



Danny Care | Over 200 appearances for Harlequins



Harlequins

Est 1866
Nunquam Dormio

Harlequin FC Bond **INVITATION DOCUMENT**

Connecting our Past, Present and Future



Nick Evans | Over 180 appearances for Harlequins

CONNECTING OUR PAST, PRESENT AND FUTURE

NUNQUAM DORMIO

DISCLAIMER

18th APRIL 2016

This document is important and requires your immediate attention:

If you are in any doubt about the action you should take or the contents of this document, you should contact your stockbroker, solicitor, accountant, bank manager or other professional financial adviser authorised by the Financial Conduct Authority to conduct investment business and who specialises in advising on investment in shares and other securities, including unlisted securities.

This document (the "Invitation" or "Invitation Document") constitutes an invitation to subscribe for bonds ("Harlequin FC Bond" or "Harlequin FC Bonds") of Harlequin Finance Plc (the "Company") on the terms and conditions set out in this Invitation.

Before you subscribe for any Harlequin FC Bonds you should make sure that you fully understand the risks which are set out in the Invitation Document and you should determine whether the investment is suitable for you on the basis of all the information contained in the Invitation Document. In the event that the Company becomes insolvent, you may lose some or all of your investment. If you are in any doubt about the contents of the Invitation Document or the action you should take, you are strongly recommended to consult a professional financial adviser.

Purchasers of Harlequin FC Bonds are not protected from loss by the Financial Services Compensation Scheme against the Company's default or for any losses they may suffer by acquiring the Harlequin FC Bonds.

Investors should not subscribe for any Harlequin FC Bonds referred to in this Invitation Document, except on the basis of the information published in this Invitation Document and the terms and conditions constituting the Harlequin FC Bonds of the Company (the "Instrument") set out on pages 56 to 65 of this Invitation Document.

Your attention is particularly drawn to the "Risk Factors" which are set out on pages 48 to 51 of this Invitation Document. Prospective investors should consider carefully whether an investment in the Harlequin FC Bonds is suitable for them in light of their personal circumstances. Harlequin FC Bonds are an unsecured debt of the Company and they may not be a suitable investment for all recipients of this Invitation Document. Harlequin FC Bonds are not transferable or negotiable on

the capital markets and no application is to be made for the Harlequin FC Bonds to be admitted to listing or trading on any market.

Investment in an unquoted security of this nature, being an illiquid investment, is speculative, involving a degree of risk. It will not be possible to sell or realise the Harlequin FC Bonds or to obtain reliable information about the risks to which they are exposed. Harlequin FC Bonds are an unsecured debt of the Company. There is no certainty that the Company (or Harlequin FC Holdings Limited, as guarantor), will be able to repay them.

This Invitation Document, which is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000, is issued by the Company which accepts responsibility for the information contained herein.

This document has been approved as a financial promotion for UK publication by Stockdale Securities Limited of Beaufort House, 15 St. Botolph Street, London EC3A 7BB which is authorised by the Financial Conduct Authority to conduct investment business (FRN:114265). Stockdale Securities Limited is acting exclusively for the Company in connection with the issue of Harlequin FC Bonds for promotion to the limited class of persons listed in FCA COBS Rule 4.7.7 (being (a) certified as a 'high net worth investor,' (b) certified as a 'sophisticated investor,' (c) self-certified as a 'sophisticated investor', or (d) certified as a 'restricted investor').

For ease of reference, by completing the "Investor Categorisation Questionnaire" prior to having been supplied or otherwise given access to this Invitation Document, you have confirmed that you are one of the category of persons (a) to (d) above and, as such, are permitted to receive this Invitation Document and apply for Harlequin FC Bonds.

Applications should only be made on the basis of this Invitation Document and the Instrument contained herein.

For the avoidance of doubt, Stockdale Securities Limited is not entering into a client relationship with an applicant for Harlequin FC Bonds and will not be responsible to applicants for Harlequin FC Bonds for the duties it owes its clients.

Any individual who is in any doubt about the investment to which this Invitation Document relates should consult an authorised person specialising in advising on investments of the kind referred to in this Invitation Document.

This Invitation Document does not constitute an offer of transferable securities to the public and, accordingly, this Invitation Document does not constitute a prospectus to which the Prospectus Rules of the Financial Conduct Authority apply. Therefore, this Invitation Document and the Instrument have not been approved by the Financial Conduct Authority or any other regulatory body. You should ensure that you have read and understood all of this Invitation Document before applying for Harlequin FC Bonds. If you are in any doubt as to the contents of this Invitation Document, or whether subscribing for Harlequin FC Bonds is a suitable investment for you, you should seek your own independent advice from an appropriately qualified financial adviser authorised under the Financial Services and Markets Act 2000 and who specialises in advising on the acquisition of unlisted securities.

The Invitation Document does not constitute an offer to sell, or the solicitation of an offer to buy, Harlequin FC Bonds in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States, Australia, Japan or Canada. The Harlequin FC Bonds have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia or Japan and may not be offered or sold within the United States, Canada, Australia or Japan or to any national, resident or citizen of the United States, Canada, Australia or Japan.

The distribution of this Invitation Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Invitation Document comes should inform themselves about and observe any such restriction.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

The Harlequin FC Bonds are not protected by the Financial Services Compensation Scheme.

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LETTER FROM

DAVID ELLIS, HARLEQUINS CHIEF EXECUTIVE



David Ellis
Chief Executive, Harlequin FC

This year Harlequins will celebrate its 150th anniversary; a century and a half of sporting excellence, trophies, iconic players and innovation in the world of rugby.

Since 1866, Harlequins has been one of the most famous and prestigious rugby clubs and in this, our 150th year, it is truer than ever. Known as much for our flamboyant style of play as for our world-class players and instantly recognisable shirt, our Club motto “Nunquam Dormio” – “I never sleep”, is embedded in our culture and everything we do. Our quest for excellence and to always guard against complacency drives us to strive to constantly reach new levels, both on and off the field.

We are proud of our long tradition of contributing to the top tier of domestic and international rugby. Rugby is central to everything we do and ensuring the enduring competitiveness of our playing squad is our top priority. We continuously invest in our playing squad and rugby

infrastructure to attract, keep and develop the best players in our game. Our efforts in developing our deep pool of talent mean that we have never been more consistently competitive on the field than we are now.

Our philosophy at Harlequins is to invest in our people, infrastructure and areas that support the growth and the long-term future of the Club. At the heart of our Club, alongside our players and staff, are our loyal and passionate supporters. In recent years we have focused on striving to improve their experience with the Club. This has included extending capacity to allow more supporters at The Stoop, improving our matchday experience through upgrades to our food and drinks areas and hospitality facilities; as well as enhancing our membership offerings.

Our focus on being the best off the field as well as on it has also provided strong returns. We have demonstrated commercial success with our rates of growth in retail sales, supporter numbers and our sponsorship portfolio. We have attracted a strong family of leading international partners who share our values and spirit and who support us in our ambition to be the best Club in the world.

Our Big Game Series, launched eight years ago, is now one of the world's biggest rugby union club matches and draws an average attendance of over 74,000 each year, demonstrating the power of the Harlequins brand, but also of club rugby. These investments and our focus have meant that once again this year we have achieved record levels of membership and attendance.

As we approach our sesquicentennial anniversary with confidence, we look back over the years, proud in our rich history and the strength it has bestowed upon us, while looking ahead to our future at a time when the global game is at its most exciting. As custodians of Harlequins, our focus is to continuously improve on the legacy we've inherited.

The 2015 Rugby World Cup in England was the most successful to date in terms of revenues and audiences and the sport has never been more popular across the world. As a Club we are determined to stay ahead of our peers and capture and nurture this enthusiasm.

With our strong London and regional presence, we will be leading more initiatives in our communities, promoting the values of rugby that we all hold dear, and returning the support shown to us through increased projects and activities driven by our Harlequins Foundation.

We intend to expand the horizons of our involvement in our sport, working at the grassroots and elite level to grow women's rugby and to support the wider ambition of Sevens, which will feature in this year's Olympic Games in Rio.

On the global stage with our eight international affiliate clubs, and partnership with USA Rugby, Harlequins is uniquely placed to expand on its popularity and to help drive the global growth of the game. Our aim in the USA, to grow rugby in the world's biggest sports market, has already helped introduce and broaden the appeal of both the sport and Harlequins to new audiences.

The launch of the Harlequin FC Bond marks the next phase of growth of the Club as we continue to invest in our elite rugby, our Club and our global appeal, attracting and engaging with more supporters both at home and abroad. Our goal is to underpin our sporting successes with commercial success to lay the foundation for the next 150 years. I am delighted to invite you to be a part of the next exciting phase of Harlequins history by applying for the Harlequin FC Bond.

A handwritten signature in black ink, appearing to read 'David Ellis'.

David Ellis – Chief Executive, Harlequin FC



THE BOND AT A GLANCE

<p>5 YEAR — INITIAL — FIXED-TERM</p>	<p>5.5% <small>(GROSS)</small> INTEREST per annum payable semi-annually in arrear in cash</p>	<p>£2,000 Minimum investment per Application and thereafter in multiples of £1,000</p>	<p>TARGET OF £7.5 MILLION with the ability to issue up to £15 million to satisfy demand</p>	<p>OFFER OPEN UNTIL 13:00 ON 16 MAY 2016</p>
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Applicants must be at least 18 years old and resident in the UK, or be a Company, Charity or Trust resident in the UK for corporation tax and/or who are not prevented by laws applicable to them from applying for Harlequin FC Bonds.

TWO WEEK PRIORITY PERIOD*

Applications from the following eligible persons will be accepted in preference to others until 17:00 on Tuesday 3rd May 2016:

- Annual Ticket Purchasers
- Associate Members
- Box Holders
- Debenture Holders
- Executive Club Members
- Harlequins Employees
- Harlequins Members
- Matchday Ticket Purchasers
- Principal Partners, Sponsors and Official Suppliers

THE QUARTERS CLUB

All Applicants for Harlequin FC Bonds (whether or not their Application is successful), together with up to two persons nominated by each Applicant, will be eligible to join The Quarters Club. Members of The Quarters Club will have access to exclusive offers and be able to apply to take part in events with Harlequins. For example, members of The Quarters Club will have the opportunity to apply to purchase the chance to join the team for elements of their pre-season tours. Additional benefits include receiving exclusive opportunities, chances to win memorabilia and access to 150th anniversary events.

Please note that each of these invitations, opportunities and/or offers will be available on a first-come, first-served basis and are subject to availability and additional terms and conditions.

ISSUER**

- **Issuer:** Harlequin Finance Plc.
- **Guarantor:** The payment obligations of Harlequin Finance Plc in connection with the Harlequin FC Bonds (in respect of both principal and interest) have been guaranteed by Harlequin FC Holdings Limited.
- **Transferability:** Harlequin FC Bonds are not transferable and they cannot be traded.
- **Security:** Harlequin FC Bonds are unsecured debt of the Company.

*For further details of whether the priority period applies to you, please see page 46.

** Full details of the terms of the Harlequin FC Bond can be found on page 54 and throughout this Invitation Document.



INTRODUCING HARLEQUINS

A TRULY LOCAL AND GLOBAL RUGBY CLUB

Harlequins is one of the oldest and most famous rugby clubs in the world. Founded in 1866, the Club has, throughout its vibrant history, been a proud innovator in the developments of the game both nationally and globally.

We are one of the founder members of the RFU and we have provided 14 Presidents to the National Governing Body since its inception in 1871 as well as 24 England Captains and 157 England players.

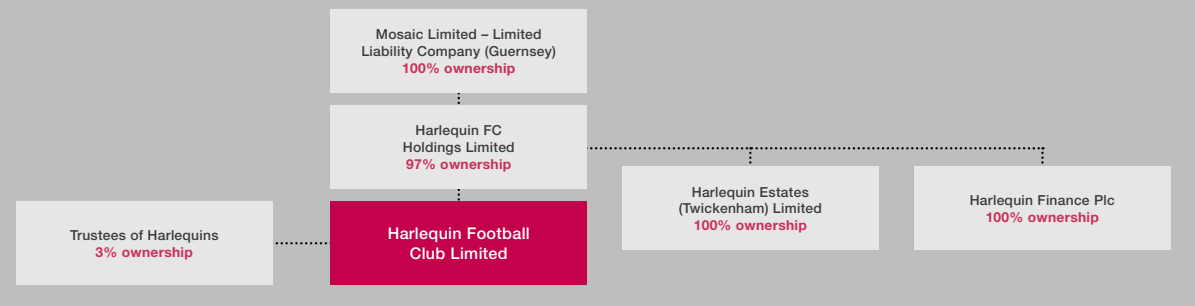
Since 1963 The Stoop in Twickenham, the heartland of rugby in this country, has been our home. As a Club we are famous as much for our quartered shirt, as for our expansive style of play, credited to Adrian Stoop our celebrated former Club President who was in this post from 1932-1933. We also have a strong London and regional presence, which is the basis for our development at both a grassroots and elite level; an approach of which we are very proud.

We have over 230 community clubs and schools within our catchment area, of which 113 are officially affiliated to us, with a wide pool of players across the South East region from whom to select for our successful Academy. On the national stage we have the most England Qualified Players (EQP) in the Aviva Premiership, with an average over the last four years of 19.8 players in the matchday squad of 23.



Group Structure

Our Group – Harlequin FC Holdings Limited has three subsidiaries: Harlequin Football Club Limited, which is the Rugby Club; Harlequins Estates (Twickenham) Limited, which owns The Stoop and Harlequin Finance Plc, which is issuing the Harlequin FC Bond.





