making body or organisation; or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or the Guarantor (if applicable) save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer or the Guarantor (if applicable) ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer or the Guarantor (if applicable) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer or the Guarantor (if applicable) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or the Guarantor (if applicable) or, as the case may be, in relation to all or substantially all of the Issuer's or the Guarantor's (if applicable) undertaking or assets, or an encumbrancer takes possession of all or substantially all of the Issuer's or the Guarantor's (if applicable) undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the Issuer's or the Guarantor's (if applicable) undertaking or assets and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer or the Guarantor (if applicable) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

- (h) if, without the prior written consent of the Trustee (such consent not to be unreasonably withheld), Places for People Homes Limited shall cease, or shall take any formal action, or shall make any public announcement of its intention to cease, to be a Registered Provider whose principal business is carried on in the United Kingdom;
- (i) with respect to any Notes issued by Places for People Capital Markets plc, if the Issuer ceases to be a subsidiary wholly owned by Places for People Group Limited; or
- (j) with respect to any Notes issued by Places for People Capital Markets plc, if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect.

As used in this Condition:

Housing Corporation means the governmental body which regulates housing associations in England or, in the event such body ceases to exist, any public sector body which, in the reasonable opinion of the Trustee (after consultation with Places for People Homes Limited) is the successor or otherwise equivalent thereto;

Housing Grant means a grant payable to Places for People Homes Limited under Section 50 of the Housing Act 1988 (or any statutory provision which Section 50 replaced), Section 18, 20 or 21 of the Housing Act 1996, Section 19 or 35 of the Housing and Regeneration Act 2008 or any grant replacing or substituted for such from time to time (**SHG**) or any other grant, loan or subsidy (whether taking the form of money or money's worth including, without limitation, land) provided by:

- (a) a body which is a public sector authority as defined in Section 573 of the Housing Act 1985 other than a registered provider of social housing;
- (b) a development corporation as defined by Sections 4(c) or 4(d) of the Housing Act 1985;
- (c) a District Health Authority as defined in Section 1 of the Health Services Act 1980;
- (d) a Housing Action Trust within the meaning of the Housing Act 1988;
- (e) any other body agreed between Places for People Homes Limited and the Trustee from time to time; or
- (f) any other body where the grant, loan or subsidy is, in the reasonable opinion of Places for People Homes Limited's auditors equivalent to any of the foregoing,

but in each case no more onerous than a SHG in its terms for repayment in all material respects and ranking similarly in point of security in the winding up of Places for People Homes Limited; and

Registered Provider means a person registered as a provider of social housing with the Housing Corporation pursuant to the Housing and Regeneration Act 2008 (as amended from time to time) or any other statutory or legislative provision which is deemed, in the reasonable opinion of the Trustee, to replace such Act (or any successor thereto).

10.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor (if applicable) as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor (if applicable) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in

connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer and the Guarantor (if applicable) is/are entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on the London Stock Exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the London Stock Exchange or other relevant authority;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) in so far as the Issuer or the Guarantor (if applicable) would be obliged (but for the provisions of Condition 8(a)) to pay additional amounts pursuant to Condition 8 upon presentation of the Notes or Coupons (as the case may be) for payment in the United Kingdom, there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the United Kingdom.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer, the Guarantor (if applicable) and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of the London Stock Exchange. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are admitted to trading on the London Stock Exchange's regulated market or are admitted to the Official List of the UK Listing Authority and the rules of the London Stock Exchange or the UK Listing Authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor (if applicable) or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than three quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one quarter in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders, and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor (if applicable), the Trustee or any other

person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, Coupons and the Trust Deed of another company, being a member of the Group, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Guarantor, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE GUARANTOR (IF APPLICABLE)

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

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and the Guarantor (if applicable) and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor (if applicable) and/or any member of the Group, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. GOVERNING LAW

The Trust Deed, the Agency Agreement, the Notes, and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, and the Coupons are governed by, and shall be construed in accordance with, English law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes. If, in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of Commission Regulation No 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

PLACES FOR PEOPLE CAPITAL MARKETS PLC

Incorporation and Status

Places for People Capital Markets plc is a public limited company incorporated in England and Wales with registered number 7623063 on 5 May 2011 under the Companies Act 2006. Places for People Capital Markets plc is a wholly-owned subsidiary of Places for People Group Limited.

