

PERFECT STORES .COM



THE PERFECT STORES LIMITED

INSTRUMENT
Constituting £2,500,000
Perfect Bonds No. 1

This Document, which is a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000, is being issued by The Perfect Stores Ltd.

THE PERFECT STORES LTD
265 KING HENRY'S DRIVE
NEW ADDINGTON
CROYDON
SURREY
CR0 0AE
Company Number: 06890725

TEL: 020 8123 7037
REF: / 1457

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SCHEDULE : Perfect Bond Certificate

THIS INSTRUMENT is made on 1st May 2013

BY

THE PERFECT STORES LIMITED (registered number 06890725) whose registered office is at 265 King Henrys Drive, New Addington, Croydon, Surrey, CR0 0AE, UK ("the Company").

TERMS:

1. Definitions and Interpretation

1.1 The following words have these meanings in this instrument unless a contrary intention appears:-

Aggregate Nominal Amount -	in respect if the Perfect Bonds in issue at any time, the aggregate principal amount of the Perfect Bonds outstanding at the time and all accrued thereon.
Bondholder -	the person entered in the Register as the holder of the Perfect Bonds.
Business Day -	a day other than a Saturday or Sunday on which banks are open for business in London.
Certificate & Certificate No. -	a certificate evidencing title to the Perfect Bonds, in the form, or substantially in the form, set out in the Schedule.
Commencement Date -	the date on which the Perfect Bonds are first issued.
Default Event -	has the meaning given to that term in Clause 6.1.
Directors -	the board of directors of the company from time to time.
Final Repayment Date -	the first, second or third anniversary date of the issue of the Perfect Bonds depending on the term you have selected (or if such date does not fall on a Business Day, the next Business Day).
Instrument -	this instrument.
Interest Payment Date -	6 monthly in arrears each year up to and including the date on which the Perfect Bonds are finally redeemed.
Interest Rate -	6 per cent per annum - 1 year term 7 per cent per annum - 2 year term 8 per cent per annum - 3 year term
Recognised Investment Exchange -	has the meaning ascribed to that term in section 285 of the Financial Services and Markets Act 2000.
Register -	the register of Bondholders maintained by the Company as provided for in Clause 11.
Registered Office -	the registered office of the Company from time to time.
Perfect Bonds or Perfect Bonds No. 1 -	the non-convertible, non-transferable Perfect Bonds No. 1 of the Company constituted by this instrument.

1.2 In this Instrument, unless the contrary intension appears:

- a) The singular includes the plural and vice versa and any gender includes the other gender.
- b) a reference to:
 - i) a document means that document as amended, replaced or novated.
 - ii) a statute or other law means that statute or other law as amended or replaced, whether before or after the date of this instrument and included regulations and other instruments made under it.
 - iii) a clause or schedule is a reference to a clause or a schedule in this Instrument.
 - iv) a month means a calendar month.
- c) where the word "including" or "included" is used, it is to be taken to be followed by the words: " but not limited to", as the case requires.
- d) where a period of time is expressed to be calculated from or after a specified day, that day is included in the period.
- e) a reference to "date of redemption" or "repayment" or "redeemed" or "repaid" means the date on which all the outstanding principal and accrued interest on all the outstanding Perfect Bonds is finally paid.
- f) Headings are inserted for convenience and do not affect the interpretation of this Instrument.

2. Amount and Status of Perfect Bonds

- 2.1 The aggregate principal amount of the Perfect Bonds is limited to £2,500,000.
- 2.2 The Perfect Bonds shall only be capable of being issued in multiples of £500 in nominal amount and no Bondholder shall be permitted to hold more than £50,000.
- 2.3 The Perfect Bonds can be issued to natural persons and registered companies.
- 2.4 The Perfect Bonds shall not be capable of being transferred by the Bondholder and shall not be capable of being dealt in or negotiated on any stock exchange or other recognised or capital market in the United Kingdom or elsewhere and no application has been or will be made to any Recognised Investment Exchange for the listing of, or for permission to deal in, the Perfect Bonds.

3. Interest

- 3.1 Interest is payable on the principal amount outstanding under the Perfect Bonds from the Commencement Date until the date of redemption and will be calculated on the basis of a 365 day year (or, in the case of a leap year, a 366 day year).
- 3.2 Interest accrues from day to day at the Interest Rate and is payable to the Bondholders by half-yearly payments in arrears on each Interest Payment Date until the Perfect Bonds are repaid under the terms of this Instrument and shall be paid to the Bondholder within 15 Business Days of such Interest Payment Date provided that interest accruing during the period from the issue of the Perfect Bonds.

