



telescan

global telemedicine



Company Description
25 July 2013

COMPANY DESCRIPTION

TELESCAN AS



ADMISSION TO TRADING ON THE FIRST NORTH TALLINN

Multilateral Trading Facility operated by NASDAQ OMX Tallinn

of

25,000 ORDINARY SHARES OF ONE EURO PAR VALUE EACH

Introduction effected by First North Tallinn Certified Adviser



AS Cresco Väärtpaberid

25 July 2013

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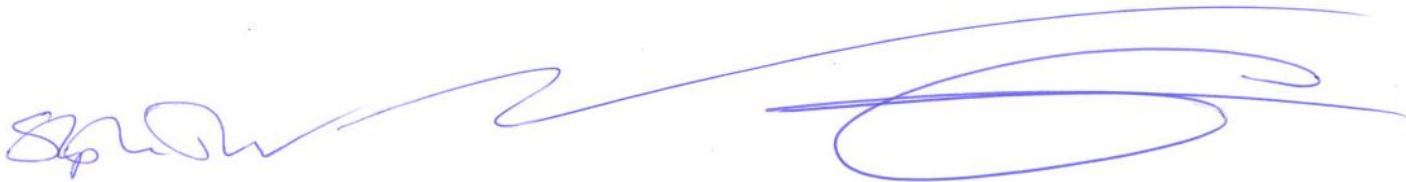
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The Company Description of Telescan AS has been prepared for the purpose of admitting the Company's Shares to trading on multilateral trading facility ("Alternative Market") First North operated by NASDAQ OMX Tallinn AS during July-August 2013. Currently, the Company has no listed shares in any regulated market or alternative market place.

THE PERSONS RESPONSIBLE

The person responsible for the information given in this Company Description prepared under the requirements of Rules of First North Tallinn is Telescan AS (registered address Viru väljak 2, Tallinn, Estonia). To the best of knowledge of the Company the information contained in this Company Description is in accordance with the facts and the Company Description makes no omission likely to affect its import.

Members of the Management Board:



Stephen Trowell

Simon Ashley Ward

Michael Chambers

In Tallinn, the Republic of Estonia on the 25th of July 2013

1 EXECUTIVE SUMMARY

1.1 Telescan AS

Telescan AS is a start-up company founded on the 16th of May 2013 and incorporated on the 30th of May 2013 in the Republic of Estonia. It is owned by British private capital.

Telescan AS (“Telescan” or the “Company”) has seen increasing demand from around the world for the provision of magnetic resonance imaging (MRI) services and inter-related scanning technologies such as Ultrasound, mass X-rays, positron emissions technology (PET), thermal imaging scans, hyper spectral imaging, terahertz scans, iris scans, computerised tomography (CT) and genetic scanning (Gene Scans).

The Company’s systematic scanning procedures help clients in the early detection of all the major causes of critical illness and death, including heart attacks, strokes and cancers. Telescan’s Systematic Safeguarding Plans, which provide annual pre-emptive scans for periods ranging from one to ten years, are a healthcare service that has relevance to virtually every individual in the world.

As an adjunct to its scanning facilities, Telescan has set up a research facility for related R&D work. Following on from its fund raising the Company proposes to develop antibody ligands for ‘lighting-up’ early stage plaque formations in the brain under MRI scans with a view to tackling the difficult task of detecting early onset stages of memory loss, Alzheimer’s disease and other forms of dementia which affect large numbers of elderly patients.

In order to maintain its market lead Telescan plans to spend up to 10% of its revenue on Research and Development at its dedicated R&D facilities. In support of its scanning technologies and to facilitate its medical developments in conjunction with genetic analysis and antigen conjugates, Telescan has a Nano division in its group structure dedicated to commercialising the benefits of nano-technology, biotechnology and nano-biotechnology.

To accommodate the five core strands of the Company’s fully integrated business model, Telescan is organised around five operating divisions or business units. These are:

- MRI and Scanning Services Division
- Nano and Medical Biotech Division
- DNA & Genetic Screening Division
- Franchise and Marketing Division
- IT and Multimedia Healthcare Division.

1.2 Business Model

Telescan’s business model is designed to generate revenues from the sales of its global network of dedicated and contracted franchises (the “Franchise” or “Franchises”). These Franchises offer a range of integrated scanning procedures carried out at specialist Franchise operated scanning facilities around the world. The results of these scans are analysed at the Company’s centralised dedicated scanning centre using customised algorithms and medical specialists aided by artificial

intelligence. The scans are sent by means of confidential transmissions using compressed and encrypted files from the Franchisees to the global scanning centre via the Internet for real time feedback of results to clients.

By means of correlating predictive health patterns based on bio-markers present in each individual's human genome with annual check-up scans, patients can monitor their health and mitigate any risk factors relating to diseases that could potentially develop throughout their lifetime.

The Company provides expert radiographers, operating procedures, technical recruitment and training facilities, analysis and advice as well as the specialist scanning equipment and software needed for diagnostic procedures to be carried out by the Franchisees. The required investment by each Franchise ranges from Euro 2,000,000 upwards depending on the types of scanning equipment supplied plus a fee for each scan analysed. In addition, the Company receives an annual royalty from the Franchisees based on their turnover plus income from a number of ancillary revenue streams including its nano-technology and biotechnology products supported by its extensive range of medical applications and medically related e-commerce sales of products and services through its online medical portal on the Internet.

The initial cash flow projections indicate that in order to achieve the stated goal of having 200 Franchises, or one Franchise per country worldwide, in place within a reasonable timeframe, some 400,000,000 Euros of investments in people, R&D, different assets and working capital will be required.

The equipment needed to carry out body scans is expensive and requires skilled operators to handle and interpret the results. Due to the cost and the need for specialist operators, such scanning facilities are not ubiquitously available. Notwithstanding the cost, patients still want to know if these diseases have started to develop in their bodies at as early stage as possible in order to improve the chances of a positive outcome in the treatment of the disease. Thus, there is an ever increasing demand for body scanning services on a global scale, which because of cost and lack of infrastructure facilities, means that this demand is not being met. This creates a large niche market opportunity for Telescan to address.

The success of treatment in many conditions is dependent on catching and identifying the first signs of the disease at an early enough treatable stage. It is therefore clearly beneficial to undergo regular scans on a yearly basis in order to pick up the first sub-clinical signs of the emergence of a condition. This has led to Telescan pioneering the concept of an annual 'Certificate of Good Health' and the offering of its annual scans on either one, three, five or ten year terms. It operates a centrally run easy monthly payment plan for the clients of its Franchises called a Systematic Safeguarding Plan (SSP). The key advantage of series of annual scans is that it is infinitely easier to spot early stage disease development when one year's scan is superimposed on a subsequent year's scan and, Telescan's proprietary software picks up differences that might not be readily visible to the naked eye. This capability helps generate business with referrals from medical practitioners, medical insurance companies and individuals seeking a health opinion or reassurance.

A key feature of the Telescan business model is the Company's comprehensive range of Intellectual Property ("IP"). This includes a novel technology that enables a range of different types of cancer

cells to attach to a conjugated transition element or gold nano-particle and specific antibodies that will then energetically oscillate in the magnetic field of an MRI scanner. This results in scans 'lighting-up' or making more visible individual cancer cells or small groups of mutated cancerous cells long before they have grown into a tumour.

1.3 Reasons to Apply for Admission to Trading on Multilateral Trading Facility

This Company Description refers solely to the issued Shares of the Company, to be admitted to trading on the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS, in the middle of 2013.

Trading on the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS gives Telescan access to investors based in Scandinavia and the Baltic countries as well as exposes the Company's regulatory foundation internationally. The target investor base is a combination of Pan-European, global, local Baltic and Nordic market participants made up of institutional investors and private individuals.

An important element in the provision of healthcare is that the patient has total confidence in the provider. This is an important reason for the Company going public at its very early stage as this provides reassurance to clients and Franchisees around the world that Telescan is a name to be relied upon.

The other key reason for the introduction of the Company onto the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS is to facilitate and structure the raising of the subsequent IPO funding needed to expand Telescan's five core business units and drive the expansion of its healthcare Franchise network globally. The trading on the First North Tallinn will also facilitate the planned acquisition of subsidiary companies for shares. These acquisitions will be used to build-up the Telescan's five operating units described above and enhance the cash flow of the consolidated group.

The introduction of the Company onto the First North Tallinn operated by NASDAQ OMX Tallinn is a prelude to an anticipated US Dollar capital fundraising exercise by means of an Initial Public Offering (IPO). An IPO of new shares on an American stock market arm of the NASDAQ OMX group would give Telescan major access to an even larger capital market and thereby substantially improve the liquidity of such an expanded share base.

This is planned to facilitate and accelerate the development of the Company's business through the global roll-out of franchised medical scanning centres over the next five years. Possible timing of the IPO has been targeted between the fourth quarter of 2013 and the first quarter of 2014 assuming that the early stage operational and corporate developments of the Company, including admission onto the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS, were successful enough. This Company Description, which addresses the Company's introduction onto the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS, shall commit no specific corporate structure, date or investments with regard to the possible IPO consideration.

1.4 Market

Two key drivers behind the establishment of Telescan are both demographic. The first is the inexorable increase in the world's population. The second is the ever increasing life expectancy of individuals in the Western World and developing nations as a result of improved nutrition, quality of life and medical advances. These drivers are creating an exponentially expanding market for medical products and services as more and more people live longer to an age where they become susceptible to additional diseases not usually found in the young. Moreover, awareness of disease patterns in different social groups and the availability of treatments, cures, and health maintenance services is increasing continuously.

As life expectancy increases, so diseases such as Alzheimer's, osteoporosis, stroke, coronary heart disease and a range of cancers begin to appear more frequently. The detection of most of these conditions is primarily carried out by means of different types of body scans using MRI, Ultrasound, X-rays, PET scans and CT.

A number of initial Pilot Franchises following the Estonian pilot have been scheduled for different types of geographical locations, including densely populated countries both in developed and emerging markets. Research and Development is conducted in the Northern Europe and the United Kingdom. In addition to the Company's pilot scanning locations, ten have been provisionally sold or reserved in the Americas and the Caribbean. There is a marketing pipeline of a further twenty three Franchise locations under negotiation.

In order to support its healthcare services being available on a global basis via the internet in real time, Telescan has developed and commissioned unique business-to-business (B2B) and business-to-consumer (B2C) Healthcare Portal concepts.

Recognising that most Franchisees will be hospitals, clinics, medical sector supply companies or private doctor owned facilities the Company has arranged for prospective Franchisees to have an introduction to a financial institution that is willing to assist with loan facilities in respect of the two million Euro franchise fees (which includes the cost of capital of the equipment needed to set up a scan centre in each location).

The focus group research demand for Telescan's Franchises has been extremely strong and on-going potential customer enquiries have exceeded expectations.

1.5 Forward-Looking Statements

This document contains forward-looking statements. These relate to the Company's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will", "anticipate" or the negative of these terms and phrases or variations or comparable expressions, including references to assumptions. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

1.6 Definitions

The following definitions apply throughout this document unless the context requires otherwise:

“A & E”	Accident and Emergency
“Apps” & “Medical Apps”	Telescan medical diagnostic or lifestyle applications for mobile devices, tablets and desktop computers
“Biotechnology”	Technology associated with the production of products from living things
“CT Scan”	A Computerised Tomography scan
“Company”	Telescan AS incorporated and headquartered in Tallinn, Estonia
“Company Description”	This document prepared under the requirements of Rules of First North Tallinn
“Conjugated Antibodies”	A Telescan invention for lighting-up the presence of very early stage sub-clinical clusters of cancer cells making cancer detectable before symptoms of disease are presented
“Cresco”	AS Cresco Väärtpaberid (Cresco Securities), the Telescan’s Certified Adviser on the First North Tallinn
“Directors”	Members of the Supervisory Board (Council) and Management Board of Telescan AS
“DNA”	Deoxyribonucleic acid. One of the fundamental building blocks of all living organisms
“ECSD”	Estonian Central Securities Depository, a part of NASDAQ OMX Group, is the main public registrar in Estonia that, pursuant to Estonian Central Register of Securities Act and Register Contract, among other services electronically holds share ledgers of private limited and public companies
“EU”	The European Union
“Euro Zone”	The countries within the EU that have adopted the Euro as their common currency and the currency adopted by Telescan for accounting and trading purposes
“Franchise”	The global healthcare Franchise system of the Telescan AS providing MRI scanners and related body scanning facilities around the world
“Franchisee”	Telescan’s or the Group’s contracted counter party subject to certain services and/or dedicated business relationship

“First North Tallinn”	The multilateral trading facility, operated by NASDAQ OMX Tallinn (hereinafter also “Alternative Market” or “Alternative Market Place”) for smaller growth companies on the NASDAQ OMX Baltic Stock Market
“Genescan”	The trading name and business unit of Telescan AS gene scanning operations
“IP”	Intellectual Property
“IPO”	An initial public offering of the Company shares
“Management Board”	Executive managers of the Company collectively
“MRI Scanners”	Body scanners employing magnetic resonance imaging
“Nano”	The trading name and business unit of Telescan AS focussed on medical products derived from nano-technology with particular emphasis on the use of nano silver as an anti-infective agent
“Nano-biotechnology”	Products at the interface between non-living and living materials in the 50 – 100 nanometre size range
“Nano-materials”	Materials produced by the science of nano-technology
“Nano-technology”	The technology of sub-microscopic non-living products in the 1 - 100 nanometre size range
“NHS”	National Health Service, United Kingdom
“PET Scanners”	Body scanners employing Positron Emission Tomography technology
“PET-CT”	Positron Emission Tomography – Computed Tomography
“Pilot Franchise(s)”	The initial demonstration MRI franchise operations of the Telescan Group or Telescan AS
“Portal”	An Internet site specialising in directing on-line traffic to directly related material on other websites, e.g. a healthcare portal directs browsers to inter-related healthcare sites
“R & D”	Research and Development
“Scanners”	This encompasses a range of different medical scanning devices including those using X-rays, MRI, CT, PET-CT, Ultrasound and Terahertz technologies
“Scanning Services”	The trading name and business unit of Telescan AS
“Shareholders”	Holders of ordinary voting shares of the Company

“Shares”	The Euro 1.00 par value ordinary voting shares of the Company
“SSP”	A Systematic Safeguarding Plan by which patients can pay for scanning procedures over a number of years
“Supervisory Board”	Supervisory body of the Company appointed by Shareholders that, among other mandatory duties to the Company, appoints members of the Management Board
“Telemed tm ”	The remote diagnosis service provided online by Telescan AS
“Telemedicine”	Transmission of X-rays and scanned material from MRI, CT, PET-CT, Terahertz and other scanned medical diagnostic material to a remote location for radiographical analysis via the Internet
“Telescan”	Telescan AS, the company incorporated and headquartered in Tallinn, Estonia
“Telescan Group” and “Group”	Synergistically connected and/or affiliated, but not as yet formally interconnected companies or individuals or teams that are related to Telescan’s activities and aim to form a legal group structure in due course
“Terahertz Radiation”	Terahertz radiation comprises electromagnetic radiation in the 0.3-3 terahertz (THz) range between the wavelengths of infrared and microwave. Its use in medicine is as an alternative body imaging operating system to X-rays and MRI and CT scans
“Ultrasound”	Ultrasound devices operate with frequencies from 20 kHz up to several gigahertz
“X-rays”	Ionizing radiation in the 0.1 to 10 nanometres wavelengths of the electromagnetic spectrum

2 ADMISSION TO TRADING

2.1 The NASDAQ OMX Group

NASDAQ OMX Group is the world's largest exchange group of companies with large number of growth oriented technology firms listed. It owns and operates 24 markets, 3 clearing houses, 5 central depositories across all continents with more than 3,400 listed companies in various markets including NASDAQ OMX in the US, NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX First North. NASDAQ OMX Nordic and NASDAQ OMX Baltic cover issues in Denmark, Sweden, Finland, Iceland, Latvia, Lithuania and Estonia. NASDAQ OMX Tallinn is a market operator (regulated market and multilateral trading facility First North) in Estonia.

2.2 NASDAQ OMX First North

NASDAQ OMX First North is the common name for multilateral trading facilities operated by NASDAQ OMX Nordic and Baltic market operators; it is a market for smaller and younger growth companies focussed on building their businesses and it is particularly suitable for a high tech rapid growth strategy company like Telescan with its globally franchised medical scanning business model.

The seven NASDAQ OMX First North marketplaces are operated by respective country's regulated market operators. NASDAQ OMX First North Tallinn is operated by NASDAQ OMX Tallinn. It is an alternative market place (multilateral trading facility), i.e. it has not got the legal status as an EU-regulated market and financial instruments traded on multilateral trading facility are not subject to the strict rules that apply in the regulated market. The companies admitted to trading on alternative marketplaces enjoy the same technical functionality regarding trading and settlement of trades as shares listed on regulated markets, yet the requirements for becoming admitted to trading are lower. The activities of the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS have been established by the Rules of First North which have been approved by the financial supervision authority of Estonia *Finantsinspeksioon*.

The requirements for admission to trading in different First North marketplaces vary in Scandinavia and the Baltic countries but are harmonised to the fullest extent possible. However, some differences due to local market conditions are present such as minimum free float requirement (min 10% in First North Nordic, 0% in First North Baltic) and a web-page requirement (compulsory in First North Nordic, but not required in First North Baltic).