The registered address of Places for People Capital Markets plc is 305 Gray's Inn Road, London WC1X 8QR. The telephone number of its registered address is 020 7843 3800. Places for People Capital Markets plc has no subsidiaries.

Principal Activities of Places for People Capital Markets plc

Places for People Capital Markets plc is a special purpose vehicle established for the purpose of issuing Notes under the Programme described in this Offering Circular (and incurring other indebtedness) and lending the proceeds thereof to Places for People Homes Limited to be applied in the achievement of Places for People Homes Limited's objects.

Directors

The directors of Places for People Capital Markets plc and their other principal activities are:

Name:	Function:	Significant Outside Activities
David Cowans	Director	Group Chief Executive of Places for People Homes Limited and 13 other Group Directorships
Simran Sooin	Director	Group Director, Finance & I.T. of Places for People Homes Limited and 15 other Group Directorships

The business address of each of the directors is 305 Gray's Inn Road, London WC1X 8QR.

The Secretary of Places for People Capital Markets plc is Chris Martin whose business address is at 305 Gray's Inn Road, London WC1X 8QR.

There are no potential conflicts of interest between any duties to Places for People Capital Markets plc of the directors of Places for People Capital Markets plc and their private interests and/or duties. However, each of the directors of Places for People Capital Markets plc are Executive Directors of Places for People Homes Limited.

Share Capital and Major Shareholders

The entire issued share capital of Places for People Capital Markets plc comprises 50,000 ordinary shares of £1 each, all of which are fully paid up.

Places for People Group Limited holds all of the shares of Places for People Capital Markets plc directly.

Operations

Since the date of incorporation, Places for People Capital Markets plc has issued retail bonds, traded on the London Stock Exchange Order Book for Retail Bonds and on-lent the proceeds to Places for People Homes Limited.

Material Investments

Places for People Capital Markets plc has made no material investment and as at the date of this Offering Circular, its board of directors has made no firm commitments on such material investments in the future.

Administrative, Management and Supervisory Bodies Conflicts of Interests

As at the date of this Offering Circular, the above mentioned members of the board of directors of Places for People Capital Markets plc do not have potential conflicts of interests between any duties to Places for People Capital Markets plc and their private interests or other duties.

Organisational Structure and Shareholding

Places for People Capital Markets plc is 100 per cent. owned by Places for People Group Limited.

Auditing of Annual Financial Information

The financial statements of Places for People Capital Markets plc are prepared by the directors in accordance with generally accepted accounting principles and practice in the UK and audited in accordance with United Kingdom generally accepted auditing standards.

Material Contracts

Save for the loan agreement referred to below, no contract has been entered into by Places for People Capital Markets plc which could result in any member of the Group being under an obligation or entitlement that is material to Places for People Capital Markets plc's ability to meet its obligation to the holders of the Notes.

Places for People Capital Markets plc has on-lent the proceeds from the Notes issued by it (net of fees) to Places for People Homes Limited under a loan agreement entered into between Places for People Capital Markets plc and Places for People Homes Limited (without prejudice to the ability of Places for People Homes Limited itself to issue Notes under the Programme). The terms of the loan agreement are on an arm's length basis and on normal commercial terms.

PLACES FOR PEOPLE HOMES LIMITED

Incorporation

Places for People Homes Limited (formerly known as North British Housing Limited) was incorporated with limited liability under the Industrial and Provident Societies Act 1965 (with registered number 19447R) on 14 May 1970 and is registered under the Housing and Regeneration Act 2008 with the Tenant Services Authority (with registered number L0659). It is also affiliated to the National Housing Federation. The registered address of Places for People Homes Limited is 305 Gray's Inn Road, London WC1X 8QR. The telephone number of its registered address is 020 7843 3800.