4. Redemption of Perfect Bonds

- 4.1 All Perfect Bonds not repaid (in whole or in part) before the Final Repayment Date will be redeemed by the Company on that date, at par, together with interest accrued up to and including the date of redemption.
- 4.2 All payments of principal and interest in respect of the Perfect Bonds by or on behalf of the company shall be made:
 - a) either by cheque or bank transfer in favour of the Bondholder. If such payment is to be made by cheque, it shall be sent to the address notified to the Company for such purpose in writing by the Bondholder from time to time; and
- 4.3 All Perfect Bonds redeemed by the Company pursuant to the terms of this Instrument will be cancelled and will not be available for reissue.

5. No Prepayment

Subject to Clause 6.1 below, the Company shall not be entitled to pre-pay any or all of the principal of the Perfect Bonds prior to the Final Repayment Date.

6. Default Events

- 6.1 Notwithstanding Clauses 4 and 5 and subject to Clause 6.2, all outstanding Perfect Bonds shall become immediately repayable, at the option of a Bondholder, at par together with all accrued interest up to and including the date of redemption, on the happening of any of the following events (each a "Default Event"):
 - a) an order is made or an effective resolution passed for winding-up or liquidation of the Company, (otherwise than for the purposes of or in the course of a solvent re-organisation, reconstruction or amalgamation); or
 - b) an encumbrance has taken possession of or if a receiver, administrative receiver, liquidator, judicial factor or other similar officer is appointed to take possession of the whole or any material part of the property or undertaking of the Company and in any such case is not discharged, withdrawn or removed within 14 days of possession being taken or an appointment being made provided that at all times during such period the Company is contesting such possession or appointment in good faith and diligently; or

- c) any administration order or any administration application has been made in respect of the Company;
or
 - d) any procedure or step analogous to the events set out in 6.1 (a) to (c) is taken in any jurisdiction.
- 6.2 The company will use reasonable endeavours to give notice to the Bondholders of the happening of any Default Event within ten (10) Business Days upon becoming aware of the same. If any Bondholder shall waive in writing its right of repayment of the Aggregate Nominal Amount due to it, the Perfect Bonds held by such Bondholder shall remain outstanding.

7. Non-Conversion

The Principal amount of the Perfect Bonds held by a Bondholder and any accrued interest shall not be capable of conversion into shares or other securities in the Company.

8. Certificates

- 8.1 The Certificates will be in the form or substantially in the form set out in the Schedule.
- 8.2 The Company will recognise the Bondholder indicated in the Register as the absolute owner of the Perfect Bonds. The Company is not bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Perfect Bonds may be subject.
- 8.3 If any of the Bondholders Perfect Bonds are due to be redeemed under any of the provisions of this Instrument, the Bondholder shall, if requested by the Company, deliver up to the Company (at its Registered Office) the Certificate(s) for the Perfect Bonds which are due to be redeemed. In order that the same may be cancelled and, upon such delivery (if so requested by the company), the Company shall pay the relevant redemption amount to the Bondholder.
- 8.4 If any of the Bondholder's Perfect Bonds are liable to be redeemed under any of the provisions of this Instrument, and, following a request by the Company, it fails to or refuses to deliver up the Certificate(s) for such Perfect Bonds at the time and place fixed for the redemption of such Perfect Bonds, then the Company may set aside the relevant amount due to the Bondholder, pay it into a separate interest-bearing bank account which shall be held by the Company in trust for the Bondholder (but without interest save as may accrue in such account) and such setting aside shall be deemed, for all purposes of these conditions, to be a payment to the Bondholder and the Company shall thereby be discharged from all obligations in connection with such Perfect Bonds. If the company shall place such amount on deposit at a bank, the Company shall not be responsible for the safe custody of such amount or for any interest accruing on such amount in such account.
- 8.5 If any Certificate is lost, stolen or mutilated, defaced or destroyed, it may be replaced at the Registered Office, subject to all applicable laws, upon such indemnity as the Directors may reasonably require.

9. Transfer

The Perfect Bonds are not transferable in whole or in part and the Directors shall not approve or arrange registration of a transfer of Perfect Bonds.

10. Transmission

- 10.1 Any person becoming entitled to Perfect Bonds as a result of the death or bankruptcy of a holder of Perfect Bonds by operation of law may, upon producing such evidence as reasonably required by the Directors of the Company, be registered as the holder of such Perfect Bonds.
- 10.2 In the case of death of a register holder of Perfect Bonds, the only persons recognised by the company as having any title to the Perfect Bonds are the executors or administrators of a deceased sole registered holder of Perfect Bonds.