Telescan's admission to trading on multilateral trading facility First North operated by NASDAQ OMX Tallinn AS is the first company to undergo such an admission to trading in Estonia.

2.3 Certified Adviser

Companies on multilateral trading facility First North operated by NASDAQ OMX Tallinn AS adhere to Rules of First North and, once admitted for trading, are followed by a Certified Adviser. In Telescan's case the duly appointed Certified Adviser is AS Cresco Väärtpaberid, an Estonian private capital owned investment firm regulated by the financial supervision authority of Estonia *Finantsinspektsioon*. Following admission to trading the Certified Adviser ensures the Company continues to adhere to the NASDAQ OMX First North Tallinn requirements.

Certified Adviser	AS Cresco Väärtpaberid, www.cresco.ee
Reg. No	10093327
Main Fields of Activity	Investment Banking, Asset Management
Adviser Representatives	Mr. Olev Schults, Ms. Margit Reinson

2.4 Share Capital and Shareholders

Euro Denominated Shares on NASDAQ OMX First North

Telescan's shares on NASDAQ OMX First North Tallinn will be denominated and quoted in Euros. This is because the Euro is the currency of the Euro Zone of which Estonia is a member.

General

According to the Articles of Association the registered share capital of the Company is 25,000 Euros to 100,000 Euros. The capital stock of the Company consists of ordinary shares, par value 1.00 Euro per share.

The shareholders of ordinary shares are entitled to one vote for each share held on all matters submitted to a vote at a general meeting of shareholders.

Currently the Company has 25,000 fully paid ordinary shares outstanding.

Transferability of the Shares

The shares are freely transferable without restriction. The shareholder may pledge the share or otherwise utilise them without any restrictions.

Transfer Agent and Registrar

The transfer agent and registrar for the ordinary shares is Estonian Central Register of Securities (ECSD). The Shares were registered in the ECSD under registration number EE3100119157 on May 30, 2013.

Sole Shareholder

As of the date of this Company Description 100% of the issued shares (i.e. the total of 25,000) are owned by Dr. Marie-Louise Broby.

Rights of Shareholders

The holders of Shares are entitled to one vote for each Share held on all matters submitted to a vote of shareholders. Each Share is entitled to participate equally in dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company.

Shareholders of the Company have the preferential right to subscribe for new shares of the Company in proportion to their existing shareholding. However, where Shares need to be issued to a specific person(s), such preferential right can be waived by a resolution of the Shareholders' Meeting.

Shareholders have the right to receive information on the activities of the Company from the Management Board at the Shareholders' Meeting, unless there is a reason to presume that this may cause significant damage to the interests of the Company.

2.5 Public Markets' Initial Considerations

Expected Timetable of Principal Events

Admission to trading on multilateral trading facility First North
operated by NASDAQ OMX Tallinn AS

July-August 2013

Proposed IPO

November 2013 – March 2014

Planned Corporate Activities after the Admission to Trading on First North

Following the admission to trading on First North Tallinn the Company shall source additional financing in order to fund its operational and R&D activities along with preparing for IPO and developing the Telescan Group.

The trading on the First North Tallinn will facilitate and enhance the acquisition of subsidiary companies for shares, and provide a transparent environment for those regulated institutional investors that consider investing with the Company during early and pre-IPO stages. The Company has entered into negotiations with a number of potentially synergistic private companies in different EU countries that it is desirous of acquiring during 2013 for cash and/or shares to support Telescan's R&D capacity and value chain. The planned acquisitions, if and when considered by the Company, will be structured and incorporated so as to enhance Telescan's five operating units described above and to consolidate the Telescan Group.

In order to have a significant critical mass, the Company will need to have an expanded equity base that takes into account the significant cost of medical equipment in its business plan. Whilst much of this cost will be met by Franchisee payments the rate of growth of the Company will be enhanced if the Company is able to raise a significant sum of money on a liquid market, and for this reason the Company foresees that an ideal route would be an IPO on one of the major financial centres of the world, namely Frankfurt, London or New York. Because NASDAQ OMX in the Baltics is part of the NASDAQ stock exchange group, it would be the preference of the Company to maintain its link with NASDAQ OMX by migrating to the NASDAQ market in New York.

As of the date of the Company applying to admission to trading on the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS no specific corporate decision has been made by the Company and its owner with regard to the IPO. Furthermore, as of the date of this Company Description, it remains undecided if such a possible IPO would be on behalf of the Company or a future enlarged corporate Group. In the latter case, a Group company rather than Company may be the main incorporation vehicle where all dedicated assets, including intellectual property, and Group corporate and contractual relationships will be consolidated.

Different type of funds from multiple sources will be employed by Telescan during early stages and pre-IPO time frame in order to achieve its commercial goals both in terms of appropriate cost of capital and efficiency in engaging global investor markets. The following capital sourcing plan in principle is drawn up by the Company and its owner:

- Immediately after admission to trading on First North Tallinn, Telescan intends to issue new shares alongside raising debt in the form of convertible bonds thus securing 2,000,000 – 5,000,000 Euros between August and October 2013. Source of the said capital shall be a *friends & family* type of private investors associated with the immediate network of Telescan's Directors. Proceeds of the said financing round will be assigned for securing:
 - Telescan's operations during first 6 – 12 months independent from Telescan Group and global expansion activities, including IPO, and
 - Cost coverage, e.g. lawyers, investment bankers, PR, travelling for pre-IPO institutional fund raising and IPO exercises;
- Telescan is currently in discussions with a major European financial institution that provides both equity and loan guarantees, with a view to enhancing and supporting Telescan in its global expansion. Simultaneously with structuring funding through *friends & family* network Telescan will also seek to conclude suitable loan arrangements between September and October 2013;
- In addition to securing additional initial equity and debt funding Telescan will also seek to raise some 50,000,000 Euros through one or more private placements of equity and debt (in the form of convertible bonds) to smaller group of selected institutional investors in Europe, Middle East and the Far East between October and December 2013;
- Subject to how successful Telescan has been in achieving its initial target of launching at least one Franchise per month, an IPO on NASDAQ in New York, USA will be scheduled for shortly after pre-IPO private placement(s) with a view to raising an estimated 250,000,000 – 400,000,000 US Dollars at such an IPO.

The above described funding strategy is a non-committal Telescan strategic plan and although it is an integral descriptive part of this document, it should not be regarded as an invitation to invest or third party advice.

3 TELESCAN AS AND THE TELESCAN GROUP

3.1 Telescan AS

Telescan AS is a start-up company in the healthcare sector. The Company was registered on the 30th of May 2013 under the Estonian Commercial code of 1995 with registered number 12482582, and with the business name Telescan AS. The Company's principal place of business is at Metro Plaza, Viru väljak 2, 10111 Tallinn, Estonia.

The Company and its start-up activities require neither license(s) nor any special permits to pursue its business plan. The Company will consult relevant authorities with regard to specific situations and/or services and/or products that require or may possibly require regulatory attention if and when such a situation will emerge. The Company's Directors recognize that regulatory disciplines and requirements in the field of Telescan's activities may differentiate between different countries and regions.

The Company has not appointed any employees since its incorporation.

In accordance with Estonian local law, the Company's Supervisory Board (Council) is responsible for appointing the Management Board Members and making strategic decisions whereas the Management Board is responsible for executing the decisions and running the day-to-day operations of the Company.

3.2 Telescan AS Governance Principles

The Company's Articles of Association provide, inter alia, that:

1. The shareholders' General Meeting is the highest directing body of the Company.
2. Ordinary and Extraordinary Shareholders' Meetings are called by the Management Board and announced to Shareholders in writing at least 3 weeks prior to an Ordinary Meeting and at least 1 week prior to an Extraordinary Meeting.
3. A General Meeting is competent to adopt resolutions in case there are more than 50% of the voting rights represented at the meeting (unless a higher majority requirement is prescribed by law).
4. The Company's Supervisory Board (Council) shall consist of 3 to 7 members, who are elected and recalled by the general meeting.
5. The Company's Management Board shall consist of 1 to 3 members, who are elected and recalled by the Supervisory Board (Council). The Company may be represented in all its business activities by any of the Members of the Management Board.
6. The Company has a right to issue convertible bonds, which give the owner of a bond the right to exchange the bond for an ordinary voting share in the Company on terms stated on the bond.

Approval of and changes to the Articles of Association are subject to a Shareholders' Meeting.

3.3 Telescan AS Mission Statement

The Telescan mission is to be recognised as a major global healthcare company focussed on the early detection and prevention of disease through the provision of a comprehensive range of leading edge scanning technologies, and related medical services through a business model of a worldwide franchise network.

3.4 The Ten Telescan AS Objectives

1. To be recognised as a global company in the provision of medical scanning technologies through the marketing of a worldwide healthcare franchise.
2. To become a leading company in the provision of genetic scanning specializing in the identification of genetic markers pre-disposing individuals to a wide range of diseases.
3. To be a global company in the development of medical applications of the biotechnology sector.
4. To be at the forefront of the emerging nano-technology revolution in medicine stemming from utilising nano-molecular structures in the prevention of infection and the treatment of disease.
5. To develop and patent novel technologies for use in conjunction with medical screening services and the company's core technology sectors.
6. To be a global company in utilising computerised communications networks to ensure telemedicine and remote diagnosis facilities become available to everyone on the planet.
7. To be an equal opportunity employer without discriminating on the grounds of colour, age, sex, creed, religion, nationality or ethnic origin.
8. To promote the dissemination of medical knowledge and medical technologies.
9. To support humanitarian and charitable healthcare work in under-privileged areas of the world.
10. To be an ethical yet profitable organisation providing shareholders with a worthwhile return on their investment in the company.

3.5 Telescan Supervisory Board (Council) Members

Currently, the Supervisory Board (Council) of Telescan AS has three members: Brian Field, Chairman, Daniel Broby, and Dr Marie-Louise Broby.

Brian Field

Brian Field is a Senior Economist at the European Investment Bank, where he is also the Bank's Urban Specialist. He has degrees from City University, the University of Westminster, Cambridge University and Brunel University, and he was a research student at the London School of Economics. As a qualified town planner, he is a member of the Royal Town Planning Institute, and is also a Member of the Chartered Institute of Transport. His career has covered the full spectrum of contemporary planning practice in both developed and developing countries and, prior to joining the European Investment Bank, included appointments in both public service (local and central government) and as a development consultant at WS Atkins International.

He has also enjoyed a successful academic career, including appointments at the National University of Singapore and, more recently, as Head of the School of the Built Environment at De Montfort University in the UK, where he still holds the chair as Professor of Planning and Development to reflect ongoing research and other academic commitments. He has published extensively on

planning and related matters in books and technical papers, and is on the editorial board of several international journals.

Apart from his full time employment by the European Investment Bank, Brian Field does not have any other outside corporate appointments other than his membership of the Supervisory Board of Telescan AS.

Daniel Broby

Daniel Broby joined the fund management industry in 1984 serving initially with Credit Suisse Buckmaster and Moore. He has an M.Phil in economics and an M.Sc in investment analysis. He is the author of a number of specialist investment books including 'A Guide to Fund Management', 'A Guide to Equity Index Construction' and 'The Changing Face of European Fund Management'. He is also a visiting professor of finance at Strathclyde University. He was the Chief Investment Officer of Denmark's BankInvest and has served as the Chief Executive Officer of Renaissance Investment Management (UK) Ltd., and has held a number of other senior fund management positions within Russia's Renaissance Group and Silk Invest. He is a Fellow of the Securities Institute and has served for four years as the CFA Institute's President Council Representative for Europe, the Middle East and Africa.

Daniel is the Deputy CEO and CIO Public Markets of the UK based FSA regulated investment firm – Silk Invest. He owns an 8% share in the equity of Silk Invest. Silk Invest has no exposure or conflict of interest with Telescan AS.

Dr Marie-Louise Broby

Although Danish by birth, Marie-Louise Broby wrote her doctoral thesis at Sussex University in the UK on Management in Multinational Companies. She focussed in particular on motivational theory. The research was carried out in carefully selected major global medical and electronics companies including one that was to become a key player in the MRI manufacturing field. This focussed expertise has served Telescan well in the design of its business model and the adoption of a franchised business model to maximise the rate of expansion of its scanning business around the world whilst at the same time reducing the spans of management control in order to maximise administrative efficiency.

Following her research work at Sussex University she undertook a number of academic appointments in Southern Africa, culminating in her appointments at the business school of the University of Natal where she focussed on teaching MBA students.

Post-doctorally Marie-Louise obtained additional academic qualifications in Science and business finance. Her Masters qualification was on the international healthcare sector.

Whilst the academic side of her work was an important professional role she still found time to work as a freelance correspondent for a number of major international organisations including the Financial Times, Reuters and an Australian Group of newspapers. Her written work was inspired by a Danish relative, Henrik Pontoppidan who won the Nobel Prize for Literature.

Marie-Louise's journalistic work was extended by her writing a number of publications including books for Informa, Elsevier, Financial Times, Prentice Hall and Reuters on Motivation Theory, Global Stock Markets, European Banking, Corporate Strategies, Pan European Financial Regulation and Professional Advisers as catalysts of corporate growth. All of these titles have relevance to the launch of Telescan as a publicly listed company.

Marie-Louise is a fellow of the British Institute of Directors and other professional bodies and has travelled extensively around the world on business related assignments. She speaks several European languages and has enjoyed flying light aircraft as a hobby.

Marie-Louise is the company secretary of the Jasmine Care group of companies based in Reading England, including Jasmine Care Ltd, Jasmine Care Holdings Ltd, Manor Place Nursing Home Ltd, Maple House Nursing Ltd and Flexi-Care (UK) Ltd – none of these companies will conflict with the activities of Telescan AS. Marie Louise has no ownership in the Jasmine Care or the Group companies. However, her immediate family member Dr Zyrieda Denning has ownership interests in Jasmine Care (please refer to Dr Zyrieda Denning in Section 3.7).

3.6 Telescan AS Management Board Members

Currently there are three members of the Management Board of Telescan AS.

Dr Stephen Trowell, CEO

Dr Stephen Trowell (born 1 January 1975) is currently employed at the University of Exeter, England. Stephen will be terminating this employment upon taking up full time employment with Telescan as its Chief Executive Officer.

Stephen has been working at the interface between technology and healthcare, principally developing information systems for clinical applications in the NHS. In recognition of his achievements in this area, he was made an honorary member of an international body promoting health systems integration and now co-chairs their national committee. In 2009 he was invited to lecture on health informatics at Sheffield Hallam University and to speak at various prestigious national road shows.

Prior to this role Stephen was a Senior Engineer at Siemens Medical developing novel cryogenic technology for MRI applications. Whilst at Siemens he was selected to travel with the first delivery of their flagship Avanto product in the US to ensure a successful installation, crucial to support their global marketing strategy. As an innovator, Stephen was one of four engineers who were able to solve the well-established problem of inferior image quality in mobile MRI installations compared to static sites, leading to several international patents and the demonstration of high resolution spectroscopy in a mobile MRI, a world-first and stimulant for significant increase in international sales. In total Stephen co-authored over 30 patents for Siemens Medical.

Stephen holds a Ph.D in experimental Physics, specifically novel low temperature X-ray detectors for space and health applications and a first-class Masters degree in Physics with Space Science. As an undergraduate, Steve was invited to work for NASA's Advanced Concepts Office at their Jet Propulsion Lab in Pasadena, California to develop new mission concepts to explore Jupiter's moon

Europa. NASA has continued this development with hardware testing in Greenland and Antarctica and plans for their flagship mission 'Jupiter Europa Orbiter' due for launch in 2020.

In addition to a passion for new technology, Steve loves independent travel and has toured extensively through South America and the South Pacific.

Steven Trowell has been serving as a director of TFE10 PLC and TFE10 Trading Limited. He has tendered his resignation from these two companies with such resignation taking effect as of the 1st August 2013. There will therefore be no conflict of interest between any of his present or past directorships and his role as the CEO of Telescan AS. He has no corporate holdings.

Simon Ward, CCO

Simon Ward (born 27 December 1966) was until June 2013 the managing director of the English public company called TFE10 PLC. In order not to have any conflict of interest he resigned this appointment and his position has been taken over. Simon was also a director of a wholly owned subsidiary of TFE10 PLC namely TFE10 Trading Limited, which he has also retired from. Simon is also a member of the management board of Flexi-Care OÜ – the Pilot Franchise operator for Telescan AS in Estonia – and Simon's role in this company is to act as a coordinating link between the two companies.

Simon Ward has an entrepreneurial flair of seeing potential; he is a serial company success achiever. He has over 20 years experience in shipping and distribution.

As CEO in his last main project he took a fuel saving device to public company status and helped to raise funds with a successful marketing strategy. He led his team to position the product on at least 12 of the UK's major players in haulage and two shipping companies.

At Allport Ltd (the UK's largest privately owned NVOCC (Non Vessel Owning Common Carrier) freight company) Simon specialized in production and factory management/operations, within the import/export business concentrating in the world transportation of hazardous, delicate and out of gauge cargo for commercial and military operations.

Simon has proved through his move through the ranks from the shop floor at Allport to being earmarked for MD in 10 years that he is focused and determined to achieve. During the last five years at Allport he steered the company down virgin territory to develop transportation frames for Body Scanners for Siemens, Toshiba, Philips and Oxford Magnets, eventually winning an award for Allport for Specialist Services in Freight from BIFA.