Places for People Homes Limited changed its name from North British Housing Limited to Places for People Homes Limited on 24 May 2006.

Business Overview of Places for People Homes Limited and the Places for People Group

Places for People Homes Limited is a subsidiary of Places for People Group Limited which is the parent company of the Places for People group of companies (the **Group**). Places for People Homes Limited is the main asset holding company within the Group.

Places for People Homes Limited is a registered provider of social housing and a not-for-profit organisation whose activities are regulated by the Tenant Services Authority. Places for People Homes Limited's primary business objects are to provide a wide range of products and services in the housing sector including the development of new homes at affordable and open market rents, and for open market and affordable residential property sales.

The Group is one of the largest property management and development groups in the UK, comprising 81,556 homes (as at 31 March 2013) either owned or managed in a mixture of different tenures and an asset base at a cost of £3.3 billion. With 5,214 full-time employees (as at 31 March 2013), the Group provides a diverse range of products and services to create high quality, safe and sustainable communities. The Group provides a range of housing solutions, specialist care and support services, employment and training opportunities, financial services and regeneration master planning.

The Group consists of three other registered providers of social housing and a number of other operating subsidiaries which are pursuing complementary activities. The registered providers of social housing are run as businesses and any surplus which may result from their operations is reinvested in the Group. The Group provides central services to the companies within the Group. The Board of Directors of Places for People Group Limited (the **Group Board**) sets strategy across the Group and approves the business plans of the operating subsidiaries, including that of the Issuer.

At 31 March 2013, Places for People Homes Limited owned 39,469 homes for rent. The property portfolio includes houses, apartments and bungalows for families, single and elderly people. In addition, Places for People Homes Limited had retained equity interests in 3,832 shared ownership properties.

Active in approximately 240 local authority areas, Places for People Homes Limited works in partnership with a wide range of statutory and voluntary organisations to deliver a locally responsive service, backed by the expertise and financial strength of the Group. This is demonstrated by the broad scope of Places for People Homes Limited's activities, which include:

- * the management of quality, affordable housing for families, couples and single people and accommodation for students;
- * investment in new development, large scale regeneration and conversion schemes; and
- * low cost home ownership initiatives.

Housing Stock for the Group and Places for People Homes Limited as at 31 March 2013

	<i>Group</i>	<i>Places for People Homes Limited</i>
Units Owned for Rent	51,572	39,469
Home Ownership Units part owned and managed*	4,234	3,834
Subtotal	55,806	43,303
Units under development	599	375
Total owned, managed and under development	56,405	43,678

*There are 5,642 where we only own the freehold and no equity stake. Homes = 5,571

Other companies in the Group include:

- * Places for People Developments Limited;
- * Places for People Individual Support Limited;
- * Castle Rock Edinvar Housing Association Limited;
- * Places for People Scotland;
- * Places for People Neighbourhoods;
- * Blueroom Properties Limited;
- * Places for People Financial Services Limited;
- * Emblem Homes Limited;
- * Places for People Landscapes Limited;
- * Places for People Scotland Care and Support Limited;
- * DC (Holdings) Limited;
- * Touchstone Corporate Property Services Limited; and
- * Residential Management Group Limited.

Places for People Homes Limited has one wholly owned operating subsidiary, which is Places for People Landscapes Limited.

Places for People Landscapes Limited

Places for People Landscapes Limited (formerly North British Landscapes Limited) was founded in 1978 and offers landscaping and maintenance services both internally to the Group and to external customers. As at 31 March 2013, Places for People Landscapes Limited employed on average 77 members of staff.

Administrative, management and supervisory bodies

The Group operates in most parts of England through a functional management structure designed to promote effective service delivery and accountability at a local level.