Harlequins Community Players enjoying an adidas activation day at The Stoop during Rugby World Cup 2015

150 YEARS OF HERITAGE

1866-2016

1800s

Club is founded

1866

Club founded as Hampstead FC

1870

Club changes name to Harlequin FC

1871

Club becomes a Founder member of the RFU



1900 – 1950

National and global growth develops

1906

Harlequins Affiliate Clubs Programme launches with Pretoria Harlequins. The programme is extended in 1928 with a partnership with Melbourne Harlequins, in 1934 with Hobart Harlequins and again in 1938 with New Zealand Harlequins, Hamilton

1909

Plays first match at Twickenham Stadium against Richmond

1924

Defeats USA national team before they become Olympic champions

1926

Wins inaugural Middlesex Sevens Tournament at Twickenham Stadium and then defeats New Zealand Maori at Twickenham Stadium



1950 – 1994

Permanent home established at The Stoop

1952

Kenya Harlequins joins Affiliate Programme. Thirty one years later, in 1983, Dallas Harlequins joins the Harlequins family

1956

Club makes first overseas tour to Romania

1963

Plays first match at The Twickenham Stoop

1987

12 Harlequins past and present play in the inaugural Rugby World Cup. Four years later 20 Harlequins players represent their countries and eight compete in the Final at Twickenham Stadium

1988

Wins John Player Cup beating Bristol at Twickenham Stadium

1991

Wins Pilkington Cup beating Northampton at Twickenham Stadium



1995

Game turns professional

1995

20 Harlequins past and present play in the Rugby World Cup. Four years later 17 Harlequins are involved in the global tournament



2000 – 2010

Harlequins hall of fame established and on pitch success continues

2001

Wins European Shield beating Narbonne in the final at the Madejski Stadium

2002

AD Stoop, JCC Birkett, WW Wakefield, R Hiller and PJ Winterbottom inducted into the Harlequins Hall of Fame. Two years later D Lambert, R Bartlett, RWD Marques and B Moore are also inducted. In 2006 D Cooke, JC Gibbs and C Payne join them. Two years later G Murray and J Leonard inducted into the Harlequins Hall of Fame. In 2010 R Poulton-Palmer, E Kirton and W Carling join the illustrious list of names

2003

15 Harlequins players past and present play in the Rugby World Cup which England win. Harlequins has 16 players represented in the next tournament in France in 2007

2004

Wins Parker Pen Challenge Cup beating Montferrand in the final at the Madejski Stadium

Affiliate Programme extends to include Future Hope Harlequins in Kolkata and then in 2008 Abu Dhabi Harlequins joins the extended Harlequins family



2011 – Present

Harlequins establishes ambition to be the best club in Europe

2011

Wins Amlin European Challenge Cup beating Stade Français at Cardiff City Stadium. Forms the turning point for Harlequins as they embark on the next stage of their journey

Eight Harlequins past and present play in the Rugby World Cup. Four years later ten Harlequins are represented, including the England captain, Chris Robshaw

2012

Wins the Aviva Premiership beating Leicester Tigers in the Final at Twickenham Stadium

Wins the Aviva 'A' League beating Saracens in the Final at The Stoop

W Greenwood, B Lloyd and AB Cipriani inducted into the Harlequins Hall of Fame

Harlequins' Chris Robshaw named as England Captain

2013

Wins the LV= Cup beating Sale Sharks in the Final at Sixways Stadium

50th anniversary at The Stoop

2015

Defeats USA national team in Philadelphia

2016

Five Harlequins represent England in the Grand Slam Win

OUR GOALS

We aspire to be the best rugby team in Europe and the best sports club in the world. We aim to achieve this by continuing to deliver great results from our initiatives, while remaining true to our values and the heritage of the Club.

Our ambition drives us to invest significantly in our playing squad, rugby department and development pathways to attract and maintain the best possible professional rugby players. This goal keeps us focused on the long term sustainability and future success of the Club, maintaining our solid base from which to grow, whilst constantly innovating our supporter and commercial offerings to achieve our ambitions.





Chris Robshaw, surrounded by his teammates, lifts the Aviva Premiership Trophy in May 2012

THE JOURNEY OF PROFESSIONALISM

Harlequins has been one of the key players in English rugby since the advent of professionalism in 1995.

The growth of rugby and its popularity since has been impressive and over the last 21 years our journey from amateurism to the Club we are today has been an exciting and successful one.





Through continual investment and focus in our infrastructure and our rugby, we have won three major trophies during this period. Coupled with strong commercial growth and stability as well as a shift in ambition and a focus on the Harlequins brand we have worked hard to transform the commercial performance and appeal of the Club.

Chris Robshaw | Over 200 appearances for Harlequins

DEFINITIVE STYLE AND STRONG PLAYING BASE

- Famous for our style of attacking rugby that attracts and retains some of the greatest playing and coaching talent
- Harlequins Academy is one of the most successful in the Aviva Premiership, regularly providing players onto the international stage
- 17 of this season's First Team Squad are Harlequins Academy graduates including Chris Robshaw, Mike Brown, Joe Marler and Jack Clifford, all of whom have won caps for England



MIKE BROWN



CHRIS ROBshaw



JAMIE ROBERTS



DANNY CARE



JACK CLIFFORD

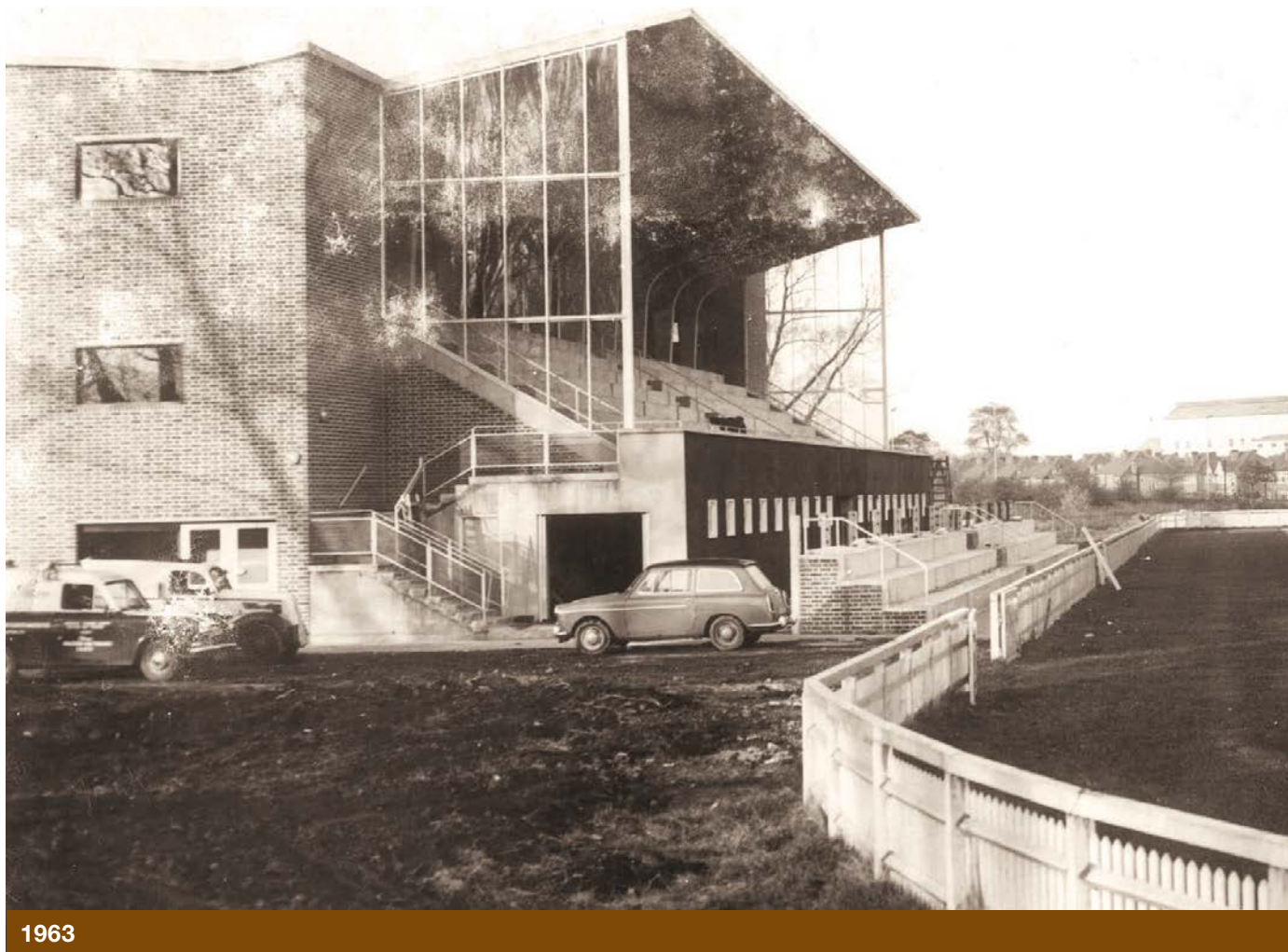


NICK EVANS



BUILDING A WORLD CLASS HOME

THE STOOP - OUR HOME SINCE 1963



- Fully owned 14,800 all-seated stadium on 12 acre site in Twickenham, South West London with a current market value of £32 million
- Average of 92% capacity at each home match with seven sell-outs for the 2014/15 season
- State of the art multi-million pound training facility for our Rugby Department based at Surrey Sports Park, University of Surrey





10%

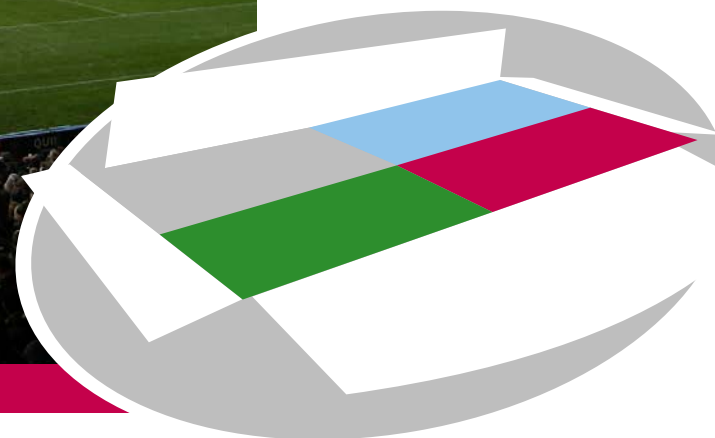
GROWTH IN THE AVERAGE CROWDS
ATTENDING HOME MATCHES SINCE 2010/11

40%

INCREASE IN TICKETING REVENUE
OVER FOUR SEASONS FROM 2010/11

32%

INCREASE IN REVENUE FROM MATCHDAY
FOOD AND BEVERAGE SINCE 2010/11



2016

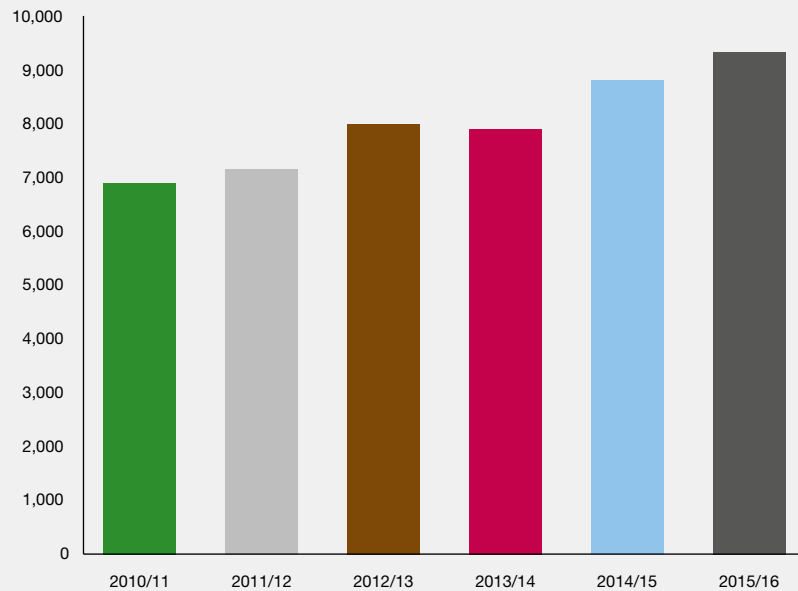
A GROWING, PASSIONATE AND LOYAL SUPPORTER BASE

- Over **340,000 supporters** on our database
- **285,000 supporters** watched us play during the domestic 2014/15 season
- A **Club record 9,170 Members** for the 2015/16 season



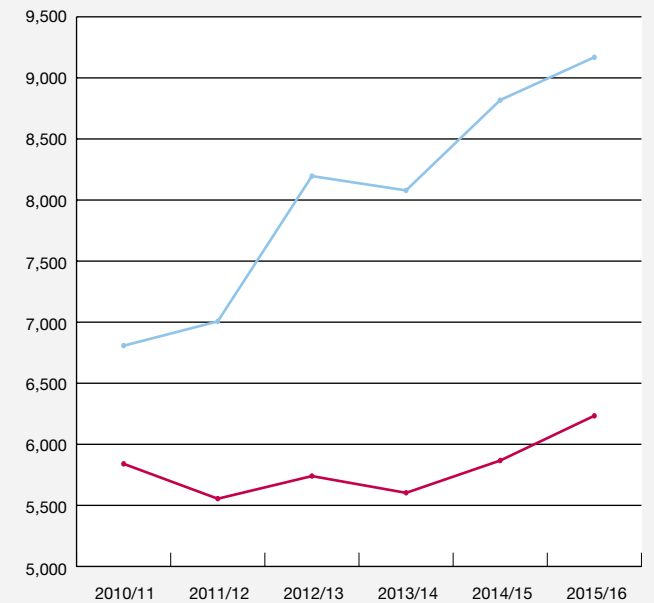
WIDENING THE APPEAL: RECORD LEVELS OF MEMBERSHIP

Membership has grown by 34% since 2011/12 versus an average of 6% across the Aviva Premiership



ANNUAL MEMBERSHIPS

• Harlequins
• Aviva Premiership Average



BIG GAME

CREATORS OF ONE OF THE WORLD'S BIGGEST CLUB GAME

- Harlequins has grown the profit of Big Game by over 280% since its inception in 2008.
- Achieved consistently high attendances at Big Game, with an average attendance of over 74,000.



INCREASE IN BIG GAME ATTENDANCE

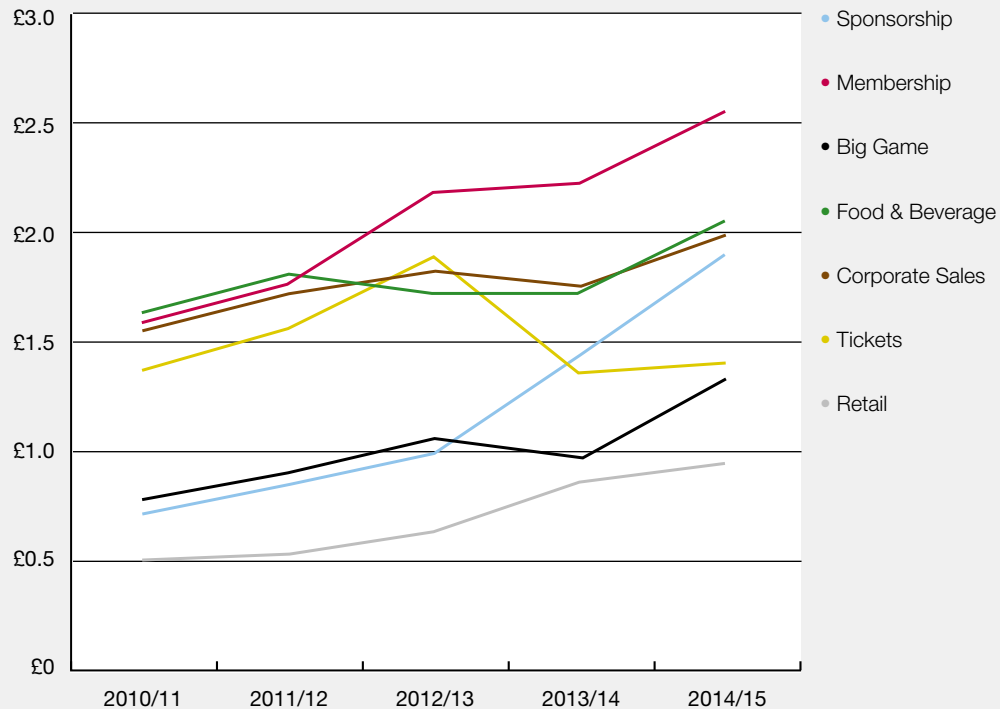
The below graph shows the growth in Big Game attendance over the last 8 years.