For several years now he has extended his marketing efforts into the global sale of medical devices and healthcare products and Telescan's scanning technologies represent a natural extension of this activity. He has utilised his knowledge of MRI scanners and their shipment around the world as a basis for the global marketing strategy of Telescan.

Simon's hobby is motor sports and the encouragement of his three sons, Jake, Sam and Dan in their Karting.

Michael Chambers, COO

Michael Chambers (born 27 November 1941) is member of the management board of two Estonian companies, namely Flexi-Care OÜ and Geosphere AS. There is no conflict between these two appointments and Telescan as Flexi-Care will act as the Pilot Franchise project in Estonia. Michael as the Chief Operations Officer for Telescan will also oversee the setting up of the Flexi-Care Pilot Franchise operation at the Tallinn Science Park Tehnopol and the research facility at Tallinn University of Technology that will be specifically working on Telescan AS projects. Michael has a Ph.D from the University of Wales.

Michael Chambers has a background in the healthcare sector having started out his career in Pharmaceutical Chemistry and the manufacture of pharmaceuticals, nutraceuticals and cosmeceuticals. He then went on to teach biochemistry to medical students and became a pioneer of the emerging biotech sector. More recently he has focussed on the interface between the science of making things using living organisms (biotechnology) and the assembly of non-living systems at the molecular level (nano-technology). One of the five divisions of Telescan encompasses this emerging sector and has been described as the nano-biotechnology sector.

Michael's role in Telescan as the Chief Operations Officer is to integrate the activities of the nano-biotechnology division with the other four divisions and to ensure the smooth day-to-day running of the company alongside the CEO.

Management Board Members Stephen Trowell, Simon Ashley Ward and Michael Chambers have no holdings in the capital of the Company.

3.7 Senior Management

In addition to the current Members of the Supervisory and Management Boards, the Company also enjoys the contribution of an impressive array of experts, some of whom it is intended will join either the Supervisory or the Management Board of Telescan in due course in preparation for Telescan's IPO. These parties include:

Lord Tim Razzall

Lord Razzall qualified as a solicitor in 1969 becoming a partner of Frere Cholmeley Bischoff in 1973, and Chief Executive in 1990 before leaving in 1995 to set up corporate finance specialist Argonaut Associates where he remains a partner.

In 1974, he was elected to represent the Mortlake Ward on the London Borough of Richmond where he served as a Liberal Democrat Councillor for 24 years and as Deputy Council Leader between 1983 and 1996. He became Treasurer of the Liberal/Liberal Democratic Party in 1987 holding the position until 2000 after which he chaired the Liberal Democrats General Election Campaigns of 2001 and 2005.

In 1997 he was raised to the peerage as Baron Razzall of Mortlake.

From 1998 to 2010 he held the post of Liberal Democrat Spokesperson for Trade and Industry/Business, Enterprise and Regulatory Reform. He is now Co-Chairman of the Parliamentary Committee for Business Innovation and Skills.

In addition to a long and successful political career, Lord Razzall has over 35 years' corporate finance experience, and has developed a reputation for his expertise in multinational and cross border transactions. Today he holds directorships in a number of SMEs, in a wide range of industries including, in particular, financial services, property and mining.

Lord Razzall has won the prestigious 'Lawyer of the Year' Award.

Arif Husain F.C.A.

Arif Husain is a highly experienced Chartered Accountant specialising in corporate finance, mergers and acquisitions, project appraisals and structuring project finance. He has also got specialist knowledge of finance relating to franchise systems.

For the past twenty years, Arif has been engaged as the chief financial officer of the Luxembourg based General Mediterranean Holding SA (GMH) group, an international investment group founded by its present chairman, Nadhmi Auchi, in 1979 with a starting capital of 2 million US Dollars. Since then Arif has been instrumental in helping to build up the group into a 4 billion US Dollar asset rich organisation. Its operations include banking and finance, real estate, construction, hotels and leisure, industrial, pharmaceutical, trading, media and telecoms.

Arif has travelled throughout the world on business related matters and this has given him an invaluable preparation for the global roll-out of Telescan's healthcare franchise system.

Arif is a key player within the Telescan organisation and has been responsible for the drawing up of the financial modelling of the Telescan franchise and its fiscal systems as well as heading up the Group's treasury function.

Dr Zyrieda Denning

Dr. Denning is a Surgeon and Fellow of the Royal College of Surgeons and a Fellow of the Royal College of Accident and Emergency Medicine. Her career in the NHS has seen her hold a series of appointments in South East England culminating in her appointment as a Consultant in A & E medicine at Winchester Hospital in the UK.

After leaving the NHS Dr Denning founded her own chain of private nursing homes (The Jasmine Care Group of Companies) which she continues to expand in the South East of England.

Dr. Denning has a specialist interest in the diagnosis of disease by a range of different scanning technologies and the integration of these technologies to produce faster and more detailed information. She has written a research paper on the use of Ultrasound in A & E medicine and is keen to see Telescan develop its hand held scanning device for preliminary diagnoses of accidents and emergencies in remote locations without the benefit of full medical infrastructure facilities. She also has a professional interest in hyperspectral scanning, thermoscanning and laser surgery.

Dr Zyrieda Denning, who is a daughter of a Supervisory Board (Council) member Dr Marie-Louise Broby, has ownership interests in the Jasmine Care group of companies. It is envisaged that following the admission to trading Dr Denning will join Telescan AS as its chief medical officer (CMO) or as a member of the Supervisory Board (Council).

Dr Mark Abell

Dr. Mark Abell specialises in the relationship between franchising and the exploitation of intellectual property rights e.g. sponsorship, merchandising and technology transfer. His doctoral thesis was on the regulation of international franchising. He is highly rated as a leader in his field by the Legal 500 law directory and the International Who's Who of Franchise Lawyers. He has been listed as "the Guru of Franchising" in the Chambers legal directory and rated as the UK's number one franchising lawyer. Mark acts as an expert to the United Nations World Intellectual Property Organisation (WIPO) and WTO on franchising. Mark is Chairman of the European Franchising Network (EfN).

Mark is a member of the IBA Franchise Committee, ABA Franchise Section and LES. He is a former member of the Editorial Boards of Trademark World, Patent World and Copyright World and a current member of the editorial board of Emerging Markets: China and South East Asia and Franchise Law and Business Alert.

Mark has been published extensively in a wide range of publications and journals. He has also authored many books including: "European Franchising – Law and Practice in the European Community"; "The International Franchise Option – Dispute Resolution, Taxation, Case Studies"; "The Franchise Option – A Legal Guide"; "Franchising in India and International Technology Transfer for Profit". He is co-author of WIPO publications on franchising and currently edits the Butterworth's "Encyclopaedia of Precedents Volume on Franchising". Mark has over 500 articles published in journals including Patent World, Franchise Word, Business Franchise Magazine and Managing Intellectual Property.

Dr Guillaume Stewart-Jones

Guillaume Stewart-Jones completed his masters degree and his follow-on doctoral degree in biological sciences at Oxford University. His post-doctoral research focussed on the Human Immuno Virus and the development of an HIV Vaccine for the prevention of AIDS. This R & D work has been carried out at Oxford University in conjunction with the Medical Research Council. His specific interest is in the production of antibodies that will attach themselves to viruses and to different types of cancer cells. This represents an important potential avenue of chemotherapy which also lends itself to the early detection of medical conditions using MRI and related whole body scanning technologies.

Dr Sajeda Ismail

Dr. Sajeda Ismail graduated from Mymensingh Medical College, Dhaka University, Bangladesh in 2004. Her graduation was followed by 3-year practice in Badda General Hospital, Dhaka Bangladesh, where among her other duties she handled the reception of patients and supervised the appropriate treatment, checked the progress of in-patients and also gained experience in the handling of distressed patients and their relatives.

Sajeda's current appointment is as an SHO in Trauma and Orthopaedics at Royal Devon and Exeter NHS Foundation Trust in the UK. This was preceded by building on her previous experience from Bangladesh at University College London Hospital. During 2008-2010 she acquired a diploma in Business Studies and a diploma in Health Management (London International Collage).

She has extended her on-site experience with daily medical cases, including experience of an Accident and Emergency (A & E) unit, and taken part in clinical audits (for instance “Fever in children under 5 years of age, initial treatment and management”), and collecting and analysing data for an inspection policy project of the Care Quality Commission of South West England.

Her A & E experience will be invaluable to Telescan in developing hand held scanning devices for use in locations where major hospital facilities are not available such as in natural disasters, road accidents and conflict zones.

Dr Andrew Atkins

Having left Manchester University with a B.Sc./M.Eng. in Electrical and Electronic Engineering with Management, Andy Atkins has gone on to prove himself in the field of electronics. His technical and managerial abilities have seen him go from working in a Defence Research Establishment developing new submarine-based defence technologies to Oxford Magnets Siemens Magnet Technology where he managed a team producing laser based micron accurate real time measurement systems. Andy's considerable leadership knowledge in his field and understanding of key processes has led to his ability to be technically experienced and a key player in achieving new processes and designs with greater effectiveness and higher yield, working with a team from factory floor level up to theoreticians.

Among just a few of Andy's achievements, he developed an innovative 'Kinergy' energy storage system using flywheels. He then led a team using these capabilities and deliver created a £6 million turnover business in 2 years. He also heads up a team which developed a new X-ray shutter for Oncology applications in healthcare. During his time at Siemens Magnet Technology, he developed a new technical and commercial approach to the cooling of MRI magnets, delivering a 94% cost reduction and 75% reduction in man-hours.

Jonathan Shrewsbury

Jonathan Shrewsbury and his business partner Sen Kandiah have long been involved in the establishment and running of MRI scanning centres. Their latest venture has been the setting up of the Prime Health facility at the Horizon Business Complex in Weybridge, Surrey, UK. The Prime Health Centre and its pilot franchise facilities are under the direct day-to-day management of Jonathan Shrewsbury as the Clinical Director.

3.8 Management Remuneration and Benefits

As of the date of this Company Description, no agreements have been concluded with the members of the Management Board and neither remuneration nor benefits in cash or in kind, including stock option plan, are assigned to the Management Board.

As of the date of this Company Description, and prior to admission to trading on multilateral trading facility First North Tallinn, Telescan intends to take on no employees to ensure that the Company is a complete start-up operation at the point in time of admission to trading.

However, prior to the admission to trading on multilateral trading facility First North Tallinn, Telescan Group related company Flexi-Care OÜ has concluded a management board member

agreement with Michael Chambers and Simon Ashley Ward, and employed eight people in different operational and specialist capacity. Management board member agreements in Flexi-Care OÜ stipulate a monthly remuneration of 1,000 Euros for Michael Chambers and no remuneration for Simon Ashley Ward. Flexi-Care OÜ compensates travelling and lodging costs to Simon Ashley Ward. Above referred eight employees of Flexi-Care OÜ are paid monthly remuneration at average sum of 500 Euros each employee. All but Simon Ashley Ward declare their taxes in Estonia and as such are subject to mandatory social cost/benefit structure as prescribed by the applicable laws of the Republic of Estonia.

Nobody but the immediate owner of the Company Marie-Louise Broby, including members of the Management Board of the Company, hold any shares in the Company nor do members of Management Board hold any options or similar rights to acquire Shares of the Company.

3.9 Telescan Group

For the purposes of this document Telescan Group, which is neither a company nor legal structure, means a collaborative group of companies and individuals connected with each other via personal and/or professional relationships, and participating in the Telescan value chain. The Company aims to gather and employ in due course the Group's extensive collective knowledge and operational capacity into a multinational enterprise after Telescan is admitted to trading on multilateral trading facility of the First North Tallinn and prior to an anticipated IPO. For instance, the Group relationships will, *inter alia*, include all the individuals referred to in sections 3.5, 3.6, and 3.7 of this Company Description. Also, Estonian companies Flexi-Care OÜ and Geosphere AS, owned by Michael Chambers, are regarded as Group entities.

The Telescan Group shall eventually be incorporated into one or more subordinated units in Estonia and/or elsewhere constituting the desired operational and R&D capacity of the Company in order to develop and increase Telescan's shareholder value.

3.10 Medical Advisory Board

To help maintain Telescan's leading role as the foremost global organisation in the Telemedicine world, the Company is in the process of setting up a Medical Advisory Board with members drawn internationally from leading universities and research institutions engaged in R&D work relevant to scanning technologies. The Medical Advisory Board will advise Telescan's Management and Supervisory Board (Council) members whilst maintaining its independent from Telescan's governance structure.

3.11 Telescan AS Professional Advisers

Telescan will draw on specialized advice in Estonia (unless stated otherwise) and the Company's professional advisers are:

Financial and Corporate advisor & Certified Adviser on the First North	AS Cresco Väärtpaberid
Legal Advisers as to Estonian Law	Advokaadibüroo Vares & Partnerid OÜ
Auditor	KPMG Baltics OÜ
Bankers	AS SEB Pank
Securities Account Manager	AS LHV Pank
Patent Agent	Marks & Clerk, UK
Investor Relations	Hill+Knowlton Strategies, Luxembourg
Public Relations	Hammond PR, UK
IT Consultants	Endatio Ltd, Cyprus

3.12 Telescan AS Premises and Locations

Tallinn Head Office – Metro Plaza

The head office of Telescan AS is on the 3rd Floor of the Metro Plaza building in central Tallinn, at Viru väljak 2.

The premises are equipped with state-of-the-art communications facilities for linking business units and franchise parties around the world.



Tallinn University of Technology

The Company has partnered in the share of laboratory space with InBio and Celecure in the Life Science Building of Tallinn University of Technology. Telescan's facility can be expanded on an as and when required basis and similarly experimental equipment can be hired as required for individual experimental procedures.



The building is on the outskirts of Tallinn next to the headquarters of Skype which was recently acquired by Microsoft. The premises are also just a short walk away from the company's MRI scanning centre facility in the adjacent Tallinn Science Park Tehnopol.

Tallinn Science Park Tehnopol

The Tallinn Science Park Tehnopol is an incubator unit available for start-up companies to develop their technology. The Company has a 4 person work station laboratory on 2 floors with shared reception, meeting rooms, library, canteen facilities etc.

Outside the building there is a secure compound area with an adjacent electricity substation providing a power supply for the running of a mobile MRI scanning facility to be permanently parked there. This will enable the Company to develop its scanning related technologies. Patients using the scanner can be received and prepared in the reception area of the adjacent Tehnopol building.



Pilot Scanning Centre

The Company's pilot Franchisee in Estonia shall be Flexi-Care OÜ ("Flexi-Care"). Flexi-Care is a start-up company that will be servicing Telescan as its first MRI scanner platform in Estonia. Flexi-Care as a pilot in Estonia will be generating clients, offering training to healthcare personnel and other Franchisees, and serving as an R&D base. Within the latter research activity Flexi-Care will be co-operating with Tallinn University of Technology and Tallinn Science Park Tehnopol. Flexi-Care is an associated Telescan Group entity and it is controlled by the Group related interests.

The Telescan Group's pilot programme for use as a base for the franchise business model is located in Weybridge, Surrey, England. The facility trades as Prime Health in a state-of-the-art premises in a dedicated business park known as Horizon.

The Prime Health centre is managed by a clinical director, Jonathan Shrewsbury.

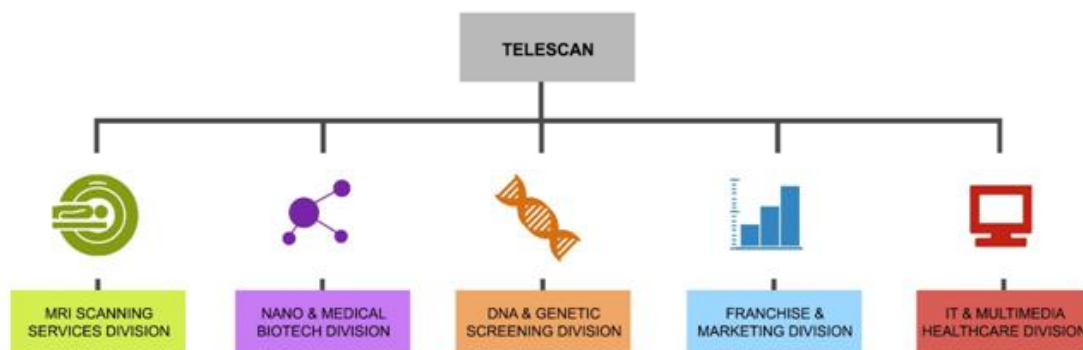


The Prime Health scanning centre is a state of the art facility using the latest 3 Tesla Magnetic Resonance Imaging (MRI) machines from Siemens. The centre is also equipped with the latest X-ray equipment, Ultrasound and a host of other medical diagnostic facilities. Upstairs there are consulting rooms and a therapeutic gym facility. The Group has based its UK gene scanning facility at this location in addition to being able to process whole body MRI scans.

Collectively these facilities form the basis of the UK pilot franchise system that Telescan is rolling out around the world.

3.13 Telescan AS Divisions (Business Units)

Telescan operates through five dedicated divisions or business units as shown on below diagram, which respectively cover the principal areas of business of the Company.