The Group Board is responsible for setting strategies and policies for the whole Group and co-ordinating the Group's activities through an Independence and Responsibility Agreement with each subsidiary.

The Group Board exercises control over Places for People Homes Limited through an Independence and Responsibility Agreement, Service Level Agreement and power granted to Places for People Group Limited in the Rules of Places for People Homes Limited. The Group Board has responsibility for the operational performance of the Group's regulated businesses including that of Places for People Homes Limited.

The Group Board is responsible for maintaining and reviewing the Group's system of internal control. The Group has an Audit & Risk Committee which is responsible to the Group Board for monitoring this system and reporting on its effectiveness.

The names and positions of the current members of the Group Board and such members' other positions within the Group and their principal activities outside the Group, where these are significant with respect to the Group, are as follows:

<i>Name</i>	<i>Position</i>	<i>Other positions within the Group and principal activities outside the Group</i>
Mr C Phillips	Group Chairman	Chairman of Londonewcastle Group Limited

		Ten other Group Directorships
Mr D Cowans	Group Chief Executive (PfP)	Nineteen other Group Directorships
Mr G Watson OBE	Non-Executive Director	Four other Group Directorships. Non-Executive Director of Braveheart Investment Group plc and Save & Invest Group Limited
Mr D Shaw	Group Director Development	Four other Group Directorships
Mr E Mani	Non-Executive Director	Four other Group Directorships. Director of UTB Partners Limited
Mr B Shah	Non-Executive Director	Four other Group Directorships
Ms M Parsons	Group Director Business Development	Six other Group Directorships
Mr K Keane	Group Director, Operations	Five other Group Directorships
Ms L Lackey	Non-Executive Director	Partner, One5Two LLP Five other Group Directorships
Mr J Seet	Non-Executive Director	Senior Partner, Sigma Partnership LLP Four other Group Directorships
Ms C Garner	Non-Executive Director	Five other Group directorships
Mr S Soin	Group Executive Director, Finance	Eighteen other Group Directorships
Mr J Lloyd	Non-Executive Director	Five other Group Directorships. Board member of Tilfen land Limited. Board member of Reform Energy plc; Board member of Normanby estates.

The business address for all members of the Group Board is 305 Gray's Inn Road, London WC1X 8QR.

There are no potential conflicts of interest between any duties to the Group of the members of the Group Board and their private interests and/or duties.

Corporate Governance

The Group Board is responsible for maintaining and reviewing the Group's system of internal control. The Group Audit & Risk Committee is responsible to the Group Board for monitoring this system and reporting on its effectiveness. Any such system can provide reasonable but not absolute assurance against material misstatement or loss, and the development of the system is a continuing process.

The Executive Strategic Risk Management Group monitors and steers the development and implementation of enhancements to the risk management processes and reports to the Audit & Risk Committee and Group Board as appropriate. Key tasks for the Strategic Risk Management Group are overseeing the development of risk policy together with the review and refining of the Risk Management Framework and associated risk maps. The Strategic Risk Management Group also scenario tests key risks and monitors adherence to the risk management processes. The Strategic Risk Management Group comprises the Group Executive and a number of senior managers.

The Board believes that, for the year end 31 March 2013, the Places for People Group had in place the frameworks required to comply with the requirements of the regulatory framework operated by the Homes & Communities Agency, the successor to the Tenant Services Authority. The Board is also of the view that the Group complies with the UK Corporate Governance Code (save for certain provisions that concern only companies with shares traded on an exchange).

The overall internal control framework comprises:

- * framework and structures to ensure that the business remains viable and is managed effectively; and
- * the identification of appropriate assurance mechanisms that can be used to ensure that the internal control framework is operating effectively.

A key element of the framework of control is the submission of a report from the Group Chief Executive to the Group Board in relation to the effectiveness of internal control. A specific requirement of the framework states:

"to help the board review the effectiveness of the Group's system of internal control, its chief executive or executive team should present it with an annual report on the effectiveness of the system. This should refer to the forms of assurance that the board considers appropriate to obtaining overall assurance on the system. Where there is an Audit Committee in place, the chief executive or executive team may present their report to it."