DRIVING COMMERCIAL GROWTH TO BUILD FOUNDATIONS FOR ANOTHER 150 YEARS

GROWTH ACROSS CORE REVENUE STREAMS SINCE 2010-2015 (£M)*

Actual growth: £5.6M (2010/15)



*Match day ticketing revenue has remained stable because there are now less seats available to sell on a match-by-match basis due to the increase in membership sales. The spike in 2012/13 revenue reflects our success in securing home games in the knock out stages of the European and LV= Cups.



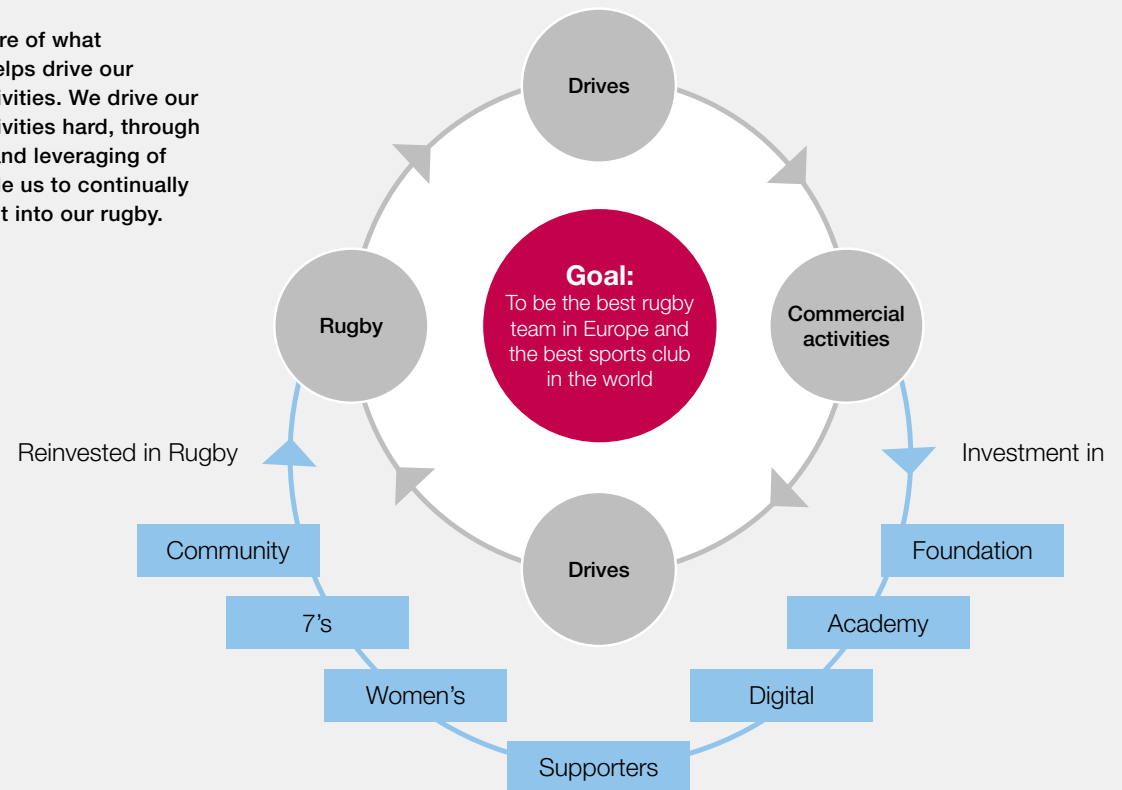
CONTINUAL INVESTMENT TO KEEP IMPROVING

Building on our strong commercial platform and continuing to invest in our infrastructure will help us secure a strong playing squad and department, grassroots and Harlequins Foundation programmes, which in turn is expected to drive the appeal, success and sustainability of the Club.



VIRTUOUS CYCLE

Rugby is the core of what we do, which helps drive our commercial activities. We drive our commercial activities hard, through diversification and leveraging of assets, to enable us to continually drive investment into our rugby.



ATTRACTING STRONG COMMERCIAL PARTNERS

We have an enviable suite of commercial partners who help contribute to the commercial fortunes of the Club. In addition to the existing sponsorship assets, investment in new assets is expected to provide further sponsorship opportunities.



LONGSTANDING, BLUE-CHIP SPONSORSHIP PARTNERS

PRINCIPAL PARTNERS



OFFICIAL PARTNERS



OFFICIAL SUPPLIERS



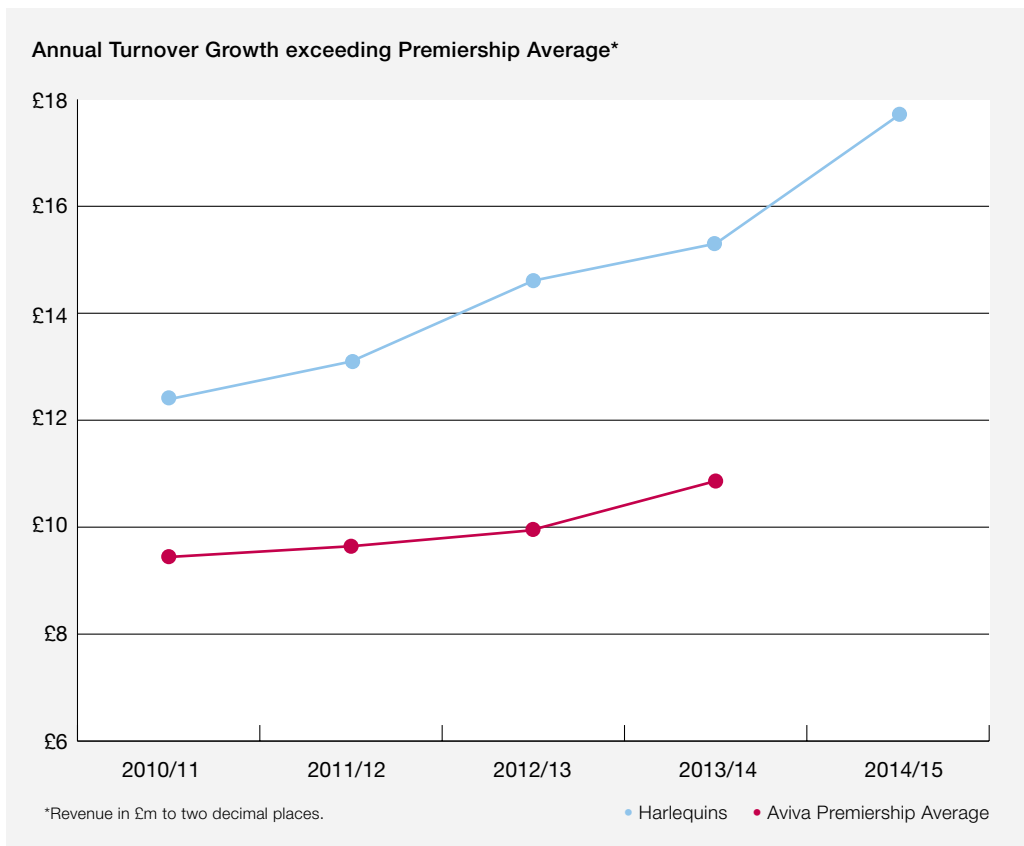
BUSINESS PARTNERS





OUTPERFORMING OUR PEERS

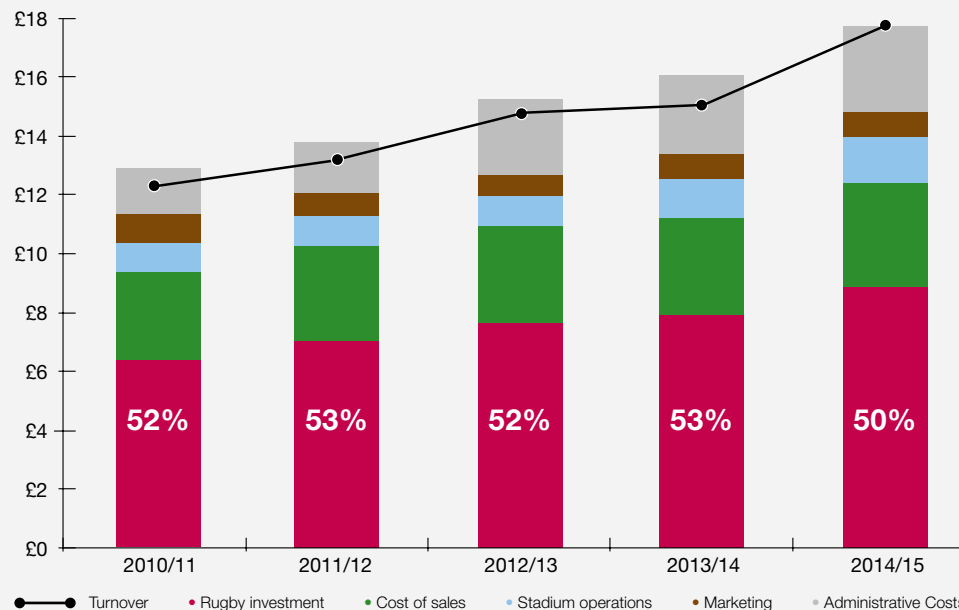
ANNUAL TURNOVER (£M)



COMMITTED TO INVESTING IN RUGBY – BREAKDOWN OF EXPENSES AS A PERCENTAGE OF ANNUAL TURNOVER (£M)

We aim to:

- Always invest up to the Salary Cap
- Invest in Infrastructure Support and the Harlequins Academy
- Grow the commercial side of the business to enable us to stay true to our philosophy



NB: Rugby investment relates to players/coaches/additional staff salary and support costs. Expenses are presented before depreciation and finance costs.

WIDE RANGING AND ENGAGED DIGITAL AUDIENCE

- The highest ranked rugby club and the fastest growing UK club in any sport on the Social Media Sports Index 2015*
- The most visited website in the Aviva Premiership**
- The second most followed Premiership club on social media
- 5.5 million impressions a month across Facebook and Twitter



*<http://www.sport.socialmediaindex.co.uk> ** <http://nibbler.silkride.com>

STRONG HERITAGE AND A RECOGNISABLE GLOBAL BRAND

We also have supporters and affiliations all over the world and 274 international players from 18 different countries have represented Harlequins

- Long, proud and strong affiliations with eight affiliate clubs across the globe, all of whom carry the Harlequins name
- Agreed a four year partnership with USA Rugby, to grow the game in America and build our presence in sport's biggest marketplace
- Globally recognised playing jersey, with globally recognised players



STRONG IN OUR COMMUNITIES – HEALTHY BODIES, HEALTHY MINDS

- Launch of The Harlequins Foundation in 2015 to give greater focus to our community and charitable projects aimed at augmenting the lives of young people
- Local community teams engage with thousands of children every year through a strong clubs and schools network, promoting the “Harlequins Way” and the values of our game
- Our women and girls programmes are spearheaded by our work with the RFU, and The Stoop is the home of England Women’s Rugby
- As trustees of the new Richmond upon Thames School we are sharing our expertise and resources to help benefit the young people of our Borough



RUGBY – GOING FROM STRENGTH TO STRENGTH

A GREAT TIME TO BE INVOLVED

With record rugby participation and viewing figures underpinning the new and growing central revenue contracts from BT Sport and the RFU, the Club believes that the professional game is in a strong position and the opportunities for rugby and those involved have never been greater.

- Rugby and interest in it is at a current high with momentum growing on the back of the 2015 Rugby World Cup
- The sport is developing internationally with new markets now offering rugby at both a grassroots and professional level
- USA: Harlequins is leading the way in the fastest growing sport in America
- Premiership Rugby Ltd (PRL): Growing revenues from RFU central funding and BT Sport, NBC and Aviva contracts
- RFU: The National Governing Body for the game in England supports the Aviva Premiership through a Heads of Terms agreement
- 6 Nations is now televised on multiple UK channels (BBC and ITV) and the expanding television markets means more viewers than ever
- Big Game: One of the largest club games in the world attracting on average over 74,000 attendees



THE NEXT CHAPTER

Using the funds to maximise the opportunities for growth and build for the future.

Rugby is our main focus at every stage. Our efforts are directed towards fielding the best team with the best coaches, aiming for the best results. As a business, we are focused on the commercial opportunities behind the team, and continue to invest in the Club so that we can continue to achieve our goals. This is an exciting time for the Club; our activities to date have resulted in the Club being at its most popular in our 150 year history with growing revenues.

We must seize the current opportunity and the funds raised will allow us to continue to invest in the Club and take advantage of the position we are in and to improve on our existing activities. The net proceeds raised by the issue of the Bond, drawn down by the Club as referred to on the coming pages, will be used for a number of initiatives with the aim of staying ahead in our market and ahead of our peers. The following initiatives are directed towards widening our brand, building new audiences at home and abroad, expanding the professional game, growing the business and remaining at the top tier of professional club rugby.





UNDERPINNING THE FUTURE

RUGBY – MAINTAINING OUR EDGE: RECRUITMENT, SUPPORT, MEDICAL AND INFRASTRUCTURE

- **Appeal:** We aim to continue to fulfil our promise of being world class on the pitch.
- **Our approach:** We intend to maintain our competitive edge, improve our playing facilities further and focus on continuous improvement to remain at the top of our game.
- **Anticipated results:** We will seek to retain and attract the best players in the world and win trophies, expanding our appeal in the process.

STADIUM DEVELOPMENT, ENHANCEMENT AND RE-PURPOSING

- **Appeal:** We have ambitions to be the best club rugby stadium in the world.
- **Our approach:** We plan to keep improving The Stoop, focusing on enhancing the experience for our supporters and expanding the space so more people can attend and enjoy Harlequins home matches. We also intend to diversify the space available to allow us to host different events throughout the year.
- **Anticipated results:** By improving our capacity and matchday experience we expect to attract more supporters and events to The Stoop, which will help increase our revenues and drive us forward.