Scanning Services

The MRI Scanning Services Division is Telescan's main business unit. It operates in close co-ordination with Franchisees. Initially, a large part of the Company's revenue base will be derived from its activities. The division, which (in close co-operation) with the Franchise & Marketing Division, is responsible for generating and managing most of the front-end client and Franchisee relationships. The division's exposure to different markets as well the Group's client feedback will contribute to the Company's R&D programme and product development activities thereby effectively integrating the Group's divisions.

Different mainstream but also complimentary and ancillary scanning services will be offered to the market by Telescan such as Ultrasound, mass X-rays, positron emissions technology, thermal imaging scans, hyper spectral imaging, terahertz scans, iris scans, computerised tomography and genetic scanning.

An important contributor to the Telescan business model is the recognition by wide audiences amongst both medical service providers and end use clientele that regular scanning is the best toolbox to secure early and thorough monitoring of health conditions. This has led to Telescan pioneering the concept of an annual 'Certificate of Good Health' and 'Systematic Safeguarding Plan', and the offering of its annual scans on either one, three, five or ten year terms. The key advantage of a series of annual scans is that it is infinitely easier to spot early stage disease development when one year's scan is compared with a subsequent year's scan and Telescan's proprietary software identifies differences that might not be readily visible to the naked eye or by inconsistent *ad hoc* patient monitoring and treatment.

Telescan's broad capability to provide specific scan services combined with post-scan analysis helps generate business with referrals from medical practitioners, medical insurance companies and health-conscious individuals seeking a health opinion or reassurance.

Nano-Biotechnology

Based on its proprietary R&D within nano-technology (molecular sized matter at the nanoscale), Telescan plans to bring to the market a number of novelty low-cost non-surgical methodologies for curing and treatment of certain diseases.

Telescan has developed a proprietary methodology whereby gold nano-particles can be vibrated in the strong magnetic field of an MRI scanner resulting in the disruption of the structure of cancer cells, thereby creating a new way of treating various cancers.

By applying an array of nanowires, each of which is specifically adapted to detecting a particular nucleic acid, this nano-technology can be incorporated into a hand-held scanner for detecting bacterial infections.

Telescan has been researching the use of monoclonal antibodies (MABS), which attach themselves to cancer cells and at the same time link the MABS to metallic nano-particles that will “light-up” in an MRI scan thereby helping to pinpoint ultra small cancer cell cluster before they grow into observable tumours and patients start to experience clinical symptoms.

In support of its novel business model and telescanning technologies Telescan utilises key elements of biotechnology including:

- DNA sequencing to identify specific biomarkers that are indicative of a propensity for an individual to develop specific medical conditions during their lifetime;
- Direct comparison of “good” and “bad” samples of DNA from healthy and cancerous tissue in the same individual to help identify the differences in order to facilitate the development of specific counter molecular drug structures that will block the multiplication of cancerous cells;
- Creation of health profiles that are supplied to clients by Telescan on personalised CD's or customised ‘credit’ cards or USB memory sticks for future reference purposes and medical histories.

Genetic Scanning

Genescanning is poised to become an integral part of 21st century life. It is cheap and easy to perform and all that a patient has to do, is to place a saliva sample in a test tube or run a swab in the mouth across the inside of the cheek. The method of gene scanning enables to predict the risk of up to 35 major illnesses that can develop in a person's lifetime including cancers, coronary heart disease and brain disorders. By comparing the variation in the genetic structure between the DNA in a cancer cell and the DNA in a healthy cell within the same patient, it is possible to identify specific biomarkers involved in the development of a patient's cancer, thereby facilitating the development of targeted counter molecular structures for customised drug therapies.

In conjunction with an annual MRI scan, the gene scanning can reveal the early state emergence of a health-risk enabling thereby an early intervention and increase the likelihood of positive outcome of the treatment.

Franchising

Telescan is focussed on bringing the benefits of telemedicine to the world at large. Telemedicine can be used to dramatically cut the cost of medical care by connecting patients to a full range of clinical resources and well staffed 24 hour accident & emergency units with a wide range of clinical expertise, i.e. it can bring to a patient anywhere in the world all the benefits of a major hospital even when the local medical infrastructure does not have such resources.

To do this Telescan is setting up a global healthcare franchise network built around scanning centres in as many as possible of the world's 200 or so countries and in support of this the Company intends to pioneer automated and robotized medicine. The global spread of Telescan franchises and the dedicated marketing thereto allows the Company's clients the attractive option of utilising scan centres in different countries rather than the one closest to their home or work. As a result, the client can carry out his or her annual scan when on business travel or holidays ("medical tourism") making an annual precautionary scan a pleasant interlude rather than a time consuming chore.

Franchise operations are described in more detail in Section 4.4 The Telescan Franchise.

IT & Multimedia Healthcare

Telescan's business model is deeply integrated with IT as a mainframe and toolbox for service solutions as well employing different multimedia products and kits in order to facilitate real-time and modern yet secure B2B and B2C interactive communication.

The Company has recognised the 21st-century trend of mobile applications for countless usage fields including the healthcare one. Telescan is working on developing some 100 mobile Apps to support its business operations and strengthen its market presence. Amongst the applications that are directly medical diagnostics related are thermoscan, skinscan, eyescan; and also lifestyle applications such as baby monitoring, exercise regime monitoring (see Section 4.6 Internet Portal and Medical Applications).

Within the Telescan Group organization, IT and media services serve as an integrated system support function alongside product development. Telescan envisages that within its development both in terms of corporate reach in different global markets and proprietary know-how, certain IT services and products, e.g. Apps of Telescan will be made available to 'own label' service providers and/or open platform IT-developers.

3.14 Employees

Prior to admission to trading on the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS, Telescan has not taken on any employees. This has been done to ensure that the Company is a complete start-up operation at the point in time of its admission to trading.

Following admission to trading the Company will be taking on employees. Currently the Estonian employees have all been taken on by Flexi-Care OÜ, as of the date of this Company Description eight people.

Telescan's employment strategy is to require a minimum educational standard of at least a first degree. The Company will also encourage studying for higher qualifications and on-the-job training.

3.15 Legal Proceedings

Neither the Company nor any member of the Group nor any of its Directors is, or has been over at least the preceding twelve month period prior to the date of this Company Description, involved in any governmental, legal or arbitration proceedings which have or, since incorporation, may have had, a significant effect on the Company or the Company's financial position or profitability and, so far as the Directors are aware, no such proceedings are active, pending or threatened by or against the Company or any member of the Group.

4 TELESCAN MARKETING AND SALES

4.1 The Scanning Market Place

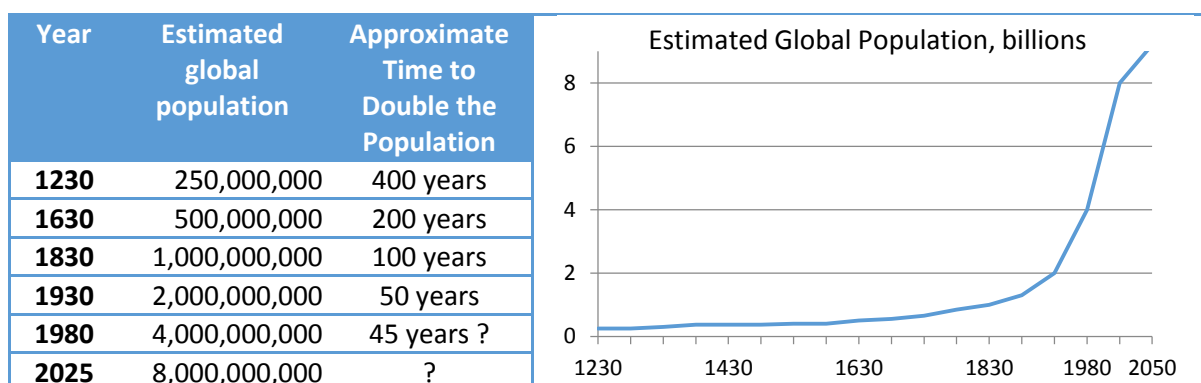
One in three of the global population is likely to be affected by cancer at some stage in their lives either directly or through family and friends becoming victims. Cancer and other major life threatening conditions can be detected by scanning techniques. Scanning procedures help clients in the early detection of all the major causes of critical illness and death, including heart attacks, strokes and cancers. Scanning is a primary tool in the detection of coronary heart disease where it has become an essential procedure for minimizing the risk of incipient heart attacks.

Via scanning procedures (either alone or on an integrated basis) a genetic scan of a patient's human genome and DNA profile is analysed. This enables the Company to identify bio-markers or 'genetic markers' that are indicative of a propensity to develop a wide range of more than 40 major medical conditions during an individual's lifetime.

The success of treatment in many conditions is dependent on catching the first signs of the disease at an early enough treatable stage. Moreover, as life expectancy increases as a result of improved nutrition, quality of life and medical advances, so diseases such as Alzheimer's, osteoporosis, stroke, coronary heart disease and a range of cancers begin to appear more frequently. The detection of most of these conditions is primarily carried out by means of different types of body scans using MRI, Ultrasound, X-rays, PET and CT scans.

Current world population of more than 7 billion people has already created a market-place with extensive opportunities for scanning services. The companies partaking in the scanning business can capitalise both on need to scan patients already with symptoms of a disease but also pro-actively offering health scans to people who like to verify that they are in perfect health.

An idea of the explosion in the human population of the planet may be seen from the table and chart below.



Sources: Population Reference Bureau, www.prb.org, United Nations, Department of Economics and Social Affairs, www.esa.un.org

4.2 Business Model

The cost of body scanning is currently extremely high for most people because of two critical factors: (1) the high cost of capital equipment, and (2) the high cost of employing specialist medically qualified personnel around the clock on a 365 day basis to interpret the scans that are produced by the equipment and to report back an appropriate diagnosis.

These costs mean that currently scanning is largely used by hospitals to confirm a diagnosis indicated by other test procedures. In these instances, most of the patients scanned have the costs covered by governmental health programmes or health insurance programmes, these sources of funding are not usually available for private routine health checks and for the prevention or prophylactic scanning of patients.

Telescan's business model has found an attractive way of being able to overcome these restrictions thereby making scanning more readily affordable to a much wider audience both in countries with advanced medical infrastructures and with lesser developed nations with scarcity of facilities.

In the first instance the cost for appointing a number of highly qualified personnel for each scanning facility has been rationalised by having just one scanning centre that serves a large number of remote peripheral feeder units in different countries that send scans via the Internet to the one dedicated global scanning centre. This business model operates a bit like a call centre where all the traffic is directed to one central complex. The cost to clients has been further eased by enabling them to pay on a modest monthly basis.

By these means Telescan realistically anticipates that on a cost/benefit basis much larger numbers of people will use its facilities than currently take advantage of more costly hospital based infrastructures.

Telescan's business model has further refined the appropriateness of doing scans on healthy people by integrating such scans with a preliminary genetic scan. Such a gene scan identifies bio-markers on an individual's genome that are indicative of risk factors predicting the development of a wide range of diseases during an individual's lifetime. Repeated annual scans then enable the Company to look out for any possible development of the first warning signs of any of these potential illnesses emerging, allow a much earlier intervention than otherwise would be possible. Such early interventions, generally speaking, are much more likely to lead to a successful outcome and the inhibition or elimination of the problem before it becomes a life threatening illness. It is anticipated that such a good health strategy where prevention is better than a cure will make an attractive business model to customers around the world.

With this level of relevance it is believed that the Company will find parties more than happy to set up scanning centres in different countries as part of a global franchise network.

4.3 Competition

There are several companies offering a vast range of scanning services throughout the world. Yet, there is no other global medical company offering such a service package as the Company has to offer. Telescan enjoys the benefit of having the market's "first mover advantage" and, as such,

hopes to capitalize both on achieving market dominance and serving a great investment opportunity.

Eventually Telescan will face competition from two main sources: (i) companies that shall apply a similar strategy to the Telescan business model, and (ii) stand alone public and private hospitals, clinics and medical sector service suppliers that are capable of and equipped to meet Telescan in its market. The competition, subject to different services and concepts offered in different countries and regions, would develop and enrich the market as a whole whilst Telescan stands to produce an industry benchmark.

4.4 The Telescan Franchise

Telescan's business model is designed to generate revenues from the sales of its global network of dedicated and contracted Franchisees. These Franchisees offer a range of integrated scanning procedures carried out at specialist Franchise operated scanning facilities around the world. The results of these scans are analysed at the Company's centralised dedicated scanning centre using customised algorithms and medical specialists aided by artificial intelligence ("AI"). The scans are sent by means of confidential transmissions using compressed and encrypted files from the Franchisees to the global scanning centre via the Internet for real time feedback of results to clients.

In order for Telescan to widen the locations where these ground breaking facilities are available, the Company has established a European based global healthcare Franchise system. There are some 200 countries in the world and the Telescan healthcare Franchise system aims to install its facilities in a target 100 locations in these countries over an initial three to five year programme.

Franchise Marketing and Sales Division

In order to market the Group's products and services to a wider audience, and to introduce potential customers and Franchisees to the Telescan Global Healthcare Franchise System (as described below), the Company intends to operate its Franchise and Marketing Division under the management and supervision of Simon Ward, CCO. The aim of which will be to market the Company's franchise products and services together with any third party products and services that compliment or enhance those of the Company.

The Company has established an internet site at www.tele-scan.com and www.telescan.ee, currently as dedicated electronic addresses, through which the Company will provide details of the Telescan Franchise System to the global marketplace.

Franchise System

The Directors believe that for Telescan's success to reach its full potential it must be made available on a worldwide basis. To this end Telescan has developed the concept of the Telescan Global Healthcare Franchise System, which aims to accelerate the implementation of the Company's various sectors and associated business units through franchising in as many of the 200 or so countries across the globe as possible.

The Company intends to licence the use of its intellectual property and know-how relating to any particular Business Unit to its Franchisees on a pre-priced, pre-agreed basis. A Franchisee will be able to choose which of the Group's products and services it wishes to implement in its chosen

jurisdiction, and such products and services will be available to such Franchisee on a transparent, package basis without the need to substantially negotiate new terms with each Franchisee.

To service such Franchises and develop the Company's business on an international level, the Company intends to set up a small number of regional offices as and when these are necessary or desirable.

To secure as uniform a service package offering as possible, leaving also room for certain specific and idiosyncratic features of a chosen country, all Franchisees have to adhere to more than 120 pages of guidelines in the Company's Franchise Operations Manual. The manual covers all critical areas of the Franchise from setting up the business, operating it and also, when time comes, exiting from it. It strongly emphasises the significance of building the brand that would be recognised as a quality service provider in each of the locations. Every single Franchisee shall clearly see itself as a member of a big network which desires to be at the forefront of offering state-of-the art service in medical scanning field.

The manual lays down the principles of operations from using the appropriate stationery in correct manner to hiring personnel and keeping the personnel motivated to offer exceptional service to each and every customer, from setting up personal goals within each Franchise organisation, to facilitating the growth of the entire Telescan Group, from using local market knowledge to advance each Franchise to draw on the Group's experience for numerous decisions along the way.

The manual encourages Franchisees to communicate and request any additional support they may find necessary throughout the currency of the Franchise operation.

4.5 The Franchise Pilots

Initial pilot programmes have targeted EU countries, and the European Union has been designated by the Company as its home market.

The pilots serve to i) minimize unforeseen obstacles in Telescan's global Franchise operations in significantly different business environments, ii) demonstrate the Franchise's successful business logic and commercial viability, and iii) facilitate flawless transmission of tele-scanned data between Franchisees and the Company's centralised international scan centre.

The first Pilot Franchise of Telescan has been established in Tallinn, Estonia under the name Flexi-Care. Flexi-Care as an Estonian pilot but also a Telescan Group contributor and it is expected to produce a very hands-on experience from a small but dynamic market thus allowing the Company to easily test and adjust the service concept and commercial model.

The Group's main pilot is based at the Horizon Business Park, Weybridge, Surrey, England (see Section 3.12).

4.6 Internet Portal and Medical Applications

Internet Portal

In addition to its scanning operations, Telescan has understood the importance of supportive business activities. The Company has set up an Internet healthcare portal that is arranged around four fully integrated technological service areas:

- B2B for services to healthcare institutions and professionals including doctors, nurses, dentists, vets and pharmacists
- B2C for medical and e-commerce advice, supported products and services
- MC for mobile connectivity services, smart phones, health apps and WiFi connections
- TM for telemedicine systems including avatar diagnostics and interactive TV.

Medical Applications

The development of mobile applications has become a major growth area of 21st century life with more and more people looking to them for social networking and lifestyle inspiration. Telescan has recognised this trend with the development of a range of lifestyle and medical diagnostic related applications. Telescan Apps also facilitate direct access to the Group's e-commerce 24-hours healthcare portal.

Telescan's first App was for individuals in communities that do not have ready access to medical facilities but still want to be able to send a digital photo of themselves from a mobile phone to a doctor, clinic or hospital e.g. to an accident and emergency department following an accident or injury, or pregnant women to an ante-natal clinic.

The second medical App was for social networking oriented individuals who would like to join in with fellow sufferers of a medical condition in an affinity self support group.

The table below lists some examples of the Company's numerous Apps that support its main activity of providing scanning services. Please see Appendix 2 Medical Applications for more information and illustrations of Apps.