Executive Team

The Executive Team responsible for day to day management of Places for People Homes Limited comprises the Group Chief Executive, and four Group Directors responsible for Finance, Business Development, Operations and Development.

The names and positions of the current members of the Executive Team and such members' other positions within the Group and their principal activities outside the Group, where these are significant with respect to the Group, are as follows:

<i>Name</i>	<i>Position within Places for People Homes Limited</i>	<i>Other positions within the Group and principal activities outside the Group</i>
Mr D Cowans	Group Chief Executive (PfP)	Thirteen other Group Directorships
Mr Simran Soin	Group Executive Director Finance	Fifteen other Group Directorships
Mr D Shaw	Group Director of Development (PfP)	Six other Group Directorships
Ms Mary Parsons	Group Business Development Director (PfP)	Three other Group Directorships
Mr Kieran Keane	Group Director, Operations (PfP)	Four other Group Directorships

The business address for all members of the Executive Team is 305 Gray's Inn Road, London WC1X 8QR.

There are no potential conflicts of interest between any duties to Places for People Homes Limited of the members of the Executive Team and their private interests and/or duties.

Shareholders and capital structure

As at 31 March 2013, Places for People Homes Limited has allotted, issued and fully paid 9 ordinary shares of £1 each. Ordinary shareholders are not entitled to any dividend.

Places for People Homes Limited 's shares carry no right to interest, dividend or bonus. When a shareholder ceases to be a shareholder, his or her share is cancelled and the amount paid up becomes the property of Places for People Homes Limited. Any shareholder must be proposed for shareholder membership by Places for People Group Limited.

Recent Developments

Since December 2011, Places for People Homes Limited has made investments in order to support the acquisition by the Group of:

1. DC Leisure Management Limited, a leisure management contractor that manages about 100 leisure facilities on behalf of 28 local authorities, on 12 December 2012;
2. Touchstone Corporate Property Services Limited, a property management company responsible for managing about 21,000 properties for a range of clients, on 16 November 2012;
3. Acquisition of a portfolio of 925 private rented homes for £70 million from Terrace Hill, a property development group. The properties are mainly in the South East, London and Scotland on 26 February 2012; and
4. Residential Management Group Limited, a property services group which manages over 60,000 leasehold properties for Housebuilders, Registered Providers, Landlords, Local Authorities and Residential Management Companies, on 18 April 2013.

FINANCIAL STATEMENTS FOR PLACES FOR PEOPLE HOMES LIMITED

The financial information summaries below have been extracted from the audited Income and Expenditure Account, Balance Sheet and Cash Flow Statement of Places for People Homes Limited for the financial years ended 31 March 2013 and 31 March 2012. The full audited financial statements of Places for People Homes Limited for the years ended 31 March 2013 and 31 March 2012 are incorporated by reference in this Offering Circular (see “*Documents Incorporated by Reference*”).

The accounts for each of the financial years ended 31 March 2013 and 31 March 2012 received an unqualified audit opinion from the external auditors of Places for People Homes Limited, KPMG LLP, Registered Auditors of St James Square, Manchester M2 6DS.

INCOME AND EXPENDITURE ACCOUNT

<i>For the years ended 31 March 2013 and 31 March 2012</i>	<i>2013</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>
Turnover	271,332	278,786
Cost of sales	(73,727)	(73,157)
Operating costs	<u>(124,640)</u>	<u>(132,610)</u>
Operating surplus before interest	72,965	73,019
Surplus on sale of fixed assets	2,034	3,669
Interest receivable and similar income	24,665	24,330
Interest payable and similar charges	<u>(93,772)</u>	<u>(92,364)</u>
Surplus on ordinary activities before taxation	5,892	8,654
Tax on profit on ordinary activities	<u>(2,907)</u>	<u>(778)</u>
Surplus for the year	<u><u>2,985</u></u>	<u><u>7,876</u></u>