CONTINUOUS IMPROVEMENT – TICKETING SYSTEMS, COMMERCIAL VENTURES, PUSH CURRENT REVENUES HARDER

- **Appeal:** We aim for operational excellence by focusing on having the right systems and processes in place designed to give the best customer experiences.
- **Our approach:** We seek to hire the right people, put in the right processes and have the right partners to help us realise our ambitions.

- **Anticipated results:** Improved performance of the business is expected to maximise opportunities to invest in and develop the Club over the long term.

ONLINE RETAIL AND DIGITAL

- **Appeal:** We need to develop our digital proposition to offer an improved experience to complement our matchdays for viewers, which will help us grow our online presence and appeal worldwide.
- **Our approach:** We aim to improve our online presence including our online retail offering to improve sales. We also intend to augment our matchday interaction activity to provide a stadium experience online for our global supporters.
- **Anticipated results:** We will enable more of our supporters to interact better with the Club over greater distances, which in turn will allow us to expand our supporter base.

COMMUNITY AND FOUNDATION (LONDON AND LOCAL)

- **Appeal:** We intend to continue to do the right thing in our community through our Harlequins Foundation, helping young people achieve their potential at every stage.
- **Our approach:** Through the “Harlequins Way”, focusing on healthy bodies, healthy minds, our objective is to be a leader in the local community through collaborative work in schools, clubs and joint ventures, delivering a strong corporate social responsibility programme by supporting our local pupils with access to our resources and mentoring programmes.
- **Anticipated results:** We seek to improve our communities' health prospects and cohesion, building a stronger community together.





James Horwill | Over 15 appearances for Harlequins

● EXPANDING INTO THE USA AND GROWING OUR INTERNATIONAL APPEAL

- **Appeal:** With two million people currently engaged in rugby, now is the time to capitalise on the strength of the game in one of sport's biggest marketplaces.
- **Our approach:** We have agreed a Memorandum Of Understanding with USA Rugby, which focuses on creating and delivering player pathways across men's and women's rugby in both 7s and 15s formats.
- **Anticipated results:** We will seek to expand our brand and develop a larger fan base, helped by activities such as preseason fixtures in the USA, which are expected to also drive better player identification and create new commercial ventures.

● GROWING THE APPEAL OF WOMEN'S RUGBY

- **Appeal:** With 20% of the rugby playing population being female, we expect the women's game to increase in popularity.
- **Our approach:** We plan to host more women's matches and work across more schools and leisure outlets to encourage more women and girls to participate in sport, building on our current relationships with the RFU, schools and clubs.
- **Anticipated results:** We expect to take a lead in creating more opportunities and pathways for girls and women to play sport and engage with Harlequins.

● 7S, TAG AND TOUCH

- **Appeal:** With 7s in the 2016 Rio Olympics this format of the game continues to attract new audiences annually.
- **Our approach:** As we diversify into the other variants of rugby we will look to develop a Harlequins 7s team to provide an offering for more people to participate, and Tag and Touch tournaments to sustain the appeal of the sport's new audiences.
- **Anticipated results:** A future Harlequins 7s team is expected to increase our reach, creating more supporters, new assets for sponsorship and therefore increased revenues and engage new people in our great game.

● INITIAL USE OF FUNDS

Our owners have invested in, and supported Harlequins for over 20 years, which has enabled Harlequins to develop and grow into the Club we are today.

The Harlequin FC Bond will provide funds to enable the Group to pursue the opportunities outlined above and to continue the growth and development of the Club. As we develop these plans for investment and for efficient cash management the net proceeds of the issue of the Harlequin FC Bond will initially be paid to our parent company, Mosaic, in repayment of part of their shareholder loans under existing secured loan facility arrangements with Harlequin FC Holdings Limited.

Our parent company, Mosaic, are determined to continue to invest in the Club for the long-term as we embark on our next phase of growth and so, Mosaic has contractually agreed to advance the net proceeds of the Bond back to the Club under that existing secured facility to finance operating expenditure, business development initiatives and the investment projects set out in this Invitation Document, as required, during the life of the Harlequin FC Bond.

MEET THE HARLEQUIN FC BOARD

DAVID MORGAN

Chairman



David Morgan has over thirty-five years' experience in international banking, building his career at Standard Chartered Bank. Since leaving banking, he has been involved in a wide range of business advisory and non-executive roles.

David joined the Harlequins Board in 2010 as a non-executive director and Chairman of the Finance Committee. After a brief spell as Interim Chief Executive of the Club, David was appointed Chairman in 2011.

DAVID ELLIS

Chief Executive



David Ellis was appointed as Chief Executive of Harlequins in August 2011 and has overseen one of the most successful periods in the Club's recent history, both on and off the pitch.

Prior to joining the Club, the Durham University graduate worked as Director of Business Development at a major UK social housing group and spent 13 years in commercial roles in technology businesses in both the UK and in the United States.

PAUL BREWER

Non-Executive Director



Paul Brewer is the Chief Executive Officer and Chief Investment Officer of Rubicon Fund Management LLP. Paul gained fifteen years' experience in investment banking with Salomon Brothers, Credit Suisse, First Boston and Bank of America before co-founding the fund management business some sixteen years ago.

A former Harlequins player, he joined the Board of Trustees in 2011 representing Harlequins' founder members.

SEAN FITZPATRICK

Non-Executive Director



1987 World Cup winning hooker and former New Zealand captain Sean Fitzpatrick is a co-Founder and Director of Front Row Leadership, which offers consultation, leadership and motivational advice to senior global management at companies such as Microsoft and Coca-Cola.

Following his successful rugby career, Sean is still very much involved in the game. He is currently an author and journalist to various international publications, as well as a pundit on Sky Sports and ITV.

ANDY MULLINS

Non-Executive Director



Former Harlequins prop forward Andy Mullins has been on the Harlequins Board of Directors since 2011.

As a graduate from Durham University, he worked for 16 years in international and investment banking. Andy now manages his own portfolio of investments. Joining Harlequins in 1987 he was a member of the First Team for 11 seasons and during this time, he played in four Cup Finals and represented both England and the Barbarians.

SANDRA POPE

Non-Executive Director



Sandra Pope is a Director at ICM Investment Research Limited and ICM Investment Management Limited, and has over twenty five years of experience in corporate finance.

Prior to this, Sandra worked in corporate finance at Deloitte Haskins & Sells, Hill Samuel Bank and Close Brothers.

Sandra is a qualified chartered accountant and holds the Securities & Investment Institute Certificate of Corporate Finance. Sandra has been a Member of the Harlequins Board since 2010.

TREVOR SAVING

Non-Executive Director



Trevor Saving, Chief Operations and People Officer at Arsenal Football Club, has been a member of the Board since 2013.

During his seven years to date with Arsenal, Trevor has held responsibility for Stadium and Facility management, Academy Operations, the Ladies Professional Team, Ticketing, Technology, HR and Events. He is currently leading multi-million pound developments of the First Team and Academy training grounds.

Prior to joining Arsenal, Trevor gained twenty five years' experience in senior international HR and Operational roles in leading US companies.

NICK BUTTERWORTH

Finance Director & Company Secretary



Nick is responsible for all aspects of the Club's financial planning, strategy, reporting and control, while contributing to the Board sub-committees across Finance, Operations and Commercial Growth.

Nick joined Harlequins in 2014 from Barclays Investment Bank, where he worked in the Product Control division.

Previously he qualified as a Chartered Accountant at BDO LLP in 2008, where he gained five years of audit and advisory experience in the real estate and retail sectors.

CONOR O'SHEA

Director of Rugby



Joining Harlequins in 2010, Conor O'Shea has overseen the Club's most successful period in its history. As a player, Conor joined London Irish in 1995 and was awarded 35 caps for Ireland.

After his playing career ended he remained with the Exiles as Director of Rugby and Chief Executive. He then joined the Rugby Football Union as Director of Regional Academies and in 2008 became National Director of the English Institute of Sport.

Conor will leave the Club at the end of the current season. Work is already underway to find a suitable replacement who will continue Conor's legacy in culture and performance and build on the platform he has created to ensure further success is achieved with our group of players and support staff.

FINANCIAL INFORMATION

The trading performance of the Group over the last three full financial years is summarised below.

Our commitment to spend to the ceiling of the Aviva Premiership Salary Cap demands that the Club continues to develop its commercial revenue streams to support our investment activity on the field. In 2015 turnover increased by 18% to £17.9m, which was underpinned by growth in:

- Ticket income (up 14%), bolstered by a 34% rise in revenues from Big Game 7 at Twickenham Stadium
- Sponsorship income (up 30%) headlined by the continued support of the Club's family of Principal Partners DHL, IG and adidas
- Corporate hospitality income (up 11%) which achieved 96% utilisation across the 2014/15 season
- Central funding from RFU and Premiership Rugby agreements (up 29%)

Operating losses were reduced from approximately £2.3m to £1.3m (unaudited) in the year ended June 2015, which was achieved despite ongoing investment into the Club's people and resources.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEARS ENDED 30 JUNE	2015 PRO-FORMA (£)*	2014 AUDITED (£)	2013 AUDITED (£)
Turnover	17,858,427	15,087,391	14,715,666
Cost of sales	(15,951,252)	(14,338,675)	(13,998,746)
Gross profit	1,907,175	748,716	716,920
Administration expenses	(1,785,397)	(1,911,501)	(1,478,575)
Other operating income	3,297	3,297	3,297
EBITDA	125,075	(1,159,488)	(758,358)
Depreciation	(1,348,313)	(1,109,407)	(956,285)
Amortisation	(57,279)	-	-
Operating Loss	(1,280,517)	(2,268,895)	(1,714,643)
Other interest receivable and similar income	2,503	1,960	4,694
Interest payable	(268,970)	(247,790)	(270,565)
Other finance income	28,305	-	-
Loss on ordinary activities before taxation	(1,518,679)	(2,514,725)	(1,980,514)
Tax on loss on ordinary activities	-	-	-
Loss on ordinary activities after taxation	(1,518,679)	(2,514,725)	(1,980,514)

*See notes to the financial information on page 42.

BALANCE SHEETS AS AT 30 JUNE	2015 PRO-FORMA (£)*	2014 AUDITED (£)	2013 AUDITED (£)
FIXED ASSETS			
Goodwill	515,516	-	-
Tangible assets	33,705,129	34,135,342	27,655,576
Investments	4,046,234	4,046,234	4,046,234
Total	38,266,879	38,181,576	31,701,810
CURRENT ASSETS			
Stocks	165,817	175,842	89,737
Debtors	3,422,293	2,340,685	1,343,361
Cash at bank and in hand	1,924,995	2,774,006	2,436,609
Total	5,513,105	5,290,533	3,869,707
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade creditors	(1,270,156)	(949,548)	(725,241)
Other creditors	(3,201,972)	(3,653,610)	(3,717,764)
Deferred income	(5,237,236)	(4,663,690)	(3,126,141)
Total	(9,709,364)	(9,266,848)	(7,569,146)
NET CURRENT LIABILITIES			
Total	(4,196,259)	(3,976,315)	(3,699,439)
TOTAL ASSETS LESS CURRENT LIABILITIES			
Total	34,070,620	34,205,261	28,002,371
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Bank loans	(3,724,514)	(3,754,132)	(3,403,224)
Other long-term creditors	(922,068)	(1,190,495)	(1,458,680)
Deferred income	(1,327,305)	(643,251)	(798,589)
Total	(5,973,887)	(5,587,878)	(5,660,493)
NET ASSETS BEFORE SHAREHOLDER LOANS			
Total	28,096,733	28,617,383	22,341,878
SHAREHOLDER'S LOANS			
Total	22,242,907	21,817,907	19,159,907
NET ASSETS			
Total	5,853,826	6,799,476	3,181,971

FINANCIAL INFORMATION

BALANCE SHEETS AS AT 30 JUNE	2015 PRO-FORMA (£)*	2014 AUDITED (£)	2013 AUDITED (£)
CAPITAL AND RESERVES			
Called up share capital	7,100,100	499,722	499,721
Share premium account	-	9,349,076	9,349,076
Revaluation reserve	-	25,745,414	19,613,185
Profit and loss reserve	(1,518,679)	(28,794,736)	(26,280,011)
CAPITAL AND RESERVES			
Total	5,581,421	6,799,476	3,181,971
MINORITY INTERESTS			
Total	272,405	-	-
Total	5,853,826	6,799,476	3,181,971

NOTES TO THE FINANCIAL INFORMATION

- The financial information for the financial years ended 30 June 2013 and 2014 has been extracted without material adjustment from the audited financial statements of Blue Sky Leisure Limited.
- Following a group restructuring on 30 September 2014, Harlequin FC Holdings Limited became the parent of the companies previously held in the Blue Sky Leisure Limited group.
- The profit and loss account for the financial year ended 30 June 2015 is presented on a pro-forma basis to reflect the 3 month period of Blue Sky Leisure Limited prior to the group restructuring on 30 September 2014 and the subsequent nine month period of Harlequin FC Holdings Limited to 30 June 2015.
- The balance sheet as at 30 June 2015 is presented on a pro-forma basis to reflect the group restructuring as if it had taken place on 1 July 2014 and a post balance sheet adjustment. The balance sheet of Harlequin FC Holdings Limited as at 30 June 2015, as contained in its audited financial statements for the period then ended, has been adjusted to reflect (i) the goodwill which would have arisen had the group restructuring taken place on 1 July 2014 rather than 30 September 2014 (and the consequent reduction in the profit and loss reserve); and (ii) the conversion by Mosaic Limited on 3 March 2016 of £7.1 million of inter-company debt due from Harlequin FC Holdings Limited into ordinary shares had it occurred prior to 30 June 2015.
- Kingston Smith LLP were engaged as auditors by Blue Sky Leisure Limited for the financial years ended 30 June 2013 and 2014 and by Harlequin FC Holdings Limited for the period ended 30 June 2015. Kingston Smith LLP's audit opinions on the accounts for those periods were unmodified and contained an emphasis of matter disclosing the group's reliance on the continued support of its principal shareholder, Mosaic Limited, in order to continue as a going concern.
- Minority interests represent the share of net assets and liabilities in the subsidiary Harlequin Football Club Limited, which are owned by the Trustees of Harlequins.



THE HARLEQUIN FC BOND

The Harlequin FC Bond is intended to be a simple investment under which Bondholders lend the Company money until repaid in return for a fixed rate of interest paid in cash every six months. On maturity of the Harlequin FC Bond, the full amount of your investment will be repaid with no deductions or charges and with accrued interest.