Thermoscan	Thermoscan is the best way to take the user's temperature. The person is able to measure the temperature of his body, starting by measuring his heartbeat. It's also able to keep track of one's previous measurements in order to help in understanding his health.
Skinscan	Skinscan allows the user to search for symptoms of a skin ailment fast and effectively. The user simply matches the look of his problem skin condition with the examples in the extensive library and learns how to best deal with them. If he cannot find what he is looking for, the user can take advantage of Skinscan's direct doctor access and take a photo of his ailment to send to one of Telescan's dermatology specialists for diagnosis.
Eyescan	This app would allow the patient to take a photo of his eye and upload it to the Telescan database to be examined and tested. The image would be examined for diseases such as photo glaucoma/diabetes etc. Telescan would then contact

the individual with the results and give the necessary advice/information from their results.

Matchmaker	Compares DNA information from prospective partners to help determine the probability of transference of several major genetic complications onto children. Matchmaker is a way to learn how recessive genetic traits and diseases are inherited and how certain diseases are more prevalent in different populations.
Would you Adam and Eve it?	Discovering family history couldn't be easier. Whether a beginner or an expert, this app puts a person's heritage at his fingertips. After the user creates his family tree, the app gives him hints to help the user to learn more about his family's past.
Baby Monitoring	The baby monitoring app allows parents to view, hear, and communicate with their babies via wireless video. By placing the monitor in the baby's bedroom and controlling all the settings directly from his smart phone, the parent will even be able to monitor room temperature and humidity.
Pregnancy Monitoring	The app has a due date calculator, pregnancy countdown, and week-by-week photos of baby's growth and development. There are also lots of interesting tidbits scattered throughout the app.
Blood Pressure Monitoring	Keeping track of blood pressure is a good habit to keep healthy. High blood pressure is one of most common and frequently occurring diseases; heredity, unbalanced diet, fat, lack of exercise, and drink etc may cause high blood pressure. Blood Pressure Monitoring – Family Lite turns the user's device into a personal blood pressure and weight health monitor. It comes with lifetime data visualization, statistics reporting, medication correlation, email import/export, built-in reminders and much more.
Pulse	To record heart rhythm, a user would open Telescan's Pulse app, prop the iPhone on his or her chest (or place thumbs on two sensors, take a 30-second reading and then upload the data to Telescan's cloud server. This could all be done from home, office or convenient location, and a medical professional could then download and analyze that information.
Cosmetic Surgery	This app is the most comprehensive pocket encyclopaedia of plastic surgery terms, before and after photos, and visualization tools to help person really know what to expect from a procedure (e.g. getting a lift, nip, or tuck), including seeing potential results on user's own photo.
Medication Regime	This app is designed to easily help person remember when to take a series of medication. Person can store up to 20 medications per day set at individual timings, select from pictures to help easily identify his right medications. By entering in the bottle details the app will alert person when he is nearing the end of his supply.
Exercise	The app tracks person's daily exercise regime, works out calorie loss and tracks all changes in an easy to read chart to enable to person to follow his fitness

progress. Becoming and staying fit has never been easier with the help of the Telescan exercise app! Hundreds of exercises are explained with clear pictures, videos and text instructions all within the palm of user's hand.

Calorie Counter	A calorie counter is a way to count person's daily caloric intake using Telescan's easy to use caloric counter. Calorie counting is an easy way for user to manage his weight. Telescan's calorie counting technique is for person who has a daily caloric requirement that he wants to meet, or who needs to monitor his caloric intake. The calorie chart is easy to read, and users can easily count the calories in food that they eat.
Dietary Advise	The app helps to monitor person's calorie, sugar, fat, carbs and protein intake to maintain a healthy lifestyle, chose from calorie control, health eating or one of the many pre-programmed diet plans. This app will help user stay on the right track whether eating at home, or out.
BMI/BMR/Body Fat	The app helps to measure BMI/Bodyfat throughout person's diet and/or exercise plan to check he is on the right tracks and give him that boost to continue his plan. By recording results in a weekly or monthly tracker, it enables to compare photographic results side-by-side.
Direct Access to a Doctor	Need fast direct access to a general practitioner (GP)? Using this app a person can email complete with photographs of his ailment direct to a qualified GP open 24 hours, receive a response with diagnosis and advice within 24 hours.
Vision Test	40% of people haven't had their eyes tested in the last two years and although they are convinced eyes are fine, they find that their vision isn't quite as good as it used to be; but they don't have time to go down to the opticians to be sure. The all new Vision Test App is an eye test in the palm of user's hand.
Medical Encyclopaedia	Medical information encyclopaedia contains all information relating to explanations of medical terminology and procedures. The app enables quickly and easily look up information on all terms and procedures, store favourites, email information and have easy access to any related articles of interest.
Stethoscope	Enables remotely monitor results provided by electronic stethoscope straight from a handheld device, record sound waves in charts which can be printed and analysed and can be saved as .wav files to be emailed to other specialists. The app captures and displays sounds in real time directly from electronic stethoscope to iPhone/ Touch/iPad – a powerful tool for bedside auscultation, in office, or remotely. For amateur use, it is possible also record heart sounds without a stethoscope using iPhone 3GS or later, including iPhone 5 and retina iPads.

4.7 Marketing Strategy and Roll-Out Plan

Telescan centres can operate from a range of facilities from an MRI equipped truck to a fully dedicated clinic.

The Company has set its primary focus on driving franchisee appointments in the BRICS countries i.e. in Brazil, Russia, India, China and South Africa – the fastest growing countries in the world today albeit not neglecting the other important global market opportunities. Currently there are more than twenty BRICS country based Franchises under negotiation.

The growth in “health tourism” has driven significant numbers of customers from the high-cost US marketplace to the more affordable Caribbean region and this has led to the early Group appointment of five Franchises with three more under option.

Following from the pilot Franchise deployments in Middle East, the Group has witnessed considerable interest in Franchises for the Mediterranean region.

During the first years of the Company’s operations the target is to roll-out an average of one Franchise a month. This will be followed by developing the Company’s build-up of Franchise operations at an even higher rate of deployment.

4.8 Avatars, Encryption and Confidentiality

A fundamental requirement of any healthcare system and in particular one that operates on a global basis is the maintenance of patient confidentiality and the unequivocal support of the principals of the Hippocratic Oath.

Not only does Telescan fully guarantee patient confidentiality on a 100% basis by analysing scanned data anonymously but it underscores this basic tenet by fidelity bonding all its own personnel and the staff of its Franchisees.

Also, all scans by Telescan are encrypted with the highest available encryption software to prevent unauthorised access to scanned data.

Telescan has moreover introduced a feature whereby clients can, if they so wish, submit confidential medical information via creating “avatars” whose virtual identity is known only to the patient themselves.

4.9 Intellectual Property (IP)

To this end Telescan has made the acquisition and development of IP as one of its principal tasks. In addition to licensing-in a number of key patents, Telescan will embark on a programme of filing patent applications wherever its novel technologies lend themselves to this. The Company intends, following the admission to trading on First North Tallinn, to enhance the protection of its existing intellectual property and know-how. This is envisaged to comprise applications for trademarks in respect of the Company’s central brand names, domain names and registered designs, patent applications and setting up a comprehensive structure for the dissemination of confidential and proprietary information.

Currently, there are no assets of intellectual property actually registered in the name of the Company as of the date of this Company Description, but immediately following the admission to trading, there are a number of patents that will be applied for in the name of Telescan AS, or which will be transferred to the Company from third parties.

Telescan intends to purchase or licence know-how and patents from institutional developers of technology including universities, research institutes and high-tech companies. This policy is global in orientation and as a facilitator Telescan has entered into an agreement with Technology Catalysts International in the UK to search out relevant patents and other know-how that is available for licensing.

5 VENTURING PARTNERS

5.1 Equipment

Telescan does not manufacture medical equipment and instead supplies its Franchisees with existing well proven equipment from all the world's leading medical equipment suppliers including Siemens, Philips, General Electric and Toshiba.

- A major supplier of MRI equipment is Siemens and for imaging purposes their 1.5 Tesla and 3.0 Tesla imaging units are selected;
- In the case of Ultrasound scanners Toshiba's high density beam forming architecture (APILO) range of Ultrasound machine are the equipment of choice;
- X-ray suites are available from a number of suppliers but General Electric ones are the preferred suppliers to Telescan;
- For gene scanning equipment Telescan has assembled its own label machines as comparable equipment is not available on the open market.

5.2 R & D Partners

Telescan and its Group associated companies is poised to develop a global network of selected top-end academic and R&D counterparties in order to maintain first hand access to leading-edge scientific capacity in the field while securing quality professional, i.e. medical, IT and other support to various Franchisees in different countries. The form and nature of the co-operation will vary whilst Telescan will also consider investing in those private research companies and teams that prove capable of producing a critical contribution to Telescan's value chain.

Telescan has invited both of Estonia's leading scientific *alma mater* personnel at Tartu University and Tallinn University of Technology to join in and support Telescan's R&D activities. In addition, the Group is interested in undertaking joint R&D and funding with compatible university research programmes.

5.3 Technological Adviser - Geosphere AS

Geosphere AS ("Geosphere") is an Estonian company associated with the Telescan Group since Geosphere is owned by one of the Telescan's directors, COO Michael Chambers. Geosphere's in-house competences in the field, including genetics and biotech, are valuable to the entire Group whilst Geosphere is well positioned to secure efficient access to the selected scientific and R&D audiences in the Baltic region and wider field.

5.4 IT Adviser - Endatio Ltd.

Endatio Ltd. ("Endatio"), www.endatio.com is a Cyprus company operating worldwide, which specializes in software development. Endatio offers the market a portfolio of services that include custom workflow software for companies needing to automate their business processes to enable them to achieve efficient management of massive data bases and robotized analytics.

In addition to routine challenges that Telescan would face in a situation where large interactively and intensively communicated flows of information need to be managed and analyzed in near real-time terms two principal layers of integrated systems shall constitute Telescan's IT environment:

- Worldwide level (Data Processing, Data Storage)

Telescan will manage the common infrastructure. The Company will have a series of datacenters globally to manage and maintain its data. These datacenters will act as Telescan's own Private Cloud. Telescan's Private Cloud will host the necessary computing systems (e.g. Beowulf cluster, see below) and data storage to analyze and store the data collected, which has been uploaded via the global offices (Franchise). These data centers will be positioned geographically to balance processing requirements. Access to these systems will be controlled via a secure gateway (encrypted). Each Franchisee will store their medical data remotely on the Telescan's Private Cloud; this will allow better control of security and disciplined management of the data.

- Site Level (Franchise) – Local Systems

Telescan will provide guidelines to the Franchise on the setup of their systems and will provide all necessary software to connect to the Telescan systems in the cloud. Nevertheless, all Franchise data relating to the running of the local business will be held locally and managed locally.

Beowulf cluster is best suited for "embarrassingly parallel" tasks. In other words, those tasks that require very little communication between nodes to complete, so that adding more nodes results in a near-linear increase in computation with little extra synchronization work. Embarrassingly parallel programs may also be known as linearly scalable.

Endatio will undertake the development of two platforms that will need to be developed:

- Genetic Scanning and Analysis Platform (GSAP)

This platform will be used to analyze and compare genetic information with prediction algorithms and other techniques to build bioinformatics and genetic progression diagnostics, and

- Medical Image Analysis Platform (MIAP)

Similar to the GSAP systems, but MIAP uses image data to compare different data sets over time to help predict and diagnose illness.

5.5 Soft Infrastructure

It is all natural yet well recognized by Telescan that different cross-border and specific country based public assets, such as regulation, taxation, and private assets, such as insurance companies and Private-Public-Partnership situations expose Telescan. Telescan intends to actively contribute to the policy making in the field of its activities and healthcare sector, and invest in setting-up of industry standards.

6 RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

This is a high risk investment and investors may lose a substantial portion or even all of the money they invest in the Company. An investment in the Company is therefore suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Investors should also take their own tax advice as to the consequences of their owning shares in the Company as well as receiving returns from it. No representation or warranty, expressed or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and neither the Company, nor the Directors, nor any adviser of the Company nor any other person will be responsible for any tax consequences for any such investors.

Lack of Operating History

The Company is newly formed and has no operating history upon which investors can evaluate likely performance. The results of the Company's operations may fluctuate from period to period and prospective investors should note that the results of a particular period may not necessarily be indicative of results in future periods. There can be no assurances that the Company will achieve its investment objectives and the past performance of the Company may not be construed as an indication of the future performance of the Company.

Securities

Although the Shares will be traded on a recognised Multilateral Trading Facility, an investment may not be liquid and may carry a higher risk than an investment in shares quoted on a recognised stock exchange other than on the First North Market of the NASDAQ OMX Exchange. Consequently, Shares may therefore be difficult to sell or realise.

Volatility of the Value of the Company's Assets

Investors should be aware that the value of the Company's assets may be volatile and may go down as well as up and investors may therefore not recover any or all of their original investment. In addition, the price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and the others of which are

extraneous. Investors may realise less than the original amount invested. Much of the Company's assets and prospects are related to developing intellectual property. If it is not possible or it is uneconomical to commercialise such intellectual property, the value of such intellectual property may be severely diminished and any anticipated cash flow of the Company related to such intellectual property may not occur.

No Guarantee as to Future Performance

There can be no assurance that the Company will be able to achieve all or any of its objectives referred to in this document.

Impact of Law in Government Regulation

Telescan and counterparties with whom the Company deals with will need to comply with regulations relating to environmental, health and safety, land use and development standards. The institution and enforcement of such regulations could have the effect of increasing the expenditure relating to, in lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations.

Tax Related Risks

The tax regime applying in the countries in which the Company invests may change, thereby affecting the Company's ability to invest in assets without suffering material and adverse effects on its investments.

Shareholder Tax Risks

Investors should take their own tax advice as to the consequences of owning shares in the Company as well as receiving returns from it.

Regulatory Regime and Permits

The profitability of the Company will be in part dependent upon the continuation of a favourable regulatory climate with respect to its investments. The failure to obtain or to continue to comply with all necessary approvals, licences or permits, including renewals thereof or modifications thereto, may adversely affect the Company's performance, as could delays caused in obtaining such consents due to objections from third parties.

Gearing

The Company may use borrowings in relation to its investments. The extent of the borrowings and the terms thereof will depend on the Company's ability to obtain credit facilities and the lenders' estimates of the stability of each property's cash flow. Any delay or failure in obtaining suitable or adequate financing from time to time may impair the Company's ability to achieve its objectives.

Possible Adverse Economic Conditions Risks

The Company and its assets may be at risk from the wider marketplace and any future economic conditions including changes in interest rates and inflation as well as geo-political events. Any returns on the Company's activities and investments could be adversely affected by the political and

economic status of the countries in which the Company operates, including, regime change, terrorism, political unrest or religious revolution.

Hedging

The Company will make investments in currencies other than Euro, the base currency of the Company. Changes in rates of exchange may have an adverse effect on the value, price or income of such investments. A change in foreign currency exchange rates may adversely impact returns of the Company's non-Euro denominated investments to the extent that the Company does not hedge against such exchange movement.

Ability of Company to Achieve an Initial Public Offering

The ability of the Company to successfully offer shares during IPO on a stock exchange will in the future be limited by global economic conditions, performance of equity capital markets, investor demand, approvals from the relevant stock exchange and the operating performance of the Company following listing. There is no guarantee that the Company will be able to achieve an IPO on any stock exchange in accordance with the intended timelines, or at any time in the future. Even if an IPO is achieved, there is no assurance that a secondary market in the Shares will develop.

Dependence on Management Team

The Group's success will depend on the retention of its Directors, Management Board, senior managers and members of its Advisory Boards and on its ability to continue to attract and retain highly skilled and qualified personnel. There can be no assurance that the Company will be able to retain the services of any of its Advisory Board or Directors and/or attract or retain any senior managers or skilled employees.

Length of Development Cycle

The length of a product development cycle, from concept stage to commercialisation, may be unpredictable because it depends on a number of factors that may be outside of the Company's control, including gaining regulatory approval, market acceptance and access to further funding. The Company's estimates for the length of any given phase of a project may therefore change.

Limited Sales and Marketing Capacity

The Company has limited sales and marketing capabilities. Competing companies may have substantially greater capabilities and resources and may be able to develop technologies first or develop more effective technologies or market them more effectively which would limit the Company's ability to generate revenue and cash flow.

Reliance on Third Parties

The Company may be dependent on third parties for the development of the technologies of certain key components.

Business Risks

The Company's growth and development will depend on sourcing, developing, commercialising and marketing new technologies and if not done successfully, growth and development will be impaired.

Competition Risk

If the Company fails to keep up with rapid technological change then its technologies could become less competitive or obsolete. The Company may face significant competition from organisations which have much greater capital resources than the Company. There is no assurance that the Company will be able to compete successfully in such a marketplace.

Intellectual Property Risk

The Company depends upon intellectual property rights ("IPR") to finance, develop and commercialise its technologies. The business of the Company would be adversely affected if the IPR is not or cannot be adequately protected in key markets or if the technology it protects is superseded by other technology. Unless or until relevant patents are granted, the Company relies upon maintaining the confidentiality of the Company's proprietary information and techniques through contractual arrangements. Others may independently develop substantially equivalent proprietary information and techniques or gain access to trade secrets or disclose the technology, particularly if the Company does not have exclusive rights to the background IPRs for the technologies it may licence from a third party. The Company may not be able to meaningfully protect and/or prevent relevant trade secrets and other confidential information from entering the public domain which could limit its ability to commercialise the technologies on an exclusive basis. The Company may incur significant costs in defending its use of the relevant technologies against patent and other intellectual property infringement claims and in taking action against third parties for infringement of its rights.