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED SURPLUS AND DEFICIT

<i>For the years ended 31 March 2013 and 31 March 2012</i>	<i>2013</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>
Surplus for the year	2,985	7,876
Fair value losses or interest rate swaps	(13,986)	(14,904)
Deferred tax provision on interest rate swap	3,053	3,547
Intercompany debt forgiven upon the sale of fellow Group subsidiary	—	<u>(2,337)</u>
Total recognised surplus for the year	<u><u>(7,948)</u></u>	<u><u>(5,818)</u></u>

There is no difference between the surplus, as stated above and the historical cost equivalents in either year.

BALANCE SHEET

As at 31 March 2013 and 31 March 2012

	2013		2012	
	£'000	£'000	£'000	£'000
Fixed assets				
Housing Properties – depreciated cost		1,969,219		1,839,405
Less: Social Housing Grant	(843,478)		(844,091)	
: Other capital grants	(23,636)	(867,114)	(23,825)	(867,916)
		<u>1,102,105</u>		<u>971,489</u>
Fixed asset investments		656,529		550,144
Homebuy loan		157,703		160,768
Homebuy grant		(66,046)		(68,747)
Other associated liabilities		(38,033)		(38,753)
Other fixed assets		56,281		51,624
		<u>1,868,539</u>		<u>1,626,525</u>
Current assets				
Stock	53,029		119,345	
Debtors: amounts due after one year	10,561		13,092	
Debtors: amounts due within one year	18,954		16,555	
Investments	38,166		37,900	
Cash at bank and in hand	8,197		4,674	
	<u>128,907</u>		<u>191,566</u>	
Creditors: amounts falling due within one year	<u>(328,201)</u>		<u>(98,086)</u>	
Net current assets/liabilities		<u>(199,294)</u>		<u>93,480</u>
Total assets less current liabilities		<u>1,669,245</u>		<u>1,720,005</u>
Creditors: amounts falling due after more than one year	1,553,829		1,596,232	
Provisions for liabilities and charges	<u>767</u>		<u>1,176</u>	
		<u>1,554,596</u>		<u>1,597,408</u>
Capital and reserves				
Non-equity share capital	—		—	
Revenue reserves	114,649		122,597	
Total capital and reserves		<u>114,649</u>		<u>122,597</u>
		<u>1,669,245</u>		<u>1,720,005</u>

CASH FLOW STATEMENT

	2013		2012	
	£'000	£'000	£'000	£'000
Net cash inflow/ from operating activities		136,880		118,997
Returns on investments and servicing of finance				
Interest received	24,593		24,920	
Interest paid	(84,158)		(71,774)	
Net cash outflow from return on investments and servicing of finance		(59,565)		(46,854)
Taxation				
Corporation tax paid/(refunded)		(2,271)		(1,998)
Capital expenditure and financial investment				
Acquisition and construction of housing properties	(135,727)		(61,860)	
Social housing and other capital grants received	6,728		2,577	
Sales of housing properties	5,442		5,614	
Social Housing Grants repaid	—		—	
Expenditure on other tangible fixed assets	(6,435)		(4,228)	
Equity loan investments	6,452		1,331	
Acquisition of investments	(126,373)		(139,749)	
Disposal of other fixed asset investments	—		2,800	
Disposal of investments	19,988		36,108	
Net cash outflow for capital expenditure and financial investments		(229,925)		(157,407)
Net cash outflow before management of liquid resources and financing		(154,881)		(87,262)
Management of liquid resources				
Increase in short-term investments		(266)		(10,101)
Financing				
Loans received	431,313		572,105	
Loan repaid	(272,644)		(470,599)	
Net cash inflow from financing		158,669		101,506
Increase/(decrease) in cash		3,522		(4,233)

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Obligors' understanding of current United Kingdom law and published HM Revenue and Customs practice relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Interest on the Notes

Payment of Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 (FSMA) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is a company within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue and Customs (HMRC) has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a registered industrial and provident society in respect of any loan stock to a person whose usual place of abode is in the United Kingdom. It is understood that HMRC's view is that Notes issued under the Programme will generally be regarded as loan stock for these purposes.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the savings rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities

transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

The Proposed Financial Transactions Tax (FTT)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a **foreign financial institution**, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **Recalcitrant Holder**). Each of the Obligors may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the **grandfathering date**, which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA.