The Harlequin FC Bond has an initial fixed-term of five years from the date of issue, subject to our right to repay all or part of the Harlequin FC Bond early at any time after the first anniversary of the issue of the Bonds. The Harlequin FC Bond will pay interest in cash at a rate of 5.5% (gross) per annum semi annually in arrear until redeemed or repaid. However long you choose to hold your Harlequin FC Bond, the interest rate will remain the same. In order to redeem your Harlequin FC Bond, you will need to give us six months' notice before the end of the initial five-year period, or any subsequent anniversary.

The Harlequin FC Bond will be issued by Harlequin Finance Plc, which is a wholly owned subsidiary of Harlequin FC Holdings Limited, which has provided a guarantee on an unsecured basis to meet the payment obligations of Harlequin Finance Plc in respect of the payment of principal and interest under the Harlequin FC Bond.

If possible, and practical to do so, the Company may in the future contact you to enquire as to whether you would wish to donate some or all of the Interest due to you under your Harlequin FC Bond to the Harlequin Foundation.

WHO CAN APPLY?

UK resident individuals who are at least 18 years old when making their Application and also companies, charities and trusts resident in the UK for corporation tax and/or who are not prevented by laws applicable to them from applying, can apply for the Harlequin FC Bond.

Should individual investors wish to consider placing an investment in Harlequin FC Bonds into a SIPP, Applicants will need to seek advice as to whether the specific terms of the SIPP arrangements permit this type of investment. If so, it is likely that the Applicant's SIPP provider will need to apply for the Harlequin FC Bonds directly. Harlequin FC Bonds are not currently suitable for individual Savings Accounts (ISAs).

WITHHOLDINGS AND DEDUCTIONS

All payments of interest made to a Bondholder in relation to its investment in the Harlequin FC Bond will be made subject to the prevailing withholding tax at the basic rate (the "Basic Rate") (currently 20%) imposed in the UK by HM Revenue & Customs ("HMRC") but otherwise free and clear of, and without withholding or deduction for, any other taxes, duties, assessments or governmental charges of whatsoever nature unless such withholding or deduction is required by law. In that event, the Company shall make such further withholding or deduction. For the avoidance of doubt, in such circumstances, the Company shall not be required to increase or gross-up any payment of principal or interest made to a Bondholder.



TAXATION

HMRC currently requires the Company to apply a withholding tax at the Basic Rate of income tax (currently 20%) on all payments of interest made to any Bondholder who is an individual in respect of their investment in the Harlequin FC Bond. Where applicable, the Company will arrange for applicable Basic Rate tax due on such payments of interest to be deducted from each element of the interest payment made to each Bondholder and shall pay such amount to HMRC in cash on each Bondholder's behalf.

Therefore, a Bondholder who is an individual and who is subject to UK income tax at the Basic Rate should not be liable for additional income tax in respect of the Harlequin FC Bond. A Bondholder who is not normally subject to tax in the UK may be entitled to claim repayment of the tax withheld at the Basic Rate by the Company directly from HMRC.

As an example, an Applicant who invests £5,000 and is liable to have Basic Rate tax deducted at source should expect to receive the following return:

	GROSS	TAX WITHHELD	NET RECEIVED
Cash Interest (per annum) 5.5%	£275	£55	£220
GRAND TOTAL (at end of five years)	£1,375	£275	£1,100

The Company will provide the recipient of the interest payment with the ability to view and download a statement in writing shortly after the date each semi-annual payment is made confirming the gross interest, tax deducted and net amounts.

All Applicants who are or may be liable to tax, especially higher rate taxpayers in the UK or Applicants who may be required to pay tax in non-UK jurisdictions, should consult their independent financial advisors as further tax may be payable in some cases. Please refer to the "Taxation" appendix for further information.

APPLICATIONS AND THE PRIORITY PERIOD

APPLICATIONS WILL BE ACCEPTED ON THE FOLLOWING BASIS/ORDER:

- (1) during the Priority Period (being the period from the opening for the Harlequin FC Bond until 17:00 on Tuesday 3rd May 2016), first from Bond Priority Period Persons (as defined in the glossary and definitions section of this Invitation Document) on a first come, first served basis;
- (2) during the Priority Period, second, from Applicants who are not Bond Priority Period Persons on a first-come, first-served basis; and
- (3) after the Priority Period, from all Applicants (whether Bond Priority Period Persons or not) (subject to availability, on a first-come, first-served basis).

The Company reserves the absolute discretion as to whether to accept your Application for the Harlequin FC Bonds in whole or in part (in multiples of £1,000 subject to a minimum investment of £2,000).

All Applicants, whether successful or not, will be notified as to the number of Harlequin FC Bonds (if any) they have been allocated. If unsuccessful in whole or in part, then the Company will return the balance of the amount paid by you in respect of the Harlequin FC Bonds which were not issued to you within 21 working days of the Long Stop Date without interest and at your risk.



HOW TO APPLY

ONLINE

Simply access the online Application via the Harlequin FC Bonds website at **www.harlequinsbond.com**, and follow the on-screen instructions to complete your Application along with your debit card payment or bank transfer. Should you pay by bank transfer, please remember to include your Application reference number in order to avoid any delay in assigning your funds to your Application.

BY POST

Please follow the same steps as above for online Applications but instead, choose to download the Application Form at the end of the process. The Application Form will be downloadable in PDF format only to avoid amendments. Please print, sign and return the completed Application Form with a cheque in respect of the full amount of the Harlequin FC Bonds that you are applying for made payable to “Neville Registrars Limited re: Clients Account” and crossed “Account Payee only” to Freepost Neville Registrars. Please note that, if using the Freepost address (Freepost Neville Registrars), this bears the same priority as second class post.

If you wish to take advantage of the Priority Period for Applications, your completed Application and payment in respect thereof must be received by no later than 17:00 on Tuesday 3rd May 2016.

The closing date (i.e. the Long Stop Date) for the receipt of all Applications (online and by post) is 13:00 on Monday 16th May 2016.

ALL PAYMENTS, ONLINE OR BY CHEQUE, WILL BE PAID OR PRESENTED UPON RECEIPT.

Should you have any issues in applying using the above methods, please contact the Receiving Agent, Neville Registrars, on 0121 585 1131, between 09:00 and 17:00 Monday to Friday. For legal reasons, Neville Registrars Limited will only be able to provide information contained in this Invitation Document and will be unable to advise on the merits of the Invitation Document or as to whether you should make an Application or to provide any financial, legal, tax or investment advice.

ADDITIONAL INFORMATION

All payments must be in pounds sterling. Cheques must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlements member of the Cheque or Credit Clearing Company or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through facilities provided by any of those companies or committees. Banker's drafts and building society cheques will not be accepted, unless the bank or building society include a reference to the account holder from which funds have been drawn.

RISK FACTORS

In addition to the relevant information in this Invitation Document, your attention is drawn to the following specific factors which should be considered carefully in evaluating whether to make an investment in the Harlequin FC Bond. If you are in doubt about the contents of this document or the action you should take, you are strongly recommended to consult a financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investment in unlisted debt, shares or other securities.

The Harlequin FC Bond may not be a suitable investment for all recipients of this Invitation Document or the Instrument. Each potential Applicant must determine the suitability of that investment in light of their own circumstances. In particular, the capital value of the Harlequin FC Bond will not appreciate.

The Board believe the following risks to be the most significant for potential investors. The risks listed do not necessarily comprise all those associated with an investment in Harlequin FC Bond and are not intended to be presented in any order of priority.

The Company believes that the factors described below may affect its ability to fulfil its obligations under the Harlequin FC Bonds and represent the principal risks inherent in investing in Harlequin FC Bonds, but the Company or Harlequin FC Holdings Limited, as Guarantor, may be unable to pay interest or principal on or in connection with the Harlequin FC Bonds for other reasons and the Company does not represent that the statements below regarding the risks of holding the Harlequin FC Bonds are exhaustive. All of these factors are subject to uncertainty. Prospective holders of the Harlequin FC Bonds should also read the detailed information set out elsewhere in this Invitation Document and reach their own views prior to making any investment decision.

The performance of the Company, and that of the Group, may be affected by changes in legal, regulatory and tax requirements in the United Kingdom (or elsewhere for Applicants who may be required to pay tax in other jurisdictions) as well as the overall global financial and economic conditions.

RISKS SPECIFIC TO THE HARLEQUIN FC BOND

Non-transferable

Harlequin FC Bonds are not transferable or negotiable on the capital markets and no application is to be made for Harlequin FC Bonds to be admitted to listing or to trading on any market.

Illiquid investment

Investment in an unquoted security of this nature, being an illiquid investment, is speculative, involving a degree of risk. It will not be possible to sell or realise Harlequin FC Bonds or to obtain reliable information about the risks to which they are exposed.

No certainty of repayment

The Harlequin FC Bonds rank behind secured creditors. The Harlequin FC Bonds are an unsecured debt of the Company and rank behind charges in favour of the Company's principal lenders AIB Group (UK) Plc, and Mosaic. If the Company or Harlequin FC Holdings were to become insolvent, the assets (including the proceeds of the issue of the Harlequin FC Bond) would be used to repay the amounts owed to senior lenders and to Mosaic in priority to Bondholders, and there is a risk that (a) some or all of the nominal amount of the Harlequin FC Bonds will not be redeemed, and (b) some or all of the interest due on the Harlequin FC Bonds will not be paid.

Not protected by the Financial Services Compensation Scheme

Harlequin FC Bonds are not protected from loss by the Financial Services Compensation Scheme.

RISKS SPECIFIC TO THE COMPANY, THE CLUB AND THE GROUP

The Company and members of the Group place reliance on financial support from Mosaic Limited

The Company and the Guarantor are respectively indirect and direct subsidiaries of Mosaic. The Guarantor and other companies within the Group place reliance on financial support from Mosaic in order to continue as a going concern. This support is provided by way of secured loans from Mosaic to the Group. In the event that Mosaic ceases, or is otherwise unable, to provide such financial support to members of the Group, this will have an adverse impact on the ability of the Company, or the Guarantor, to pay the interest or principal under the Harlequin FC Bonds. In addition, Mosaic has contractually agreed to advance the net proceeds of the issue of the Bonds back to the Club and/or the Group to finance operating expenditure, business development initiatives and the investment projects set out in this Invitation Document, as required, during the life of the Harlequin FC Bond.

A failure by the Club to comply with rules could result in it not being eligible to play in key competitions

The Group's involvement in the Aviva Premiership is regulated by the Premiership Regulations. A failure to comply with these rules could result in the First Team being prevented from playing in the domestic and European competitions on which the Group relies for its income.

Future regulation change could affect the Group

No assurance can be given as to the impact of any possible change to the Premiership Regulations, the RFU Regulations, the regulations relating to European competitions and the World Rugby regulations. These regulations could cover areas such as: the format of competitions, the eligibility of players, and the division of broadcasting income. Any change in any of these areas could adversely affect the financial performance of the Group.

Negotiation of certain key contracts is outside the control of the Group

Broadcasting and certain other revenues are derived from contracts to which the Group is not always a party and, as such, may not have any direct influence on the outcome of negotiations to such contracts. Consequently, future broadcasting and other contract negotiations may not be concluded in the way that would maximise revenue to the Group.

Although agreement has been reached for the sale of broadcasting rights until the end of the 2020-2021 season in respect of the domestic rights and until the end of the 2017-2018 European Competitions' season, there can be no assurance that subsequent arrangements adopted during the term of the Bonds will maintain the current level of broadcasting income for the Group.

There could be a downturn in the rugby industry as a whole

There can be no assurance that rugby will retain its popularity as a sport, together with the associated levels of media coverage. If any such fall in popularity does occur, the financial position of the Group (along with other rugby clubs) may be adversely affected. This adverse effect may be the result of a reduction in the level of ticket sales, lower broadcasting revenue, reduced sponsorship income or a combination of one or more of these.

It may not be possible to replace key commercial agreements on similar terms, or at all

A significant part of the Group's revenue arises under commercial agreements negotiated and entered into with third parties. In accordance with market practice, these contracts have a fixed term which may expire before the final scheduled payment date of the Harlequin FC Bond. When these contracts do expire, there can be no assurance that the Group will be able to replace them with contracts on similar terms or at all. Additionally, certain material sponsorship agreements permit the sponsor to either terminate or renegotiate the sponsorship agreement in the event that the First Team are relegated from the Premiership.

RISK FACTORS

CONTINUED...

Failure to maintain and enhance its brand could have a material adverse effect on the business, financial condition and results of operations of the Group

The success of the Group is dependent on the strength of the Harlequins brand. The Group believes it has a long-established, trusted and widely recognised brand and reputation and that this represents a competitive advantage in the development of the Group's business activities. If the Group is unable to maintain and enhance the strength of the Harlequins brand, then its ability to retain and expand its customer base and its attractiveness to existing and potential partners may be impaired, and its business, financial condition and results of operations will be adversely affected.

The Group is heavily dependent upon the First Team

The Group's income is heavily dependent upon the performance and popularity of the First Team. A general decline in the performance of the First Team could cause future revenues to be lower than expected. Significant sources of revenue are derived from strong performances in the Premiership, the Champions Cup or the Challenge Cup and the level of income will vary dependent upon the First Team's participation and performance in these competitions. A proportion of the income of the Group is dependent on the First Team remaining in the Premiership and it is likely that the income of the Group (particularly the Group's revenue from the sale of broadcasting rights and tickets) would be significantly reduced if the First Team were relegated from (or otherwise ceased to play in) the Premiership.

With the exception of the 2005-2006 season, the First Team has played in the top division in England since rugby union became professional in 1995. However, there is no guarantee that the First Team will not be relegated from the Premiership at some time in the future prior to the final scheduled maturity date of the Harlequin FC Bond.

There could be an increase in the relative size of wage bills

It is important that the Group is able to employ the highest quality playing and coaching staff. As a result, the Group is obliged to pay wages in line with the Club's main competitors in the UK. If there is a sharp upturn in the level of wages being paid to top players in general, for example as a result of an increase in the existing Salary Cap applicable to the Premiership, the Club is likely to choose to follow this trend to avoid the risk of losing key members of the playing and coaching staff. Any increase in the wage bill may adversely affect the Group's financial position.

Serious injuries to playing staff would have an adverse effect on the Group that may not be adequately compensated for by insurance payments

Injuries to members of the playing staff, particularly if career ending, could have a detrimental effect on the Group. In general, the Group does not insure its players for either temporary total disablement ("TTD") or permanent total disablement ("PTD") as the cost of such insurance is prohibitive. Premier Rugby Limited (the central "umbrella" organisation in which each Premiership and certain former Premiership clubs have a shareholding) the RFU and the Rugby Players' Association (the body that represents professional rugby players in England) fund a joint professional players' insurance scheme, this provides a payment to a club if a member of England's elite player squad ("EPS") suffers a PTD. However injuries suffered by any of the players of the Group whilst representing England might impact upon the First Team's performance and the insurance arrangements may not be sufficient to mitigate all financial loss.