Ability to Secure New Technologies

The Company may rely in part on in-licensing or purchasing technologies to grow its technology portfolio, and may not be effective at in-licensing or acquiring new technologies. This would adversely affect its ability to grow the business and become profitable.

Industry Adaptation Risk

There is no guarantee that the marketplace will accept hand held scanning and telemedicine technologies, and this may have an adverse effect on profitability and cash flows.

Technology Risk

There is no guarantee that the inventions and technology set out and described in this document is capable of commercialisation as envisaged by the Company or at all. In addition, there is no guarantee that any products that are commercialised will be profitable. Each of these factors could have a negative impact on the future prospects of the Company.

Future Fundraising

The Supervisory Board (Council) intends to regularly review the Company's development plans in line with expected expanding market opportunities and annually when budgets and targets are reviewed. Upon such review it may consider that it is appropriate to raise further funds. Should this require the issue of further shares or other securities, there is no guarantee that the price will not be below the offer price, and any such issue will be dilutive to existing Shareholders.

Country Risk

The Company has international operations and is subject to economic, political and regulatory risks associated with conducting business in different countries, including the potential burden of complying with a variety of foreign laws, trade standards and regulatory requirements; difficulty identifying, establishing and maintaining relationships across all facets of the product development cycle; and geopolitical risks such as political and economic instability that can affect supply chains, customers and activities in a particular location.

Ability to Secure Future Financing

The Company expects to raise additional funds in the future for working or development capital for progression of existing technology investments or for investment in operating facilities based on the technologies. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for shares at the same price as the price paid by a current investor, or higher.

7 FINANCIALS

7.1 Financial Projections

The Company is a start-up without financial history. Below are presented the projections for the current and next financial year related to launching franchised scanning facilities.

The Company plans to sign the first Franchisee agreement in September / October 2013. The projections foresee increasing the number of facilities conservatively by one partner every month. The revenue stream to the Company is comprised of one-time fees for selling Franchises and monthly client scan payments paid by the Franchisees. The initial franchise fee includes access to Telescan's proprietary technology and assistance in acquisition of the equipment. Each Franchisee is expected to pay fees monthly depending on its revenue from scanning.

The projections assume that Telescan will receive a basic Franchise fee of 2,000,000 Euros for each Franchise location. Of this 2,000,000 basic fee the assumptions allow for equipment to the value of 1,000,000 Euros being supplied to the Franchisee by Telescan. Related direct costs of Telescan are estimated to be 500,000 Euros.

The revenue from scanning services is initially marginal but is estimated to amount to 10% of monthly revenue by the end of 2014, at which time monthly overhead costs (including personnel, management, and administration) are assumed to be approximately 200,000 Euros per month.

The projections foresee financing of operating costs and investments into research and development activities by the issue of new shares within a few months after Telescan shares are accepted to trading on the multilateral trading facility First North operated by NASDAQ OMX Tallinn AS. The share issues are planned as private placements to related persons of the Group, including transfer of intellectual property (patents, trademarks etc) into Telescan's equity. The terms of the share issues are yet to be established. The projections below include new capital of 2,000,000 Euros.

in thousand Euros

INCOME STATEMENT

	7 months 2013	2014
Net sales	6 056	25 663
EBITDA	395	5 025
Net Earnings	395	4 650
<i>net margin</i>	<i>6.5%</i>	<i>18.1%</i>

BALANCE SHEET

	30.06.2013	31.12.2013	31.12.2014
Current assets	25	1 967	7 224
Intangible assets	0	1 000	1 625
ASSETS	25	2 967	8 849
Current liabilities	0	547	1 778
Owners equity	25	2 420	7 070
EQUITY & LIABILITIES	25	2 967	8 849

The financing structure of equipment has not been finalized yet. Partial financing of equipment to be supplied to the Franchisees is an option and will be covered by the funds raised during the second half of 2013 (see Section 2.5).

The summary financial projections presented above exclude IPO and merger and acquisition (M&A) activities, and also those costs that will be additionally financed during pre-IPO placements of equity and debt.

7.2 Accounting Policies

The financial statements of the Company are prepared in accordance with International Financial Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (IFRS-EU) and the Estonian Accounting Act.

The preparation of financial statements in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Financial statements are presented in Euros, unless indicated otherwise.

7.3 Balance Sheet and Income Statement as of 30 June 2013 (Un-Audited)

Income Statement

	30.05 – 30.06.2013
NET SALES	-
Cost of goods sold	-
Labour costs	-
Administrative costs	180
Depreciation	-
OPERATING EXPENSES	180
OPERATING INCOME	-180
Financial income	-
Financial expense	-
EARNINGS BEFORE TAX	-180
Income tax	-
NET EARNINGS	-180

Balance Sheet

	30.05.2013	30.06.2013
Cash and bank accounts	25 000	25 000
Accounts receivable	-	-
Other receivables	-	-
Inventory	-	-
Total current assets	25 000	25 000
Tangible assets	-	-
Investments	-	-
Total fixed assets	-	-
Intangible assets	-	-
ASSETS	25 000	25 000
Short term debt / overdraft	-	-
Salaries payable	-	-
Accounts payable	-	180
Total current liabilities	-	180
Long term liabilities	-	-
Paid-in capital	25 000	25 000
Reserves	-	-
Retained earnings	-	-
Net earnings for the year	-	-180
Total owners equity	25 000	24 820
EQUITY & LIABILITIES	25 000	25 000

8 APPENDICES



FRANCHISE AGREEMENT

Copyright Warning

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FRANCHISE AGREEMENT

This Agreement is dated /insert date/

PARTIES

(1) Franchisor - Telescan AS (Registered No. 12482582) whose registered office is at Viru Väljak 2, 10111 Tallinn, Estonia

(2) Franchisee

or

(3) Franchisee - Limited Company

WHEREAS

- (A) The Franchisor under its trading name of TELESCAN (uses the electronic transmission of data by internet, satellite, wireless, phones or other means to enable the remote diagnosis of medical conditions and/or the treatment of patients nature of business) throughout the world through a franchise network and trains franchisees in the marketing of its services and the use of the equipment required to provide the services
- (B) The Franchisor can also provide valuable management, marketing, technical and operational guidance in the conduct of the said Franchisee's business, and
- (C) The Franchisor wishes to (nature of business) in the territory and
- (D) The Franchisee wishes to (nature of the business) and desires to obtain the benefit of the knowledge, expertise and skill of the Franchisor and the right to operate the said Franchisee's Business, and
- (E) The Franchisor has agreed to appoint the Franchisee as it's franchisee in the Territory during the Term on the terms and conditions of this Agreement.

TERMS AND CONDITIONS

1 DEFINITIONS

1.1 The following terms shall have the following meanings:

"Active Customers": Customers which have used the services of the Franchisee at least once in each 12 month period of this Agreement, the first such 12 month period commencing on the Start Date.

"Beneficiary": a beneficiary under the deceased Franchisee's will or the person or persons taking on his intestacy.

"Business": the business of providing the service under the Marks using the Intellectual Property.

"Commencement Date": the date specified in Schedule 1 of this Agreement.

"Customer": any person to whom the Franchisee has provided the services of the business or whom has expressed an interest in having the service provided by the company or whom has been referred to the Franchisee by any other business or person.

"Default Notice": a notice served by the Franchisor on the Franchisee requiring the Franchisee to remedy a breach of any of the provisions of this Agreement (if capable of remedy) within whatever time period the Franchisor at its sole discretion stipulates in that notice provided that that period shall not be less than (14) days.

"Employee": any person employed by the Franchisee.

"Equipment": the equipment used for magnetic resonance imaging, ultrasound scanning, x-ray and gene scanning as specified by the Franchisor for the operation of the business.

"Franchisee's Business": that part of the Business operated by the Franchisee under the terms of this Agreement.

"Franchise Fee": the sum referred to in schedule 1.

"Franchise Offer": a complete copy of the written offer made by a proposed Purchaser for the Franchisee's Business.

"Initial Supplies": the initial stock of Products and other items listed in schedule 2 required to commence the Franchisee's business and to be supplied by the Franchisor within the Franchise Fee.

"Intellectual Property": the Trade Name, the Marks, any patents, other trade names, logos, designs, symbols, emblems, insignia, fascia, slogans, copyrights, know-how, information, drawings, plans, and other identifying materials whether or not registered or capable of registration and all other proprietary rights whatsoever owned by or available to the Franchisor adopted or designated now or at any time hereafter by the Franchisor in connection with the Business.

"Manual": the written specification of the methods, processes, techniques, systems, performance standards and schemes devised and compiled by the Franchisor to be observed and implemented by the Franchisee in operating the Franchisee's Business and any amendment or variation thereof at any time hereafter notified in writing by the Franchisor to the Franchisee from time to time and which may be stored electronically by the Franchisor and provided to the Franchisee in electronic form, printed (hard copy) form or accessed via the internet.

"Management Services Fee": the sum referred to in Schedule 1 payable each month in accordance with clause 5.1.2.

"Marketing Products and Services": such leaflets, brochures, stationery, notepaper, Franchisee's Business Cards, invoices, promotional gifts, advertising, exhibitions, internet sites, public relations and any other forms of promotional material and activity used to promote and operate the Franchisee's business as the Franchisor shall determine from time to time.

"Marks": the Trade Marks listed in schedule 4 and/or such other trademarks as the franchisor determines from time to time.

"Minimum Performance Standards": the minimum turnover and minimum number of Active Clients as set out in schedule 3.

"Option": the Franchisor's option to purchase the Franchisee's Business excluding the Premises (at the Franchisor's discretion) for the same amount (adjusted to take account of any excluded Premises) and on the same terms as those set out in the Franchise Offer.

"Persistent Breach": the Franchisee has been given written notice of the same or different breach or breaches by the Franchisor at least 3 times within any (12) month period.

"Premises": such location and or locations from which the Franchisee operates the Franchisee's Business which are approved in writing by the Franchisor (such consent shall not be unreasonably withheld).

"Purchase Price": the total selling price of the Franchisee's business (which for clarity shall include all its goodwill, stock of products, equipment and any other items)

"Purchaser": a purchaser of the Franchisee's business who is acceptable to the Franchisor.

"Sale Procedure" details of the sale procedure on sale of the business as set out in the Manual and amended from time to time.

"Satisfactory Performance Standards": the minimum turnover and minimum number of Active Clients as set out in the Manual and revised from time to time.

"Start Date": the date on which the Franchisee commences business as a Telescan Franchisee being in any event no later than one month after the Commencement Date unless extended with the written consent of the Franchisor.

"Services": the Telescan organisation operates as an all embracing diagnostic service available in any country of the world and where required it provides its health profiles in the local language. Its physical locations backed up by dedicated virtual networks and an internet healthcare portal serving its customers in the home, at the office or on the move with mobile apps.

"System": means the distinctive business format and method developed and implemented by the Franchisor in connection with the operation of the Business utilising and comprising the Intellectual Property and certain standard operational procedures, methods, management, marketing and advertising techniques which are contained or referred to in the Manual.

"Scans": means the diagnostic processes used by Telescan and its franchisees which will include but not be limited to: Magnetic Resonance Imaging (MRI), Ultrasound Scanning, X-Rays and Gene Scanning.

"Term": a period of (5) five years commencing on the Commencement Date.

"Terms of Trade": the terms of business applying to the sale by the franchisor of products, equipment or services to the Franchisee as set out in the Manual from time to time.

"Territory": the geographical area identified in Schedule 1

"Trade Name": the name "Telescan" and such other variations of this name as the Franchisor shall from time to time notify to the Franchisee.

- 1.2 Headings are for convenience only and shall not affect the construction of this agreement.
- 1.3 References to Clauses and Schedules are references to clauses and sub-clauses or schedules of this Agreement unless otherwise specified, reference to the plural shall include the singular and vice versa, reference to masculine shall include the feminine and references to "person" shall include partnerships, limited companies and other organisations.
- 1.4 Where there is more than one Franchisee, all obligations herein shall apply jointly and severally to each Franchisee.
- 1.5 All references in this Agreement to statutory provisions shall extend to those provisions as re-enacted or modified and to regulations there under and any statutory replacement from time to time in force.

2 GRANT

- 2.1 In consideration of the payment by the Franchisee to the Franchisor of the Franchise Fee, but subject to the obligations and agreements on the part of the Franchisee contained in this Agreement, the Franchisor grants to the Franchisee the exclusive right during the Term to operate the Franchisee's business under the Trade Name and Marks from the Premises and within the Territory, in accordance with the System and the Manual.
- 2.2 The Franchisee shall not actively promote the services to clients based outside the Territory and although not prohibited from providing services to clients contacting him from outside the Territory, shall notify the Franchisor of such contacts.
- 2.3 The Franchisor reserves to itself the right upon written notice to the Franchisee to reduce the size of the Territory or to make this Agreement non-exclusive as an alternative to termination in the circumstances set out in Clause 14.3.7.
- 2.4 Subject to Clauses 2.2, 2.3 and 2.5 the Franchisor will not itself provide the Services nor licence any other person to provide the Services under the Marks within the Territory.
- 2.5 The Franchisor will also grant master licences to individuals and organisations who in the Franchisor's opinion are able to assist in developing the global network by recruiting Franchisees in a country or territory which lends itself to multiple operations. master licences shall be covered under a separate "master licence agreement".

3 FRANCHISOR'S OBLIGATIONS

- 3.1 Before the Start Date the Franchisor shall:
- 3.1.1 provide at a place specified by the Franchisor, initial training for the Franchisee (or in the case of the Franchisee being a corporate body or a partnership one of its directors or one partner) in the operation of the Franchisee's Business the cost of which shall be included in the Franchise Fee (save that the Franchisee shall be responsible for travel and subsistence expenses incurred in attending such training together with the salaries of any Employees);
- 3.1.2 lend to the Franchisee a copy of the Manual for exclusive use of the Franchisee;
- 3.1.3 advise the Franchisee with regard to the acquisition of premises, equipment, materials and stock necessary for the operation of the Franchisee's Business;
- 3.1.4 supply the Franchisee with initial supplies;
- 3.2 During the continuance of this Agreement, the Franchisor shall:
- 3.2.1 provide the Franchisee with such continuing advice and assistance concerning the operation of the Franchisee's Business as the Franchisor shall in its absolute discretion deem necessary.
- 3.3 develop and promote the Services, Products and Marks in such manner as the Franchisor shall in its absolute discretion consider appropriate;
- 3.4 supply and update the Marketing Products and Services as the Franchisor shall in its absolute discretion consider appropriate;

- 3.5 use all reasonable endeavours to procure and supply sufficient stock of products, as well as the appropriate equipment maintained in workable condition so as to facilitate efficient operation of the Franchisee's Business;
- 3.6 Provide ongoing training courses for Franchisees at the standard charges from time to time notified to the Franchisee as the Franchisor shall in its absolute discretion deem necessary (the Franchisee being responsible for the travel, accommodation and subsistence expenses of attending such courses together with the salaries of any Employees);
- 3.7 hold from time to time meetings and conferences for the advancement and dissemination of methods used in the Franchisee's Business;
- 3.8 update the Manual from time to time (the copyright in the Manual remaining the property of the Franchisor) in electronic form or accessed via the internet or otherwise as the Franchisor sees fit.

4 FRANCHISEE'S OBLIGATIONS

The Franchisee agrees with the Franchisor throughout the Term:

- 4.1 Manual
 - 4.1.1 to operate the Franchisee's Business strictly in accordance with the terms and provisions of the Manual as amended by the Franchisor from time to time. In the event of any conflict between the terms of this Agreement and a provision of the Manual this Agreement shall prevail;
 - 4.1.2 the Franchisor will keep at its head office a definitive copy of the Manual as revised and modified from time to time which in the event of any dispute shall be the authentic text;
- 4.2 Premises
 - 4.2.1 The Franchisee shall operate the Franchisee's Business from the Premises and shall store Equipment and Products at the Premises;
 - 4.2.2 Unless the Franchisor consents (which consent the Franchisor can withdraw at any time) the Premises shall not be residential premises.
- 4.3 Equipment and Products
 - 4.3.1 to acquire, and use in the operation of the Franchisee's Business only the Products, Equipment, Services as the Franchisor shall from time to time specify or approve;
 - 4.3.2 not without the prior written consent of the Franchisor to use any supplies materials or equipment in connection with the operation of the Franchisee's Business other than those purchased from the Franchisor or from a supplier previously approved by the Franchisor;
 - 4.3.3 to maintain sufficient stocks of all current products, Marketing products and Services materials at the premises as well as to maintain the equipment at the required levels to maximise the efficiency and customer service of the Franchisee's Business as required by the Franchisor;
 - 4.3.4 to comply with the terms of this Agreement should the Franchisor introduce associated services in addition to the Services and make the same immediately available to the Clients under this agreement;
- 4.4 Customer Service
 - 4.4.1 to provide the Services (as prescribed by the Franchisor) to the Clients strictly in accordance with the standards set out in the manual;
 - 4.4.2 not to provide anything other than the prescribed Services to the Clients;

- 4.4.3 to provide the Services as required by the Franchisor to such Clients as the Franchisor may specify at its absolute discretion;

the Telescan organisation and global franchise network serves healthcare professionals, clinics, hospitals, government departments, parastatal bodies and charities with business to business services and business to customer health conscious individuals around the world. Telescan operates as an all embracing diagnostic service available in any country of the world and where required it provides its health profiles in the local language. Telescan can also accept payment for its services in any currency in the world. Telescan provides a truly global marketplace with its physical locations backed up by dedicated virtual networks and an internet healthcare portal serving its customers in the home, at the office or on the move with mobile apps. Telescan offers either one-off scanning procedures for specific situations such as accidents or natural disasters or more routine annual healthcare checks or MOT's.