11. Register of the Perfect Bond

- 11.1 The Company will at all time keep at its registered office, or at such other place as the Company may have appointed for the purpose, a register showing:
 - a) the nominal amount of the Perfect Bonds held by the Bondholder
 - b) the serial number of each Perfect Bond issued;
 - c) the date of issue and all subsequent transmissions of ownership; and
 - d) the name and address of the Bondholder as Bondholder.
- 11.2 The Bondholder may at all reasonable times during office hours inspect his/her details entered in the Register and take copies of such details from the Register.
- 11.3 The Register may be closed by the Company for such periods and at such times as it thinks fit but not more than thirty (30) days in any calendar year.
- 11.4 Any Change of name or address on the part of the Bondholder must be notified to the Company in writing and the Register will be altered accordingly.

12. Warranties and Undertakings

- 12.1 The Company undertakes to the Bond holder that:

- a) it will perform and observe the obligations imposed on it by this Instrument.
- b) it will comply with the provisions of the Certificates.
- c) the Perfect Bonds are held subject to and with the benefit of the terms and conditions set out in this Instrument and are binding on the Company and the Bondholder and all persons claiming through or under them.

12.2 The Company warrants to the Bondholder on the date of this Instrument, and at all time while such Bondholder holds Perfect Bonds, that:

- a) it has the power and authority to enter into this instrument, and at all times while such Bondholder holds Perfect Bonds.
- b) it has taken all necessary corporate, shareholder and other action to authorise the execution, delivery and performance of this Instrument.
- c) the Company has been duly incorporated, constituted or amalgamated and is validly subsisting and is in good standing under the laws of the jurisdiction in which it is incorporated, constituted or amalgamated.

13. Notice

13.1 any notice or other communication to be given under this Instrument must be in writing and will be served by delivering personally or sending it by recorded delivery or by facsimile (to the Company only) to the address and for the attention of the relevant party set out below (or as otherwise notified by the party). Any notice will be deemed to have been received.

- a) if delivered personally, at the time of delivery.
- b) in the case of pre-paid post, 72 hours from the date of posting.
- c) in the case of registered airmail within three (3) Business Days of the date of posting.
- d) in the case of fax, at the time of transmission.

13.2 If deemed receipt occurs before 9am on a Business Day the notice is deemed to have been received at 9am on that day and if deemed receipt occurs after pm, the notice is deemed to have been received at 9am on the next Business Day.

13.3 The addresses of the parties for the purposes of the Instrument are as set out in the Register, and in the case of facsimile numbers as advised by the Company, or such other address as maybe notified in writing from by the relevant party to the other party.

14. Costs and Expenses

Each party shall pay its own costs, charges and expenses relating to the negotiation, execution and implementation of this Instrument.

15. Third Party Rights

No person shall have a right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this Instrument.

16. Governing Law and Jurisdiction

16.1 This Instrument and each of the Perfect Bonds is governed by and shall be construed in accordance with the law of England and Wales.

16.2 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of or in connection with this Instrument.

EXECUTED as a DEED
on the day and year set out above
for and on behalf of
THE PERFECT STORES LIMITED

Acting by: Brad R. Smith
Managing Director

SCHEDULE

Perfect Bond Certificate

Certificate No:
Amount of Perfect Bonds: £.....

THE PERFECT STORE LIMITED ("the company")

(Registered in England and Wales with company number 06890725)

£

Perfect Bonds No. 1

This Perfect Bond is issued under the authority of the memorandum and articles of association of the Company and pursuant to resolutions of the Directors of the Company passed on 3rd August 2009 and a Perfect Bond Instrument dated 3rd August 2009 (" **the Instrument**")

Name and Address(es) of Bondholder:

Amount of Perfect Bonds:

THIS IS TO CERTIFY THAT the above Bondholder is the registered holder of the amount shown above of Perfect Bonds 1 constituted by the Instrument. The Perfect Bonds 1 are issued subject to and with the benefit of the provisions contained in the Instrument.

EXECUTED as a DEED
for and on behalf of
THE PERFECT PERFECT
STORE LIMITED

acting by: Brad R. Smith
Managing Director

NOTES:

The Company reserves the right to require that this Certificate or a Certificate of Indemnity in a form reasonably approved by the Directors be presented upon the redemption of the Perfect Bonds represented by this Certificate.

Transfers of Perfect Bonds are not permitted. The Perfect Bonds are not capable of negotiation on the capital market.