Tax treatment of The Quarters Club opportunities

The Company has taken advice as to the implications of making The Quarters Club opportunities available to Applicants and (whether or not successful) for the Harlequin FC Bonds two nominees of their choosing and have been advised that the availability of such opportunities should not constitute payments of interest for tax purposes. There is a risk, however, that HMRC could form a different interpretation and treat the availability of The Quarters Club opportunities as interest and apply tax charges accordingly.

Economic and Political Conditions

The Group is exposed to any economic downturn which could affect consumer trends in the UK. The Company is subject to changes in inflation and interest rates and other economic factors affecting its business and over which it has no control. The Group, like any trading business, is susceptible to the general economic climate and spending patterns of its customers or fans.

Business Interruption

A major incident, such as a terrorist attack or pandemic outbreak of illness, or an event which impacts upon the Group's mainframe systems, key central support functions or information technology systems could affect the Group's ability to trade and have an adverse impact on the Group's financial performance.

Interest Rate Risks

The Harlequin FC Bonds are five-year initial fixed-term loan obligations with a fixed interest rate. There is a risk that Bondholders will not benefit from any subsequent increases in market interest rates (should such market interest rates increase during the term of the Harlequin FC Bond).

Reliance on Key Personnel

The Group is, to a certain extent, dependent on the contribution of certain key personnel in the organisation. If any of them were no longer involved with the Group in the future, this may have a material negative impact upon the Group's financial performance.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all of the risks and significant considerations involved in investing in the Harlequin FC Bonds. Accordingly, and as noted above, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business and prospects. In particular, each potential Applicant should:

- (a) either alone, or with the assistance of a financial adviser, have sufficient knowledge and experience to make a meaningful evaluation of the Harlequin FC Bonds, the merits and risk of investing in the Harlequin FC Bonds and the information contained in this Invitation Document;
- (b) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Harlequin FC Bonds;
- (c) either alone or with the assistance of a financial adviser understand thoroughly the terms of the Harlequin FC Bonds; and
- (d) be able to evaluate, either alone or with the assistance of a financial adviser, potential scenarios, including changes in economic conditions, interest rates and other factors that may affect their investment and ability to bear the applicable risks.

Potential Applicants should also take their own tax advice as to the consequences of owning Harlequin FC Bonds in the Company as well as receiving funds from them. No representation or warranty, express or implied, is given to Bondholders as to the tax consequences of their acquiring, owning or disposing of any Harlequin FC Bonds in the Company and none of the Company, the Board, or the Directors will be responsible for any tax consequences for any such investor.

QUESTIONS AND ANSWERS

HOW MANY HARLEQUIN FC BONDS CAN I APPLY FOR?

The minimum amount of Harlequin FC Bonds for which you can apply is £2,000. You can apply for as many Harlequin FC Bonds as you wish, in increments of £1,000.

HOW MUCH IS BEING RAISED?

The Company is aiming to raise up to £7.5 million by the issue of the Harlequin FC Bond. The Company may, in order to satisfy demand, issue up to £15 million of Harlequin FC Bonds in total.

WHO CAN INVEST IN THE HARLEQUIN FC BOND?

Should individual investors wish to consider placing an investment in Harlequin FC Bonds into a SIPP, Applicants will need to seek advice as to whether the specific terms of the SIPP arrangements permit this type of investment. If so, it is likely that the Applicant's SIPP provider will need to apply for the Harlequin FC Bonds directly. Harlequin FC Bonds are not currently suitable for individual Savings Accounts (ISAs).

IS THE HARLEQUIN FC BOND SUITABLE FOR SIPPS?

Should individual investors wish to consider placing an investment in Harlequin FC Bonds into a SIPP, Applicants will need to seek advice as to whether the specific terms of the SIPP arrangements permit this type of investment. If so, it is likely that the Applicant's SIPP provider will need to apply for the Harlequin FC Bonds directly. Harlequin FC Bonds are not currently suitable for Individual Savings Accounts (ISAs).

CAN I PAY BY INSTALMENTS OR TOP UP ON MY HOLDING OF HARLEQUIN FC BONDS?

No, unfortunately you will not be able to pay for your Harlequin FC Bonds in instalments, nor can they be topped up. All paper Application Forms must be accompanied by a cheque and all online Applications accompanied by an online payment or bank transfer for the full amount of Harlequin FC Bonds applied for. We are unable to accept Applications that are not accompanied by payment for the full amount of Harlequin FC Bonds applied for.

CAN I CHANGE MY MIND?

Yes, provided you do so within 14 days of your completed Application Form being received or being made online. If you contact Neville Registrars Limited in writing before then, they will refund your online payment or your cheque. If you wish to cancel your Application, you should write to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. After this date, your Application will be irrevocable and will not be capable of being terminated or rescinded by you.

WHAT RETURN DO I RECEIVE ON MY INVESTMENT AND IS THE INTEREST RATE FIXED?

The Harlequin FC Bonds will yield a fixed return of 5.5% (gross) per annum on your initial investment. Interest is payable at a rate of 5.5% (gross) per annum in cash. Interest is paid semi-annually in arrear. Where applicable the Company will be obliged to withhold tax at the Basic Rate (currently 20%) on all payments of interest. This means, for a Basic Rate tax payer, if you invest in £5,000 of Harlequin FC Bonds, the aggregate interest you will receive, net, over the five-year initial fixed-term of the Bond will be £1,100 (see page 45).

ARE THE HARLEQUIN FC BONDS TRANSFERABLE?

No, the Harlequin FC Bonds are not transferable and they cannot be sold or traded. The interest coupon and redemption payment are payable to the original Bondholder.

HOW DO I GET MY MONEY OUT?

If you so choose, and upon six months' notice being given by you, the Company will repay your Harlequin FC Bonds in full after the initial fixed term of five years. In order to redeem your Harlequin FC Bonds, simply complete the notice of redemption on the reverse of your Bond Certificate and return it to the address printed on the certificate at least six months prior to the redemption date (being the end of the five-year initial fixed term or a subsequent 12 month period). Until a completed notice of redemption is received, your holding of Harlequin FC Bonds will automatically continue on the same terms (and the interest rate will remain the same) and be capable of redemption at least six months prior to each subsequent anniversary of the issue of the Harlequin FC Bonds. The Company may, at its option, repay all or part of the Harlequin FC Bonds at any time after the first anniversary of their issue.

CAN I WITHDRAW MY MONEY BEFORE THE END OF THE INITIAL TERM?

Unfortunately not. The Harlequin FC Bonds are issued for an initial five-year term and are non-transferable and non-convertible. The Company may, at its option, repay all or part of the Harlequin FC Bonds at any time after the first anniversary of their issue.

WHAT HAPPENS IF THE HARLEQUIN FC BOND IS OVERSUBSCRIBED?

The Company may only issue up to £15 million of Harlequin FC Bonds. The Company reserves the absolute discretion as to whether to accept your Application for Harlequin FC Bonds in whole or in part (in multiples of £1,000 subject to a minimum amount of £2,000 per Application). Therefore, the Company may accept your Application in whole or in part only of the nominal amount of Harlequin FC Bonds applied for in your Application (in which case the balance of the amount paid by you in respect of the Harlequin FC Bonds which were not issued to you would be repaid to you).

APPLICATIONS WILL BE ACCEPTED ON THE FOLLOWING BASIS/ORDER:

- (i) first, from Bond Priority Period Persons (as defined in the glossary and definitions section of this Invitation Document) who applied during the Priority Period (being the period from the opening of the Harlequin FC Bond Offer until 17.00 on Tuesday 3rd May 2016);
- (ii) second, from Applicants who are not Bond Priority Period Persons who applied during the Priority Period (subject to availability, on a first-come, first-served basis); and
- (iii) third, from all Applicants who applied after the Priority Period (whether Bond Priority Period Persons or not (subject to availability, on a first-come, first-served basis).

DO I NEED TO DISCUSS THE HARLEQUIN FC BOND OFFER WITH A FINANCIAL ADVISER?

We strongly recommend that you do seek the advice of an independent financial adviser.

WHAT HAPPENS IF I DIE WHILE I HOLD HARLEQUIN FC BONDS?

If you choose to hold your Harlequin FC Bond jointly in the name of your husband, wife or civil partner, title to the Harlequin FC Bond will automatically pass to the surviving spouse upon the death of the joint owner.

Harlequin FC Bonds which are not jointly held would form part of your estate and title to them would initially be held by your executors or administrators of your estate. Your executors or administrators would hold the Harlequin FC Bonds until transferring the title of the relevant Harlequin FC Bonds to the intended beneficiary by sending to us an executed transfer in a form reasonably acceptable to us.

DOES HOLDING A HARLEQUIN FC BOND MEAN THAT I HAVE SHARES IN THE COMPANY OR CLUB?

No, Harlequin FC Bonds are not convertible into shares and the Bondholder does not have any ownership interest in the Company, the Club or any member of the Group. It is an unsecured loan for a fixed period, paying a fixed rate of interest.

I WOULD LIKE TO PARTICIPATE – WHAT DO I DO NOW?

Before making an Application (whether online or by post), you will need to complete a short Appropriateness Questionnaire. This is a requirement of the Financial Conduct Authority's new rules to ensure that you understand the nature of the investment you wish to make. The Appropriateness Questionnaire can be accessed online on the Harlequin FC Bonds website www.harlequinsbond.com. Subject to supplying answers that are satisfactory to the Company, you will then be able to submit your Application – either online together with payment by debit or bank transfer in respect of the full amount of Harlequin FC Bonds applied for, or by printing the Application Form and returning it by post to Neville Registrars, together with a cheque in payment for the full amount of Harlequin FC Bonds applied for. Further details of how to apply are contained on page 47.

TERMS AND CONDITIONS

This Invitation, your Application and/or your participation in the Harlequin FC Bonds, is conditional upon and subject to:

- (1) For online Applications, your completed online Application Form being submitted together with payment made by debit card or bank transfer including your Application reference number. For postal Applications a downloaded, completed and printed Application Form accompanied by a cheque in sterling drawn on a bank account of a branch of a bank or building society in the UK, the Channel Islands or the Isle of Man made payable to "Neville Registrars Limited, re: Client Account" and crossed "Account Payee only" being received by the Receiving Agent, Neville Registrars Limited, Freeport Neville Registrars, by not later than the Long Stop Date (being 13.00 on Monday 16th May 2016); and
- (2) The Company having accepted your Application for a multiple of £1,000 of Harlequin FC Bonds (with a minimum investment per Application of £2,000). You will be making your Application on the terms and conditions contained in this Invitation and the Instrument. In particular, by making your Application, you will be deemed to acknowledge and confirm:
 - (a) That you are not relying on any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company other than as contained in this Invitation and the Instrument and that, accordingly, none of the Company, the Directors, officers, agents, employees, or advisers or any person acting on behalf of any of them shall have any responsibility for any such other information or representation;
 - (b) You are not relying on any member of the Group to advise whether or not the Harlequin FC Bonds are a suitable investment for you;
 - (c) That you are (i) an individual who is at least 18 years old and are resident in the United Kingdom, at the date of submitting your Application Form, or (ii) a trust, company or charity resident in the United Kingdom for corporation tax and/or who is not prevented by the laws of its governing jurisdiction or place of incorporation from applying for or holding Harlequin FC Bonds. Applications from persons who do not provide an address in or reside in the United Kingdom or are under the age of 18 at the date of submitting their Application Form will not be accepted. Applications from joint applicants will only be accepted where such Applicants are married (including same sex spouses), or civil partners;
 - (d) In respect of Applications from persons nominating a joint holder, such person nominated is (i) a husband or wife (as the context shall require and as such terms are defined in the Marriage (Same Sex Couples) Act 2013) or (ii) a Civil Partner (as defined in the Civil Partnership Act 2004) of the Applicant;
 - (e) You are entitled to make your Application and to be issued with Harlequin FC Bonds in respect thereof under the laws of and rules of any governmental body located in any jurisdiction which apply to you;
 - (f) That you are a person within the class of persons listed in FCA COBS Rule 4.7.7 (being (a) certified as a 'high net worth investor', (b) certified as 'sophisticated investor', (c) self-certified as a 'sophisticated investor', or (d) certified as a 'restricted investor'). For ease of reference, by completing the "Investor Categorisation Questionnaire" prior to having been supplied or otherwise given access to this Invitation Document, you have confirmed that you are one of the category of persons (a) to (d) above and, as such, are permitted to receive this Invitation Document and apply for Harlequin FC Bonds;
 - (g) You acknowledge and confirm that Stockdale Securities Limited is not acting for you or any other Applicant in respect of the offering of the Harlequin FC Bonds and will not be responsible to such potential Applicant or investor for providing protections afforded to clients of Stockdale Securities Limited or in advising him/ her on the relevant transaction;
 - (h) You are aware that it is up to you to seek advice from someone who specialises in advising on investments;
 - (i) You are not entitled to be paid any commission in relation to your Application;
 - (j) You and funds under your management are not engaged in money laundering;
 - (k) You are making your Application on your own behalf and for no other person;
 - (l) If applicable, the cheque provided by you in respect of your Harlequin FC Bonds subscription will be honoured on first presentation;
 - (m) You confirm that the Company (or a member of the Group) may contact you by post or email in relation to certain offers or opportunities relating to the Club; and
 - (n) You acknowledge that the Company or a member of its Group may contact the persons (if any) nominated by you to be part of the Quarters Club.

The Harlequin FC Bond offer will close on the Long Stop Date (being 13.00 on Monday 16th May 2016). The offer may be closed earlier if the Company so determines.

Nothing in this Invitation Document, the Instrument or Application will restrict the Company's liability for fraud.

MONEY LAUNDERING

It is also a term of your Application that, to ensure compliance with the Money Laundering Regulations 2007, the Company or Neville Registrars Limited may, in our/ their absolute discretion, require verification of your identity. Pending the provision of evidence of identity, Harlequin FC Bonds applied for hereunder may not be issued at the absolute discretion of the Company or Neville Registrars Limited.

If within a reasonable time after a request for verification of identity, satisfactory evidence has not been supplied, the Company may, at its absolute discretion, reject your Application in which event the cheque in respect of your Application will be returned to you without interest and at your own risk. If you decide to make an Application, you have undertaken to the Company that your cheque will be honoured on first presentation.