4.5 Promotion of Franchisee's Business

- 4.5.1 to promote diligently and make every reasonable effort to increase the Franchisee's Business within the Territory and by such forms of promotion and use of Marketing Products and Services as the Franchisor may require;
- 4.5.2 to display only such promotional and advertising material as the Franchisor shall supply or approve;
- 4.5.3 to use only such Marketing Products, services and Display Equipment as the Franchisor shall supply or approve in writing;
- 4.5.4 to ensure that the Marks are prominently displayed in such a way as the Franchisor shall direct;
- 4.5.5 to contribute to the reasonable costs of the Franchisor in obtaining new Clients for the Franchisee as the Franchisor may reasonably request from time to time;

4.6 Performance Standards

- 4.6.1 to procure the greatest sales turnover for the Franchisee's Business consistent with the Franchisor's performance and Client service standards as set out in the Manual;
- 4.6.2 that the Satisfactory Performance Standards and the Minimum Performance Standards form a fundamental part of this agreement;
- 4.6.3 that the achievement of the Minimum Performance Standards shall not by itself be regarded as satisfactory performance. The Franchisee must use best endeavours to optimise the performance of the Territory beyond these figures in order to achieve the Satisfactory Performance Standards;
- 4.6.4 that if the Franchisee fails to achieve the Minimum Performance Standards then this Agreement may be terminated in accordance with Clause 14.3.7;
- 4.6.6 that if the Franchisee fails to achieve the Satisfactory Performance Standards then the Franchisor may reduce the territory to such a size as the franchisor shall reasonably consider the Franchisee will be able to service adequately , or make the Territory non-exclusive, and adjust the Satisfactory Performance Standards and the Minimum Performance Standards accordingly;

4.7 Management of the Franchisee's Business

- 4.7.1 to personally devote sufficient time and attention to the management of the Franchisee's Business (or in the event of the Franchisee being a body corporate at least one of the directors of the Franchisee shall devote sufficient time and attention) and to ensure that the

Franchisee's Business is manned on a full time basis efficiently and professionally to the standards set by the franchisor;

- 4.7.2 not to delegate any duties or obligations arising under this Agreement otherwise than may be expressly permitted under its terms;
- 4.7.3 not directly or indirectly be involved in providing Services competitive or similar to the Services;
- 4.7.4 not to be directly or indirectly interested in or employed by any other business without the Franchisor's prior written consent;
- 4.7.5 to engage such Employees as are necessary for the efficient operation of the Franchisee's Business and to meet the Franchisor's requirements (including but not restricted to times when the Franchisee is away from the Franchisee's Business on holiday or otherwise);
- 4.7.6 to engage such Employees as are necessary to enable the Franchisee to achieve the Satisfactory Performance Standards as set out in the Manual and to assist in developing the full potential of the Franchisee's business in the territory;
- 4.7.7 to ensure the Franchisee's Employees are trained by the Franchisee in the operation of the Franchisee's Business as required by the Franchisor;
- 4.7.8 not to employ any person in connection with the operation of the Franchisee's Business who is in the opinion of the Franchisor unsuitable or unsatisfactory;
- 4.7.9 not to permit any person to act or assist in the operation of the Franchisee's Business until such person has signed a contract of employment including an undertaking of confidentiality in a form approved by the Franchisor and in particular not to grant any sub-franchise nor take on any persons who are self employed to assist in the Franchisee's Business, unless the prior written consent of the Franchisor has been obtained;
- 4.7.10 not to allow any employee to remove the Manual from the Premises or photocopy or copy the Manual or any part thereof;
- 4.7.11 to ensure the Employees maintain a smart appearance and wear corporate clothing bearing the Marks and carry such formal identification as approved and required by the Franchisor when working in the Franchisee's Business;

4.8 Communications Equipment

- 4.8.1 to acquire and install (at the Franchisee's expense) a telephone, fax, mobile telephone, telephone answering machine, email address and any other form of communications systems as reasonably required by the Franchisor from time to time, and to ensure that they at all times in good working order;
- 4.8.2 at the request of the franchisor at any time to transfer to the Franchisor forthwith and without charge, ownership of any inbound telephone (including mobile or facsimile) numbers or email/website addresses used by the Franchisee's Business to enable the Franchisor to procure the provision of continuing inbound communications to the Franchisee's Business;
- 4.8.3 not (where the franchisor has procured the provision of telephone and/or fax and/or email communications for the Franchisee) to use (except in the case of emergency or with the consent of the Franchisor) other inbound telephone or fax lines or numbers or email addresses or publicise any other numbers or addresses for the Franchisee in the course of or in connection with the Franchisee's Business;
- 4.8.4 to procure and install (at the Franchisee's expense), such computer hardware, software, dedicated telephone and power lines, modem(s), printer(s) and other computer related accessory or peripheral equipment as the Franchisor may from time to time specify (in the

Manual or otherwise in writing) in order to implement or upgrade a system of ordering, invoicing, communicating, data storage, and reporting by computer and to ensure that such IT system is at all times in good working order;

- 4.8.5 comply with all the Franchisor's reasonable requirements concerning the use of such IT system for the purposes of the Franchisee's Business;
- 4.8.6 if so required allow the Franchisor direct on-line access to the IT system of the Franchisee and all data within it; and
- 4.8.7 obtain and keep up to date all third party licences which are required to permit use of such IT system by the Franchisee;
- 4.8.8 to use such accounting or other computer software as the Franchisor may specify from time to time and the service of such information technology providers;

4.10 Insurance

- 4.10.1 to obtain and maintain at the Franchisee's expense at least insurances against such risks as are specified in the Manual in such minimum sums and conforming to such policy limits and provisions as the Franchisor may from time to time require;
- 4.10.2 to furnish the Franchisor on demand with copies of all such insurance policies and evidence that all premiums due have been paid. The Franchisee will ensure that a note is made on all such policies that the insurer will notify the Franchisor in the event of cancellation or late payment of any premium;
- 4.10.3 to ensure that all staff employed by the Franchisee are covered by fidelity bonding to be arranged by the Franchisor's insurance brokers and paid by the Franchisee;

4.11 Funding of Franchisee's Business

- 4.11.1 to ensure that the Franchisee's Business has at all times sufficient working capital in order to operate efficiently, to maintain adequate stock and staffing levels and to grow the Franchisee's Business in line with the Satisfactory Performance Standards as set out in the Manual.
- 4.11.2 to provide the Franchisor with such cash flow forecasts and other financial information as requested from time to time to facilitate the monitoring of the Franchisee's financial position;

4.12 Confidentiality

- 4.12.1 not without the prior written consent of the Franchisor or otherwise than for the purpose of carrying on the Franchisee's Business in accordance with provisions of this Agreement, either during or after the Term to divulge to any person or use otherwise than in the Franchisee's business, for the Franchisee's own benefit or for the benefit of any other person, any confidential information concerning the Business, the Franchisor and in particular but without prejudice to the generality of the foregoing the contents of the Manual and any information and knowledge obtained in the operation or use of the Business, the Manual or any training provided by the Franchisor and to keep the same confidential, PROVIDED ALWAYS that after termination of this Agreement such obligations shall cease if such information becomes generally known or easily accessible other than as a result of breach of these obligations by the Franchisee;

4.13 Intellectual Property

In respect of the Intellectual Property

- 4.13.1 not to cause or permit anything which may damage, encumber or endanger the Intellectual Property or the Franchisor's title to it or assist or allow others to do so;
- 4.13.2 to notify the Franchisor of any suspected infringement of the Intellectual Property;

- 4.13.3 to take such reasonable action as the Franchisor shall direct at the expense of the Franchisor in relation to such infringement;
- 4.13.4 to compensate the Franchisor for any use by the Franchisee of the Intellectual Property otherwise than in accordance with this Agreement;
- 4.13.5 to indemnify the Franchisor for any liability incurred to third parties by any use of the Intellectual Property by the Franchisee otherwise than in accordance with this Agreement;
- 4.13.6 on the expiry or termination of this Agreement forthwith to cease to use the Intellectual Property save as expressly authorised by the Franchisor in writing;
- 4.13.7 not to apply for registration of the Trade Name or Marks as trademarks but to give the Franchisor at the Franchisor's expense any assistance it may require in connection with the registration of the Trade Name or Marks as a trade mark or other mark in any part of the world and not to interfere with in any manner nor to attempt to prohibit the use of the registration of the Marks or any similar name or designation by the Franchisor or their use by any other licensee of the franchisor;
- 4.13.8 not to tamper with any marking or other indication of the source of origin of the Equipment which may be placed by the Franchisor on the Equipment;
- 4.13.9 not to use the Intellectual Property otherwise than as permitted by this Agreement;
- 4.13.10 not to use any name or mark similar to or capable of being confused with the Trade Name or the Marks;
- 4.13.11 not to use the Trade Name or the Marks or any deviation of them in its corporate name nor make use of or establish a web site which uses the Trade Name or any of the Marks or any similar trade name or mark as its domain name;
- 4.13.12 to acknowledge that the goodwill and all other rights in and associated with the Intellectual Property and in particular the Marks, vest absolutely in the Franchisor and that it is the intention of the parties that all such rights will at all times and for all purposes remain so vested and in the event that any such rights at any time accrue to the Franchisee by operation of the law or otherwise the Franchisee will at his own expense immediately on demand do all such acts and things and execute all such documents as the franchisor shall deem necessary to vest such rights absolutely in the Franchisor as the case may be;
- 4.13.13 to hold any additional goodwill generated by the Franchisee for the Intellectual Property or the business carried on by the Franchisor as bare trustee for the Franchisor;

4.14 Improvement to Business or Products

If at any time during the Term the Franchisee makes or discovers any improvements to the Business or the Services or the marketing of the Services forthwith;

- 4.14.1 to provide the Franchisor with all necessary details and the Franchisor shall determine at its sole discretion the feasibility and desirability of incorporating them into the Business;
- 4.14.2 to acknowledge that any improvements approved by the Franchisor may be used by the Franchisor and all other Franchisees without any obligation to the Franchisee for royalties or otherwise;

4.15 Communication Between Franchisee and Franchisor

- 4.15.1 to supply to the Franchisor within the time stipulated, monthly performance reports and other information as the Franchisor may from time to time require in the format and by the method from time to time stipulated by the Franchisor;

- 4.15.2 to permit the Franchisor and its representatives at all reasonable times and by prior appointment to inspect the Franchisee's records, Manual, stock, equipment and other materials used in the operation of the Franchisee's Business;
- 4.15.3 to return all calls and reply to all correspondence received from the Franchisor within one working day;
- 4.15.4 to attend all of the Franchisor's meetings and conferences;
- 4.15.5 to attend such meetings, or procure the attendance of Employees specified by the Franchisor at Franchisee's Business reviews, and training courses (at the Franchisee's expense) at the Franchisor's head office or other such locations as the Franchisor shall reasonably specify from time to time;
- 4.15.6 to co-operate fully in allowing representatives of the Franchisor without any further or other authority and upon reasonable notice during normal working hours to visit the Franchisee at the Premises and to speak with the Employees in order to inspect the quality of the Franchisee's Business so as to ensure that the high standards associated with the Franchisor's brand and reputation are being maintained;

4.16 Default Notices

- 4.16.1 to comply with the terms of any Default Notice (although nothing in this Clause is intended to require the Franchisor to serve notice of any breach before taking action in respect of it);

4.17 Other

- 4.17.1 to comply with all statutes, bye-laws, regulations and requirements of any government or other competent authority relating to the conduct of the Business and obtain (and maintain) all licences, consents and approvals (if any) that may be required;

5 THE FRANCHISEES FINANCIAL OBLIGATIONS

- 5.1 The Franchisee shall pay to the Franchisor (or to such other person as the Franchisor may direct in writing) without demand, deduction or set-off;

- 5.1.1 immediately on signing this Agreement the Franchise Fee (or balance thereof as the case may be)

- 5.1.2 each month the Management Services Fee which shall be paid in advance on the first working day of each calendar month by direct debit;

- 5.1.3 the invoiced cost of all Products, Marketing Products and Services and any other goods or services provided to the Franchisee by the Franchisor immediately by direct debit;

- 5.2 Prior to the Start Date the Franchisee shall open up a bank account (the "Account") with a clearing bank approved by the Franchisor and shall set up a direct debit facility on the Account in favour of the Franchisor. The Franchisee shall not open or operate any other business account.

- 5.3 The Franchisee shall throughout the Term pay all the income of the Franchisee's Business into the Account and will allow the Franchisor to deduct by direct debit (or such other method as may be set out in the Manual) the Management Services Fee and all other monies due and payable to the Franchisor for the supply of Product, goods, services, Equipment and Marketing Products and Services or otherwise. The Franchisee will not accept any consideration for the supply of Equipment and Products other than money consideration.

- 5.4 All monies paid to the Franchisor under this Agreement shall become the Franchisor's sole property upon payment of the same to the Franchisor and shall be deemed to be fully earned at the time of payment and shall not be refunded to the Franchisee under any circumstances.

- 5.5 The Franchisor may attribute any monies received by the Franchisor from the Franchisee to any monies owed to the Franchisor by the Franchisee whether under this Agreement or otherwise, regardless of what the Franchisee purports to designate the payment to be on account of.

- 5.6 The currency for all transactions will be deemed to be Euros (€). Alternative currencies will be accepted, however the current exchange fees and a one percent (1%) administrative fee will be charged.

6 VAT

The Franchisee is required by the Franchisor to register with the relevant authority for VAT or sales tax before the Start Date and within 21 days of submission or receipt to supply to the Franchisor a copy of each Tax return or assessment in respect of the Franchisee's Business. The Franchisee agrees wherever applicable to pay to the Franchisor VAT or any tax or duty additional to or replacing the same during the continuance of this Agreement charged or calculated on any payment made by the Franchisee to the Franchisor under the provisions of this Agreement.

7 ACCOUNTS

The Franchisee further agrees with the Franchisor throughout the Term:

- 7.1 to keep accurate books and accounts in respect of the conduct of the Franchisee's Business and shall record all Services rendered in the said books;
- 7.2 to issue invoices in respect of all Products and Services provided (whether to Client or the Franchisor) and shall retain any cancelled invoices;
- 7.3 to keep all accounts and records for a period of not less than three years and to provide the Franchisor with a copy of them upon the Franchisor's request;

8 AUDIT

- 8.1 The Franchisor and/or its Auditors or authorised representatives shall be entitled to inspect and audit the Franchisee's books of account and all supporting documentation relating to the Franchisee's Business at any time during or after the Term in respect of the whole or any part of the period of this Agreement by the Franchisor giving reasonable notice to the Franchisee. Such inspection or audit to be during reasonable Franchisee's Business hours.
- 8.2 If the audit (or any other periodic inspection not being a full audit) shows that the Franchisee's accounting as to the calculation of the payments due under this Agreement, and/or any other financial matter is incorrect, the Franchisee undertakes to promptly rectify the defect in the amount accounted for and/or the accounting system defect as the case may be.

9 COMPETITION

- 9.1 The Franchisee shall not during the Term engage or be concerned or interested directly or indirectly in any capacity whatsoever in any business competitive or in conflict with or similar to the Franchisee's Business.
- 9.2 if the Franchisee is a corporate body it shall procure that its directors enter into undertakings with the Franchisor in similar terms to the agreements on the part of the Franchisee contained in this Clause 9 and Clause 15 in a form reasonably required by the Franchisor.
- 9.3 The Franchisee shall not without the prior written consent of the Franchisor actively endeavour to provide services to Clients situated outside the territory.

10 RENEWAL

- 10.1 If at any time not earlier than six (6) months nor later than three (3) months before the expiry of this Agreement the Franchisee desires to enter into a new agreement to replace this Agreement and gives the Franchisor notice of such desire then the Franchisor will renew this Agreement for a further term of five (5) years provided that the Franchisee:
- 10.1.1 pays the Franchisor's then standard renewal fee plus tax;
 - 10.1.2 has not been in persistent breach of his obligation under this Agreement;
 - 10.1.3 is not then or at the date of renewal in breach of his obligations hereunder;
 - 10.1.4 shall enter into the Franchisor's then current form of Franchise agreement which may differ from the terms of this Agreement but will contain one further right of renewal (unless it is a renewed agreement) provided always that the Franchisee will not be required to pay any further Franchise Fee and the Franchisor shall not be obliged to comply with the provisions of Clause 3.1;
- 10.1.5 shall waive all and any claims the Franchisees may have against the Franchisor in respect of this Agreement or related matters;
- 10.1.6 shall carry out such works to the Premises and replace such of the Equipment used in the Franchisee's Business, as the Franchisor considers to be necessary to bring the Franchisee's Business up to the latest standards of a Telescan franchise and to comply with any relevant statutory or other requirements which apply to the Business and within such period of time as the Franchisor may reasonably specify; and
- 10.1.7 the Franchisee and any Employees shall attend such additional training courses as required by the Franchisor at such time and at such place as it may reasonably request at the Franchisee's expense.
- 10.2 for the purposes of this clause 10 time shall be of the essence.
- 10.3 if renewal takes place the Franchisee will pay the Franchisor's reasonable costs in respect of the legal, administrative and training costs incurred in connection with such renewal agreement and any associated documentation;
- 10.4 Should any authority have made any alterations to the boundaries or sub divisions which defined the original Territory, at any time prior to the expiry of the term, then the franchisor shall have the absolute right to make alterations to the boundaries of the Territory at the renewal of the Agreement. if the Franchisor reduces the territory in accordance with this Clause the Franchisee shall not be entitled to payment for any diminution in value of the Franchisee's Business;
- 10.5 If the Franchisee is permitted to continue to operate the Franchisee's Business after expiry of this Agreement without having previously entered into a renewal agreement as envisaged by this Clause 10 the Franchisee shall be operating as a Franchisee at will subject to the terms of this Franchise Agreement, save that either party may by serving three months written notice, terminate the arrangements.