If either of the Obligors are characterised as an FFI for purposes of FATCA, such Obligor expects to be treated as a Reporting FI pursuant to the US-UK IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Obligors will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Obligors and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA, or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Obligors, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 19 August 2013, agreed with the Obligors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Obligors have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes, which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto, to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the

Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer;

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directives or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (if applicable); and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission

required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Obligors, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Obligors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of Places for People Homes Limited dated 10 November 2005, 30 March 2011, 11 January 2012 and 24 October 2012 and of committees of the Board of Directors of Places for People Homes Limited dated 21 March 2007, 5 May 2011 and 30 July 2013.

The update of the programme has been duly authorised by resolutions of the Board of Directors of Places for People Capital Markets plc dated 5 May 2011 and 30 July 2013 and of a committee of the Board of Directors of Places for People Capital Markets plc dated 5 May 2011.

Listing of Notes

Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or around 22 August 2013.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered offices of each Obligor and from the specified office of the Paying Agent for the time being in London:

- (a) the constitutional documents of the Obligors;
- (b) the audited financial statements of Places for People Homes Limited in respect of the financial years ended 31 March 2013 and 31 March 2012 together with the audit reports prepared in connection therewith. Places for People Homes Limited currently prepares audited accounts on an annual basis;
- (c) the audited financial statements of Places for People Capital Markets plc in respect of the financial years ended 31 March 2013 and 31 March 2012 together with the audit reports prepared in connection therewith. Places for People Capital Markets plc currently prepares audited accounts on an annual basis;
- (d) the most recently published audited annual financial statements of the Obligors and the most recently published unaudited interim financial statements (if any) of the Obligors, in each case together with any audit or review reports prepared in connection therewith;
- (e) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (f) a copy of this Offering Circular;
- (g) any future offering circulars, prospectuses, information memoranda, supplements, Final Terms, this Offering Circular and any other documents incorporated herein or therein by reference; and
- (h) in the case of each issue of Notes admitted to trading on the regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of each issue of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of such issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of Places for People Capital Markets plc since 31 March 2013 and there has been no material adverse change in the prospects of Places for People Capital Markets plc since 31 March 2013.

There has been no significant change in the financial or trading position of Places for People Homes Limited since 31 March 2013 and there has been no material adverse change in the prospects of Places for People Homes Limited since 31 March 2013.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligors are aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of the relevant Obligor.

Auditors

The auditors of Places for People Capital Markets plc are KPMG LLP, chartered accountants, who have audited People Capital Markets plc's accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the two financial years ended 31 March 2013 and 31 March 2012.

The reports of the auditors of People Capital Markets plc in respect of People Capital Markets plc's audited financial statements for each of the two financial years ended 31 March 2013 and 31 March 2012 are incorporated by reference in this Offering Circular with the consent of the auditors.

The auditors of Places for People Homes Limited are KPMG LLP, chartered accountants, who have audited Places for People Homes Limited's accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the two financial years ended 31 March 2013 and 31 March 2012.

The reports of the auditors of Places for People Homes Limited in respect of Places for People Homes Limited's audited financial statements for each of the two financial years ended 31 March 2013 and 31 March 2012 are incorporated by reference in this Offering Circular with the consent of the auditors.

Post-issuance information

The Obligors do not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Obligors

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Obligors and their respective affiliates in the ordinary course of business.

ISSUER

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ISSUER AND GUARANTOR

Places for People Homes Limited

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London WC1X 8QR

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