TERMS OF APPLICATION – PROCESS AND TIMETABLE

Applications (in multiples of £1,000 subject to a minimum amount of £2,000 per Application) of Harlequin FC Bonds can be made online or by post. To apply online, please visit the application section of the Harlequin FC Bond website www.harlequinsbond.com. You will then need to complete a short Appropriateness Questionnaire before you can submit your Application. Subject to providing answers which are satisfactory to the Company and Stockdale Securities Limited, you can then submit your online Application together with your debit card payment or bank transfer in respect of the full amount of the Harlequin FC Bonds that you are applying for (being a multiple of £1,000 subject to a minimum amount of £2,000 per Application), by the Long Stop Date (being 13.00 on Monday 16th May 2016).

To apply by post, you will first need to complete an Appropriateness Questionnaire before you can access the Application Form. Simply access the online Appropriateness Questionnaire on the Harlequin FC Bond website www.harlequinsbond.com and complete it on-screen. Subject to providing answers which are satisfactory to the Company and Stockdale Securities Limited, you will then be able to access the Application Form at www.harlequinsbond.com. The Application Form should be completed online and will be downloadable in PDF format to avoid amendments. Please sign and return the completed Application Form with a cheque in respect of the full amount of the Harlequin FC Bonds that you are applying for (being a multiple of £1,000 subject to a minimum amount of £2,000 per Application) made payable to "Neville Registrars Limited re: Client Account" and crossed "Account Payee only" to be received no later than the Long Stop Date (being 13.00 on Monday 16th May 2016) to Freeport Neville Registrars Limited.

Please note that the decision to accept your Application in whole or in part (and in multiples of £1,000 subject to a minimum amount of £2,000 per Application) is at the sole and unreserved discretion of the Company. Therefore, the Company may accept your Application in respect of part only of the nominal amount of Harlequin FC Bonds applied for in your Application (in which case the balance of the amount paid by you in respect of Harlequin FC Bonds which were not issued to you would be repaid to you, without interest, by cheque, bank transfer or refund to your debit card).

The Harlequin FC Bonds offer will close on the Long Stop Date (being 13.00 on Monday 16th May 2016). However, the offer may be closed earlier if the Company so determines.

Cheques will be presented for payment on receipt. You have the right to contact us to cancel your Application at any time within 14 days of receipt of your completed Application Form (the "Cancellation Period"). If you contact Neville Registrars Limited before then, they will refund your online payment or your cheque, by crossed cheque or a refund to your debit card. If you wish to cancel your Application, you should write to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. After this date, your Application will be irrevocable and will not be capable of being terminated or rescinded by you.

We will inform you in writing if your Application has been successful, in whole or in part, within 21 days of the Long Stop Date and, in the event that your Application has been successful, in whole or in part, send you a certificate ("Certificate"), at your risk by first-class post, in respect of the Harlequin FC Bonds that have been issued to you. If your Application is not successful a refund to your debit card or a cheque or online payment for the amount of your Application (without interest) will be sent to you within 21 days of the Long Stop Date without interest and at your risk.

If your Application is successful in respect of only some of the Harlequin FC Bonds you applied for, a refund to your debit card or a cheque for the balance of the amount of your Application (without interest) will be sent to you. Your Certificate will be posted to you under separate cover and at your own risk.

If you have any questions relating to the procedure for making an Application and completion of the Application Form, please contact Neville Registrars Limited on 0121 585 1131. For legal reasons, Neville Registrars Limited will only be able to provide information contained in this Invitation Document and will be unable to advise on the merits of the Invitation Document or as to whether you should make an Application or to provide any financial, legal, tax or investment advice.

APPENDIX

TAXATION

The comments below are of a general nature based on UK tax law and HMRC practice as in effect at the date of this document and are subject to any change in such law or practice that may take effect after such date (possibly with retrospective effect). The comments are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Harlequin FC Bonds and may not apply to certain classes of persons such as dealers or certain professional investors.

INDIVIDUAL INVESTORS

The precise tax treatment of a Bondholder will depend on the Bondholder's individual circumstances and law and practice in force at the relevant time and may therefore be subject to change in the future.

Prospective acquirers of the Harlequin FC Bonds are advised to consult their own professional advisers concerning the tax consequences of the acquisition, ownership or redemption of the Harlequin FC Bonds and any benefits derived thereon.

The Company will be obliged to withhold tax at the Basic Rate on payments of interest to Bondholders. The ultimate liability to tax in respect of the total return on the Harlequin FC Bonds will depend upon the individual circumstances of each holder at the relevant time and may be subject to change.

A Bondholder who is subject to UK income tax at a rate not exceeding the Basic Rate is not liable for additional income tax on the total return on the Bond. A Bondholder who is subject to UK income tax at higher rates of income tax may be required to pay additional tax after taking into account tax withheld at source by the Company.

A Bondholder who is not normally subject to tax in the UK may be entitled to claim repayment of the tax withheld at the Basic Rate by the Company directly from HMRC.

No liability to UK capital gains tax should arise on the issue of the Harlequin FC Bonds or their subsequent redemption.

A holding of Harlequin FC Bonds should form part of a Bondholder's estate for inheritance tax purposes.

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Harlequin FC Bonds or their subsequent redemption.

CORPORATE INVESTORS AND CHARITIES

Corporate investors resident in the UK for corporation tax purposes should receive semi-annual payments of interest gross as there is no withholding tax obligation. Such corporate investors may have to pay tax on the interest received at the applicable corporation tax rate according to their profits and status. If the Bondholder is a non-UK corporate, the Company is obliged to deduct tax at the Basic Rate. It may be possible for that Bondholder to benefit from reduced withholding tax on interest. Charities resident in the UK for UK tax purposes will also receive interest gross.

TAX TREATMENT OF THE QUARTERS CLUB OPPORTUNITIES

The Company has taken advice as to the implications of making The Quarters Club opportunities available to Applicants (whether or not successful) for the Harlequin FC Bonds and two nominees of their choosing and have been advised that the availability of such opportunities should not constitute payments of interest for tax purposes. There is a risk, however, that HMRC could form a different interpretation and treat the availability of The Quarters Club opportunities as interest and apply tax charges accordingly. In such circumstances, the Company will, where applicable, be obliged to withhold tax at the Basic Rate on such payments of interest.

BOND INSTRUMENT

HARLEQUIN FINANCE PLC and HARLEQUIN FC HOLDINGS LIMITED

INSTRUMENT

Constituting £15,000,000 of HARLEQUIN FC 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 Harlequin Finance Plc, which accepts responsibility for the information contained herein. This document has been approved as a financial promotion for UK publication to the limited class of persons listed in FCA COBS Rule 4.7.7 (being (a) certified as a 'high net worth investor', (b) certified as a 'sophisticated investor', (c) self-certified as a 'sophisticated investor', or (d) certified as a 'restricted investor') by Stockdale Securities Limited of Beaufort House, 15 St. Botolph Street, London EC3A 7BB, which is authorised by the Financial Conduct Authority to conduct investment business (FRN: 114265). For ease of reference, by completing the "Investor Categorisation Questionnaire" prior to having been supplied or otherwise given access to this document, you have confirmed that you fall within one of the categories of person listed in (a) to (d) above.

MEMERY CRYSTAL LLP
44 SOUTHAMPTON BUILDINGS
LONDON WC2A 1AP

THIS INSTRUMENT IS MADE BY WAY OF DEED POLL ON 18th APRIL 2016 BY

(1) HARLEQUIN FINANCE PLC

(registered number 09883242) whose registered office is at Twickenham Stoop Stadium, Langhorn Drive, Twickenham TW2 7SX (the "Company")

and

(2) HARLEQUIN FC HOLDINGS LIMITED

(registered number 08822147) whose registered office is at Twickenham Stoop Stadium, Langhorn Drive, Twickenham TW2 7SX (the "Guarantor").

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 of the Harlequin FC Bonds in issue at any time, the aggregate principle amount of the Harlequin FC Bonds outstanding at that time and/or all accrued Interest thereon;

Bondholder or Bondholders

The person(s) from time to time entered in the Register as the holders of the Harlequin FC Bonds;

Business Day

A day other than a Saturday or a Sunday on which banks are open for business in London;

Certificate

A certificate evidencing title to the Harlequin FC Bonds in the form approved by the Company;

Commencement Date

The date on which the relevant Harlequin FC Bonds are first issued;

Day Count Fraction

Means in respect of any period shorter than 6 months, the actual number of days in such period divided by the number of days in a 6 month period;

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;

Harlequin FC Bonds or Bonds

The non-transferable, non-convertible, unsecured Harlequin FC Bonds No.1 of the Company constituted by this Instrument;

Instrument

This instrument;

Interest

The payment of cash interest in accordance with Clause 3.1;

Interest Rate

5.5 per cent. per annum;

Interest Record Date

The date falling (i) six months, following the Commencement Date and (ii) at the end of each subsequent six month period up to and including the date on which the Harlequin FC Bonds are finally redeemed;

Privileged Relation

Means a husband or wife (as the context shall require and as such terms are defined in the Marriage (Same Sex Couples) Act 2013) or Civil Partners (as defined in the Civil Partnership Act 2004) of a Bondholder or a deceased Bondholder;

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 or its Registrar as provided for in Clause 11;

Registrar(s)

The registrars to the Harlequin FC Bonds, Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen B63 3DA, or any successor firm;

Registered Office

The registered office of the Company from time to time;

Repayment Date

Subject to pre-payment by the Company in accordance with the terms of this Instrument, at the option of the Bondholder, the later of (i) the fifth anniversary of the Commencement Date (or if such date does not fall on a Business Day, the next Business Day) and (ii) any subsequent anniversary of the Commencement Date (or if such date does not fall on a Business Day, the next Business Day); and

Specified Denomination

Means £1,000.00 of nominal amount of Harlequin FC Bonds.

BOND INSTRUMENT

CONTINUED...

1.2 In this Instrument, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa and any gender includes the other gender;
- (b) 'person' unless the context otherwise requires includes a natural person, a firm, a partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having separate legal personality);
- (c) a 'natural person' unless the context otherwise requires shall mean a human being, as opposed to a juridical person created by law;
- (d) 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 includes regulations and other instruments made under it;
 - (iii) a clause or schedule is a reference to a clause or a schedule in this Instrument; and
 - (iv) a month means a calendar month;
- (e) where the word 'including' or 'includes' is used, it is to be taken to be followed by the words: 'but not limited to' or 'but is not limited to', as the case requires;
- (f) where a period of time is expressed to be calculated from or after a specified day, that day is included in the period;
- (g) 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 Harlequin FC Bonds is finally paid; and
- (h) headings are inserted for convenience and do not affect the interpretation of this Instrument.

2. AMOUNT AND STATUS OF THE HARLEQUIN FC BONDS

- 2.1** The total aggregate principal amount of the Harlequin FC Bonds is limited to £15,000,000.
- 2.2** The minimum nominal amount of the Harlequin FC Bonds that may be issued to and registered in the name of a Bondholder shall be £2,000.
- 2.3** Subject always to Clause 2.2 above, the Harlequin FC Bonds shall only be capable of being issued in multiples of £1,000 in nominal amount.
- 2.4** The Harlequin FC Bonds may be issued and registered in the joint names of any two persons who are a Privileged Relation.
- 2.5** Subject only to Clause 2.4 above, the Harlequin FC Bonds shall not be issued or registered in the names of more than one Bondholder per Bond.
- 2.6** Subject to this Instrument, the Harlequin FC Bonds as and when issued shall rank pari passu equally and rateably without discrimination or preference.
- 2.7** The Harlequin FC Bonds shall not be capable of being transferred by the Bondholder or by the Company 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. No application has been or will be made to any Recognised Investment Exchange for the listing of, or for permission to deal in, the Harlequin FC Bonds.

3. INTEREST

3.1 Interest is payable on the principal amount outstanding under the Harlequin FC 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 in cash by semi-annual payments in arrear by reference to each Interest Record Date until the Harlequin FC Bonds are repaid under the terms of this Instrument and shall be paid to the Bondholders within 10 Business Days of such Interest Record Date.

3.3 If an Interest payment is required to be calculated in respect of any period which is less than 6 months, the amount of the Interest payment payable in respect of each Bond shall be calculated by applying 5.5 per cent to the Specified Denomination of each Bond held, multiplying the product by the Day Count Fraction and rounding the resulting figure down to the nearest penny.

3.4 In the case of Harlequin FC Bonds registered in joint names pursuant to Clause 2.4, any Interest shall be paid or credited to the first-named joint holder in the Register.

4. REDEMPTION OF THE HARLEQUIN FC BONDS

4.1 All of the Harlequin FC Bonds not previously repaid (in whole or in part) will be redeemed by the Company on the Repayment Date, at par, together with Interest accrued up to and including the date of redemption PROVIDED THAT the Bondholder completes the notice of redemption on the reverse of the Certificate and returns the same to the Company's Registrar, as referred to on the reverse of the Certificate (or as notified to the Bondholders from time to time), in accordance with the instructions printed thereon so as to be received by the Company's Registrar at least six months prior to the relevant Repayment Date.

4.2 All payments of principal and interest (including the Interest) in respect of the Harlequin FC Bonds by or on behalf of the Company shall be made at the Bondholder's risk:

- (a) by bank transfer or, if required by the Bondholder, by cheque, in each case in favour of the Bondholder, at the Bondholder's risk, to the address notified to the Company for such purpose in writing from time to time; and
- (b) subject to the prevailing withholding tax at the basic rate of income tax (currently 20 per cent.) imposed in the United Kingdom by Her Majesty's Revenue & Customs but otherwise free and clear of, and without withholding or deduction for, any other taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed, unless such withholding or deduction is required by law. In that event, the Company shall make such further withholding or deduction and shall, where required, account to the relevant tax authority for such withholding or deduction. For the avoidance of doubt, in such circumstances, the Company shall not be required to increase or gross-up any payment of principal or Interest made hereunder.

4.3 All of the Harlequin FC Bonds redeemed by the Company pursuant to the terms of this Instrument will be cancelled and will not be available for reissue.

4.4 The Company will send by email (or otherwise make available by electronic means) to the Bondholders within 10 Business Days of each Interest Record Date, a certificate of deduction of tax in respect of the tax deducted or withheld from each payment made pursuant to Clause 4.2 in the preceding 6 month period.

5. PRE-PAYMENT

In addition to Clause 6.1, the Company will be entitled to pre-pay any or all of the principal amount of the Harlequin FC Bonds together with Interest accrued thereon at any time after the first anniversary of the Commencement Date.

BOND INSTRUMENT

CONTINUED...

6. DEFAULT EVENTS

6.1 Notwithstanding Clauses 4 and 5 and subject to Clause 6.2, all outstanding Harlequin FC 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 encumbrancer 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 Clause 6.1(a) to 6.1(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 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 Harlequin FC Bonds held by such Bondholder shall remain outstanding and not to be repaid by reason of that Default Event.

7. NON-CONVERSION

Neither the principal amount of the Harlequin FC Bonds nor any accrued Interest thereon shall be capable of conversion into shares or other securities in the Company or, for the avoidance of doubt, the Guarantor.

8. CERTIFICATES

8.1 The Certificates will be in the form approved by the Company.

8.2 The Company will recognise the Bondholder entered in the Register as the absolute owner of the relevant Harlequin FC 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 Harlequin FC Bonds may be subject.

8.3 If any of the Bondholder's Harlequin FC Bonds are due to be redeemed under any of the provisions of this Instrument, the Bondholder shall in addition to the delivery of the completed notice of redemption in accordance with Clause 4.1 above, deliver up to the Company or as the Company or its Registrar may direct the Certificate(s) for the Harlequin FC 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 Harlequin FC Bonds are liable to be redeemed under any of the provisions of this Instrument, and, following a request by the Company, the Bondholders fails to or refuses to deliver up the Certificate(s) for such Harlequin FC Bonds at the time and place fixed for the redemption of such Harlequin FC 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 Harlequin FC 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 by the Registrar, subject to all applicable laws, upon such indemnity and payment of expenses as the Directors and/or the Registrar may reasonably require.

9. TRANSFER

The Harlequin FC Bonds are not transferable in whole or in part and neither the Company nor its Directors shall approve, or arrange or participate in any transfer of any of the Harlequin FC Bonds whether by registration or otherwise.

10. TRANSMISSION

10.1 Any person becoming entitled to the Harlequin FC Bonds as a result of the death or bankruptcy of a Bondholder or of any other event giving rise to the transmission of such Harlequin FC Bonds by operation of law may, upon producing such evidence as reasonably required by the Directors, be registered as the Bondholder of such Harlequin FC Bonds.

10.2 For the avoidance of doubt, upon the death of a Bondholder whose Harlequin FC Bonds are registered jointly in his/her name and that of his/her Privileged Relation, title to the Harlequin FC Bonds shall pass to the surviving named Privileged Relation of the deceased Bondholder.

10.3 Subject to Clause 10.2 above, in the case of death of a sole registered Bondholder, the only persons recognised by the Company as having any title to the Harlequin FC Bonds are:

(a) the executors or administrators of a deceased sole registered Bondholder or such other person or persons as the Directors of the Company may reasonably determine, and they will be entitled to require repayment of the Harlequin FC Bonds at par on the Harlequin FC Bonds' due date for repayment under the terms of this Instrument; and

(b) the beneficiary of a deceased Bondholder who shall, subject to the Company having received an executed form of transfer (in a form reasonably acceptable to the Company) by the executor or personal representative of the deceased Bondholder, being entitled to require repayment of the Harlequin FC Bonds at par on the Harlequin FC Bonds' due date for repayment under the terms of this Instrument.

11. REGISTER OF HARLEQUIN FC BONDS

11.1 The Company will at all times 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 Harlequin FC Bonds held by the Bondholder;
- (b) the certificate number of each Bond issued;
- (c) the date of issue and all subsequent transmissions of ownership; and
- (d) the name and address of the Bondholder(s).

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 in writing to the Registrar (or as the Company may direct) and the Register will be altered accordingly.

BOND INSTRUMENT

CONTINUED...

12. WARRANTIES AND UNDERTAKINGS

12.1 The Company undertakes to the Bondholder that:

- (a) it will perform and observe the obligations imposed on it by this Instrument; and
- (b) the Harlequin FC 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 and the Guarantor severally warrant to the Bondholder on the date of this Instrument, and at all times while such Bondholder holds Harlequin FC Bonds, that:

- (a) it has the power and authority (i) in the case of the Company only, to issue the Harlequin FC Bonds, and (ii) in the case of the Company and the Guarantor, to exercise its rights and perform its obligations under the Harlequin FC Bonds;
- (b) it has the power and authority to enter into this Instrument and to exercise its rights and perform its obligations under this Instrument;
- (c) it has taken all necessary corporate, shareholder and other action to authorise the execution, delivery and performance of this Instrument; and
- (d) it 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. GUARANTEE

13.1 The Guarantor unconditionally and irrevocably guarantees to each Bondholder from time to time that if, for any reason whatsoever, the Aggregate Nominal Amount of his or its outstanding Harlequin FC Bonds (or any part of it) is not paid in full by the Company on the due date it shall (subject to the limitations set out in this Clause 13), on demand in writing by such Bondholder, pay to him such sum as shall be equal to the amount in respect of which such default has been made, provided that the Guarantor's maximum aggregate liability under this guarantee shall not exceed an amount equal to the Aggregate Nominal Amount due to such Bondholder.

13.2 Upon payment in full by the Guarantor of the Aggregate Nominal Amount of any outstanding Harlequin FC Bonds, such Harlequin FC Bonds shall be deemed to have been repaid and cancelled.

13.3 The Guarantor shall be liable as if it were a principal debtor for all monies payable pursuant to this Instrument (notwithstanding that, as between the Company and the Guarantor, the Guarantor is a surety only) and shall not be exonerated or discharged from liability under this Clause 13:

- (a) by time or indulgence being given to, or any arrangement or alteration of terms being made with, the Company; or
- (b) by the liquidation, whether voluntary or compulsory, of the Company or by the appointment of an administrative receiver or an administrator in relation to the Company or its assets; or
- (c) by any act, omission, matter or thing whatsoever whereby the Guarantor, as surety only, would or might have been so exonerated or discharged.

13.4 Each of the covenants and guarantees contained in this Clause 13 shall be a continuing covenant and guarantee binding on the Guarantor, and shall remain in operation until the Aggregate Nominal Amount of the outstanding Harlequin FC Bonds has been fully paid or satisfied.

13.5 This Clause 13 shall be deemed to contain, as a separate and independent stipulation, a provision to the effect that any sums of money which may not be recoverable from the Guarantor by virtue of a guarantee (whether by reason of any legal limitation, disability, incapacity or any other fact or circumstance and whether known to each Bondholder or not) shall nevertheless be recoverable from the Guarantor by way of indemnity.

13.6 Each Bondholder shall be entitled to determine from time to time when to enforce the guarantee contained in this Clause 13 as regards his outstanding Harlequin FC Bonds and may from time to time make any arrangements or compromise with the Guarantor in relation to the guarantee given by this Clause 13 which such Bondholder may think expedient and/or in his own interest.

13.7 Any payment to be made by the Guarantor under this Instrument shall be made without regard to any lien, right of set-off, counterclaim or other analogous right to which the Guarantor may be, or claim to be, entitled against any Bondholder.

13.8 Payment by the Guarantor to any Bondholder made in accordance with this Clause 13 shall be deemed a valid payment for all purposes of this Clause 13 and shall discharge the Guarantor from its liability under this Clause 13 to the extent of the payment, and the Guarantor shall not be concerned to see to the application of any such payment.

13.9 In relation to any demand made by a Bondholder for payment by the Guarantor pursuant to this Clause 13, such demand shall be in writing and shall state:

- (a) the full name and registered address of such Bondholder and the Aggregate Nominal Value which is claimed;
- (b) that none of the Harlequin FC Bonds in respect of which such demand is made has been cancelled, redeemed or repurchased by the Company;
- (c) that the sum demanded is due and payable by the Company, that all conditions and demands prerequisite to the Company's obligations in relation to those Harlequin FC Bonds have been fulfilled and made, that any grace period relating to those obligations has elapsed and that the Company has failed to pay the sum demanded;
- (d) the date on which payment of the Aggregate Nominal Amount (or part thereof) in respect of which the demand is made should have been made to such Bondholder by the Company; and
- (e) the bank account details of a bank in the United Kingdom to which payment by the Guarantor is to be credited at such Bondholder's risk.

13.10 The Guarantor may rely on any demand or other document or information appearing on its face to be genuine and correct, and to have been signed or communicated by the person by whom it purports to be signed or communicated. The Guarantor shall not be liable for the consequences of such reliance and shall have no obligation to verify that the facts or matters stated in any such demand, document or information are true and correct.

14. NOTICE

14.1 Any notice or other communication to be given under this Instrument must be in writing and will be served by delivering it personally or sending it by pre-paid post or by email (in the case of email, to the Bondholder only) to the address or email address, as applicable, and for the attention of the relevant party notified by that 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, 48 hours from the date of posting; or
- (c) in the case of email, on the Business Day following the day on which it was transmitted.

14.2 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 5pm, the notice is deemed to have been received at 9am on the next Business Day.

14.3 The addresses of the parties for the purposes of the Instrument are as set out in the Register from time to time, and in the case of email addresses as advised by the Bondholder from time to time, or such other address or email address as may be notified in writing from time to time by the relevant party to the other party.

14.4 For the avoidance of doubt, only the Company is permitted to serve a valid notice on a Bondholder by email.

14.5 In the case of joint holders of Harlequin FC Bonds as permitted by Clause 2.4 of this Instrument, all notices shall be given to the joint holder whose name stands first in the register of Bondholders in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders of that Harlequin FC Bond.

BOND INSTRUMENT

CONTINUED...

15. COSTS AND EXPENSES

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

16. 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.

17. GOVERNING LAW AND JURISDICTION

17.1 This Instrument and the Harlequin FC Bonds are governed by and shall be construed in accordance with the law of England and Wales.

17.2 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 HARLEQUIN FINANCE PLC ACTING BY:

Director: _____

in the presence of: _____

Witness Signature: _____

Witness Name: _____

Witness Address: _____

Witness Occupation: _____

EXECUTED AS A DEED ON THE DAY AND YEAR SET OUT ABOVE FOR AND ON BEHALF OF HARLEQUIN FC HOLDINGS LIMITED ACTING BY:

Director: _____

in the presence of: _____

Witness Signature: _____

Witness Name: _____

Witness Address: _____

Witness Occupation: _____



GLOSSARY AND DEFINITIONS

Academy

Recognition and development of players (aged 13-23) through to professional senior contracts at Harlequins.

Applicant

A person who makes an Application (whether or not such Application is successful in whole or in part).

Application

An application to subscribe for the Harlequin FC Bond.

Application Form

An application form in connection with an Application.

Aviva Premiership or Premiership

The English league in which Harlequins competes.

Big Game

Harlequins Festive Aviva Premiership Fixture, held annually at Twickenham Stadium.

The Board or The Directors

Members of the board of directors of the Company.

Bond Priority Period Persons means and includes each of the following categories of persons:

“Annual Ticket Purchasers” means those persons who have purchased at least one matchday ticket in either the 2014/15 or 2015/16 seasons.

“Associate Member” means a Member of the Club with access to the privileges of membership, with the exception of a designated seat at The Stoop.

“Box Holder” means a contracted holder of a corporate hospitality box at The Stoop for the duration of the 2015/16 season.

“Debenture Holder” means the registered holder of a five-year debenture, who is entitled to purchase tickets or a membership to a designated seat at The Stoop.

“Executive Club Member” means a member of the Executive Club who has contracted to be a member of said club for the duration of the 2015/16 season.

“Harlequins Employee” means a full time employee of Harlequin Football Club Limited or a fixed term contract member of staff of Harlequin Football Club Limited.

“Harlequins Member” means an owner of Harlequins membership, which guarantees a seat to all Harlequins fixtures in the 2015/16 season, and access to other membership privileges.

“Matchday Ticket Purchasers” means a person (including a company or corporate entity) who has purchased not less than one ticket to a First Team game in either or both of the 2014/15 or 2015/16 seasons.

“Principal Partners, Sponsors and Official Suppliers” means our Principal Partners, the Club’s sponsors and official suppliers of the Club and, in each case, employees of Principal Partners, sponsors and official suppliers.

Bondholder

A registered holder of a Harlequin FC Bond.

The Club or Harlequins or Harlequin FC

Harlequin Football Club Limited.

The Company

Harlequin Finance Plc, a company incorporated in England and Wales with registered number 9883242, a wholly owned subsidiary of Harlequin FC Holdings Limited. Harlequin Finance Plc will, subject to satisfaction of the conditions to the Harlequin FC Bond, issue the Harlequin FC Bond.

First Team or First Team Squad

The top ranked rugby team at the Club.

The Group

The Company, Harlequin Football Club Limited, Harlequin FC Holdings Limited, and any holding company or subsidiary company of the same.

The Harlequin FC Bond(s) or The Bond(s)

A non-convertible, non-transferable, unsecured bond with a five-year initial fixed-term, paying a fixed interest rate of 5.5% (gross) per annum in cash.

Harlequin Football Club Limited

Harlequin Football Club Limited, a company incorporated in England and Wales with registered number 03213073.

Harlequin FC Holdings Limited

Harlequin FC Holdings Limited, a company incorporated in England and Wales with registered number 08822147, which is the holding company of Harlequin Football Club Limited and the Company.

Instrument or Bond Instrument

The instrument of Harlequin Finance Plc and Harlequin FC Holdings Limited, as guarantor, dated 18th April 2016 creating the Harlequin FC Bonds.

Long Stop Date

The date by which applications for Bonds (together with payment in respect of the same) must be received by the Registrar, being 13:00 on Monday 16th May 2016.

Mosaic

Mosaic Limited, a company incorporated in Guernsey with company number 31234, which is the holding company of Harlequin FC Holdings Limited.

Premiership

The Premiership league in England, currently sponsored by Aviva, comprises 12 teams, the majority of which have been in the top flight since the inception of professionalism and are the traditional powerhouses of the domestic game. The format of the league is that each club plays all other clubs home and away in the regular season. The top four clubs in the league at the end of the regular season qualify for play-offs, which comprise single leg semi-finals and the final, played at Twickenham in an end of season finale to decide the English champion club.

RFU

Rugby Football Union, the governing body for the game of rugby in England.

Salary Cap

The financial total that a Club is able to spend on the salaries of its playing squad, currently at £5.1m for the 2015/16 season, with the exception of two 'marquee' players, whose salaries are outside of the cap.

SIPP or SIPPs

A Self Invested Personal Pension.

CONTACTS

ISSUER

Harlequin Finance Plc

The Twickenham Stoop, Langhorn Drive,
Twickenham, Middlesex TW2 7SX

GUARANTOR

Harlequin FC Holdings Limited

The Twickenham Stoop, Langhorn Drive,
Twickenham, Middlesex TW2 7SX

SOLICITORS

Memery Crystal LLP

44 Southampton Buildings,
London WC2A 1AP

MEDIA RELATIONS

Bell Pottinger

Holborn Gate, 330 High Holborn,
London WC1V 7QD

PAYING AGENT, RECEIVING AGENT AND REGISTRARS

Neville Registrars Limited

Neville House, 18 Laurel Lane, Halesowen
West Midlands B63 3DA

FCA AUTHORISED PERSON

Stockdale Securities Limited

Beaufort House, 15 St. Botolph Street,
London EC3A 7BB



Harlequins

Harlequins Rugby Club 2016 TM