11 SALE OF THE FRANCHISEE'S BUSINESS

- 11.1 All the rights and licences granted to the Franchisee under this Agreement are personal to the Franchisee and the Franchisee shall have the right to assign and sell the Franchisee's Business only subject to the following conditions and with the Franchisor's prior written consent, which cannot be unreasonably withheld and which shall be subject to the conditions set out in this Clause 11.
- 11.2 The conditions required to obtain the Franchisor's written consent to the Sale of the Franchisee's Business shall include:
- 11.2.1 any proposed Purchaser shall meet the Franchisor's standards with respect to suitability, business experience, financial status and ability and shall complete a program of initial training to the Franchisor's satisfaction
 - 11.2.2 if the sale proceeds to completion, the Franchisee shall pay to the Franchisor the sum equivalent to ten percent (10%) of the Purchase Price together with any tax thereon. If the sale does not proceed to completion the

franchisor reserves the right to charge the Franchisee for costs reasonably incurred by the Franchisor in dealing with any application for consent (up to a maximum of €1,500.00);

- 11.2.3 The Franchisee and the proposed Purchaser shall each pay to the Franchisor the sum of €500.00 (plus relevant sales tax thereon) in respect of the Franchisor's legal costs;
- 11.2.4 the proposed purchaser shall enter into a Franchise agreement in such form as is then currently offered by the Franchisor to new Franchisees;
- 11.2.5 the Franchisee must not be in breach at the time of the proposed sale or at any time prior to completion of the sale or during the Term have been in Persistent Breach of any obligations to the Franchisor under the terms of this Agreement and must be operating to the Satisfactory Performance Standards at the date of sale;
- 11.2.6 the sale must be completed in time to enable the Franchisor to enter into a replacement Franchise agreement with the Purchaser before the expiry of this Agreement;
- 11.2.7 the Franchisee transfers the Franchisee's business to the Purchaser if so required by the Franchisor, subject to the Franchisor's then standard terms for the sale of a Franchisee's business and in accordance with the sale and handover procedure;
- 11.2.8 in respect of each and every proposed offer to purchase the Franchisee's Business the Franchisee shall submit to the Franchisor the "Franchise Offer" within five(5) working days of receipt together with a financial statement of affairs and a business history of the proposed Franchisee and any further information which the Franchisor may reasonably require. It is a condition of the Franchisor's consent that the terms of the Franchise offer are the terms of the sale and purchase of the Franchisee's Business and if the sale price or any other significant term of Franchise Offer is changed the amended terms shall constitute a new Franchise Offer which shall in accordance with this Clause 11.2 be submitted to the Franchisor to be processed under and subject to this Clause 11.2 in place of the original or previous Franchise Offer;
- 11.2.9 the period within which the Franchisor may exercise its Option must have expired or the Franchisor must have confirmed in writing that it does not intend to exercise its Option within the prescribed period;
- 11.2.10 the Purchaser will make the requisite deposit required under Clause 11.2.12 below;
- 11.2.11 in addition to the Franchisor's other rights hereunder, the Franchisor will have the Option to be exercised by written notice given to the Franchisee within twenty-eight days after the receipt by the Franchisor of the copy of the Franchise Offer accompanied by such items as required by the Franchisor under Clause 11.2.8 (during which period the terms of the Franchise Offer cannot be altered without the Franchisor's consent);
- 11.2.12 If the Franchisor has not exercised the Option and the Franchisor has given written consent to the proposed sale of the Franchisee's Business then the Franchisee shall on the exchange of any contract with the Proposed Purchaser deposit with the Franchisor the sum referred to in Clause 11.2.2 and upon completion of the transaction the Purchase Price, or the balance, will be deposited with the Franchisor in both cases as agent for the Franchisee;
- 11.2.13 The Franchisor shall be entitled to deduct from the Purchase Price the sum of any amount owing to the Franchisor up to and including the proposed date of the sale of the Franchisee's Business and any outstanding balance of the Purchase Price will be paid to the Franchisee in accordance with the then current sales and handover procedures of the Franchisor;
- 11.2.14 If the exercise of the Option or any termination of this Agreement is a Transfer of Undertakings (Protection of Employment) or any amendment thereof apply, the Franchisee hereby irrevocably agrees to indemnify the Franchisor against any claims for wrongful and/or unfair dismissal and/or redundancy payments or any other claim arising from the exercise of the Option by and/or the dismissal by the Franchisor within six months following the alleged transfer of any person employed by the Franchisee immediately prior to the exercise of such Option who claims his employment has transferred to the Franchisor. Such indemnity shall include legal costs and disbursements incurred by the Franchisor on a full indemnity basis.

- 11.3 In the event that the Franchisee is an individual, this Agreement is only granted to him/her on the condition (which is the essence of this Agreement) that it is granted to him/her as an individual person and if he/she intends to change the structure of his/her trading structure to a partnership or a limited company or in any other manner it is agreed that any such intended change shall be a sale of the Franchisee's Business which shall require the Franchisor's written consent under this Clause (except that in such event the Franchisor shall not be obliged to grant the Purchaser a Franchise agreement for a term longer than that which the Franchisee would have been entitled to under this Agreement).
- 11.4 If the Franchisee is a company any change in the legal or beneficial ownership of the shares in the Franchisee requires the prior written consent of the Franchisor.
- 11.5 The Franchisor may assign or transfer this Agreement and all rights under it to another at any time and shall inform the Franchisee thereof in writing within a reasonable time thereafter. In the event of any such assignment or transfer, in consideration of the Franchisor procuring for the Franchisee and other Franchisees an undertaking from the assignee/transferee to be bound by the Franchisor's obligations under this Agreement the Franchisee will re-execute this Agreement with the assignee/transferee if the Franchisor (or the assignee/transferee) requires the Franchisee to do so.

12 DEATH OR INCAPACITY

- 12.1 In the event of the death of the Franchisee if an individual or all of the partners if the Franchisee is a partnership the personal representatives of the Franchisee (or partner, as the case may be) shall notify the franchisor in writing within a period of one calendar month of the death of the Franchisee or the partner as the case may be of their decision as to whether the Business should be carried on by the Beneficiary or whether the Franchisee's Business should be sold.
- 12.2 If the Franchisor is notified pursuant to Clause 12.1 that the Franchisee's Business should be carried on by the Beneficiary the said personal representatives shall in the said notice give full details of the Beneficiary and on the Franchisor being satisfied that such person meets the criteria referred to in Clause 11 the Franchisor shall consent to an assignment by the personal representatives to the Beneficiary of the right and interest of the deceased in this Agreement.
- 12.3 If the Franchisor is notified pursuant to Clause 12.1 that the personal representatives wish to sell the Franchisee's Business then the Franchisee's Business shall be sold to a purchaser within six months of the date of the death of the Franchisee or the death of the partner as the case may be of the Franchisee subject to the provisions of Clause 11.
- 12.4 In the event of the incapacity at any time of the Franchisee if an individual or if a partnership the last partner of the Franchisee as the case may be (but prior to any assignment taking place in accordance with the two immediately preceding sub-clauses) the Franchisor shall have the right (but shall not be obliged) to appoint personnel to supervise the conduct of the Franchisee's Business to ensure that Franchisee's business shall operate in a satisfactory manner so as to preserve the goodwill of the Franchisee's Business provided that the franchisor shall be entitled to recover the reasonable expenses of the provision of the said personnel equal to the salaries the travel expenses, accommodation and subsistence of the said personnel and a charge of thirty percent (30%) of the said expenses plus tax at the appropriate rate the said expenses and charges to be paid weekly on the Wednesday following the week to which the said expenses and charges relate.
- 12.5 In the event of the incapacity of the Franchisee or partner continuing for a continuous period of three calendar months or a total period of sixty working days in any twelve month period the Franchisor may require the Franchisee to dispose of the Franchisee's business whereupon the provisions of Clause 11 shall apply.
- 12.6 If the said personal representatives shall not serve on the Franchisor the notice referred to in Clause 12.1 within the said period of one month or if they do not sell the Franchisee's Business within six months referred to in Clause 12.3 then the Franchisor shall be entitled:
- 12.6.1 to exercise any of the remedies reserved by this Agreement in favour of the Franchisor in the event of a breach of the terms of this Agreement by the Franchisee;
- 12.6.2 Without prejudice to the right contained in Clause 12.6.1 by notice in writing to the said personal representatives within twenty-one days after the expiration of the said period of one month specified in Clause 12.1 to purchase the Franchisee's Business excluding the Premises at a price representing seventy five percent of the net market value of the assets comprising the Franchisee's Business without taking into account goodwill or any additional value arising from a sale of the Franchisee's Business as a going concern. If the parties shall be unable to agree

upon the said market value of the assets within fourteen days after the service of the said notice the valuation shall be determined by an independent third party agreed by the Franchisor and the Franchisee's personal representatives or in default of agreement appointed by the Franchisor.

13 COPYRIGHT

- 13.1 The copyright and all other rights in the text of the Manual, the Products, patents, photographs, performance data, newsletters, literature, website text and all other documents supplied by the Franchisor and all secret or confidential information contained therein are the Franchisor's property.
- 13.2 The Franchisee undertakes not to copy the Manual, Products, patents, photographs, performance data, newsletters, literature, website text and all other documents supplied by the Franchisor or to disclose any of their contents or concepts to anyone otherwise than in accordance with this Agreement, and the Franchisee undertakes not to make any direct or indirect use thereof otherwise than in accordance with the terms of this Agreement.
- 13.3 Secret or confidential information shall include all confidential information provided to the Franchisee from time to time by memorandum or correspondence or howsoever otherwise appertaining to the provision of the Services and the Franchisees Business save for that which has come into the public domain other than through the Franchisee's own breach.

14 TERMINATION

- 14.1 This Agreement shall terminate:
- 14.2 at the end of the Term by effluxion of time unless renewed pursuant to Clause 10;
- 14.3 immediately upon the Franchisor giving notice to the Franchisee in writing in any of the following events which because of the special nature of the Franchise relationship shall constitute repudiatory breaches of contract or will in the Franchisor's opinion inevitably lead to such a repudiatory breach:
 - 14.3.1 if the Franchisee has committed a Persistent Breach;
 - 14.3.2 if the Franchisee shall fail to commence the Franchisee's Business on or before the Start Date or if the Franchisee fails to carry on the Franchisee's Business within the Territory for a period of three month or ceases or takes any steps to cease carrying on the Franchisee's Business;
 - 14.3.3 if the Franchisee fails to make payment of any sum owing by the Franchisee to the Franchisor within fourteen (14) days after its due date;
 - 14.3.4 if the Franchisee fails to furnish the Franchisor with any document requested by it within fourteen (14) days of its due date whether under this Agreement or any other agreement relating to the operation of the Franchisee's Business or the provision of Services.
 - 14.3.5 if the Franchisee purchases any Products or Equipment in connection with the Franchisee's Business from any other person other than the Franchisor or a supplier approved by the Franchisor;
 - 14.3.6 any actual or attempted transfer assignment or other disposal of this Agreement by the Franchisee or of any shares in the capital of the Franchisee except where such transfer assignment or disposal is permitted by the terms of this Agreement;
 - 14.3.7 failure to achieve any of the Minimum Performance Standards for any of the 12 month periods therein stated;
 - 14.3.8 the Franchisee challenges the franchisor's intellectual property;
 - 14.3.9 the Franchisee gave the Franchisor false or inaccurate information including but not restricted to turnover and performance data as detailed in Clause 4.15.1 or omitted to mention material facts when applying for a Franchise;
 - 14.3.10 the Franchisee or any partner in the Franchisee or its managing shareholder if a company is convicted of an arrestable criminal offence or one involving dishonesty;

- 14.3.11 the Franchisee acts in bad faith towards the Franchisor;
- 14.3.12 the Franchisee or senior Employees behave in an immoral manner or other way that may damage the Franchisor's reputation or that of the Franchisee;
- 14.3.13 if any material change occurs in the management or control of the Franchisee's Business and in particular any material change of shareholders or partners of the Franchisee without the Franchisor's consent;
- 14.3.14 if a Guarantor is not in place as provided for in Clause 30;
- 14.3.15 if the Franchisee (being an individual) or any of the partners (if the Franchisee is a partnership) shall have a bankruptcy order made against him or a petition for a bankruptcy order to be made against him is presented or if the Franchisee makes any arrangement or assignment or composition with or for the benefit of his creditors or suffers distress or execution to be levied or threatened on any of his property or shall call a meeting of his creditors or if a receiver shall be appointed of all of his assets;
- 14.3.16 if (the Franchisee being a company) the Franchisee shall be unable to pay its debts as they fall due or shall enter into liquidation whether voluntarily or compulsorily other than for the purposes of a reconstruction or amalgamation or shall make any arrangement or composition with its creditors or shall suffer the making of an administration order in respect of all or any part of its assets or shall have an Administrative Receiver or Receiver appointed to any of its assets or takes or suffers any similar action in consequence of debt (including the appointment of an administrator, the filing of documents with the court for the appointment of any administrator and the giving of a notice of intention to appoint an administrator by the company or its directors.
- 14.3.17 if the Franchisee shall fail to comply with a Default Notice within the period stated therein;
- 14.3.18 If the Franchisee unreasonably refuses to attend or provide relevant Employees for a training course required by the Franchisor;
- 14.3.19 if the Franchisee shall fail to operate the Franchisee's Business in accordance with this Agreement, the Manual or the Franchisor's reasonable instructions particularly with regard to Services provided and Client care;
- 14.3.22 if the Franchisee shall unreasonably refuse to adequately provide any of the services to Clients as required by the franchisor;

14.4 The termination or expiry of this Agreement shall be without prejudice to any rights and obligations conferred or imposed by this Agreement including any rights and obligations in respect of any period after such termination or expiry and shall also be without prejudice to the rights and obligations of either party against the other in respect of any antecedent breach of any of the terms and conditions hereof;

14.5 Notwithstanding anything herein contained or implied the Franchisor may set off against any money payable or owing by it to the Franchisee under or pursuant to this Agreement. The Franchisee hereby irrevocably authorises the Franchisor to deduct from any monies otherwise payable by it to the Franchisee hereunder or pursuant to this Agreement any monies or the amount of any debts or liabilities due or owing or to become due or owing by the Franchisee to the Franchisor and to retain any monies or amounts so deducted for the Franchisor's own absolute benefit;

14.6 Whenever the Franchisor shall have the right to terminate this Agreement it may appoint a manager for the Franchisee's Business in the manner referred to in clause 12.5 until the Agreement is so terminated.

15 CONSEQUENCES OF TERMINATION

15.1 On the termination or expiry of this Agreement howsoever arising the Franchisee shall:

- 15.1.1 cease to use the Trade Name and the Marks or any marks or names similar to them;
- 15.1.2 deliver to the Franchisor or delete from its IT system the Manual, all stationery, signs, logos, publicity promotional and advertising material and any other material and items bearing the Marks whether or not previously supplied by the Franchisor;

- 15.1.3 sign such notification of cessation of use of the Intellectual Property as is required by the Franchisor;
 - 15.1.4 return to the franchisor all originals and copies of all documents and information in any form containing or covering in any way any part of the Intellectual Property;
 - 15.1.5 not purport to be a Franchisee of or otherwise associated with the Franchisor;
 - 15.1.6 immediately cease to carry on the Franchisee's business;
 - 15.1.7 cease using the telephone, fax, and/or mobile lines and any other lines or email addresses of which the numbers/addresses have been publicly associated with the Franchisee's Business and/or the Marks and do such acts and things including the signature of any document which may be necessary to ensure that the future use of such lines/addresses by the Franchisor or its nominee is assured;
 - 15.1.8 send to the Franchisor a list of all clients actual and potential;
 - 15.1.9 return to the Franchisor all computer software, disks, tapes and other magnetic storage media used in the Franchisee's Business supplied by the Franchisor or an agent of the Franchisor;
 - 15.1.10 return in good condition (fair wear and tear excepted) any items held on loan, lease or hire from the franchisor or other goods, equipment or materials for which the Franchisor has not been paid;
 - 15.1.11 assign to the Franchisor in such form the Franchisor reasonably requires, the benefit of such contract with Clients as the Franchisor may specify and pay over to the Franchisor any sums received on account of such contracts;
 - 15.1.12 permanently remove all corporate livery from Vehicles and the Premises;
- 15.2 Upon termination of the Agreement pursuant to Clause 15.3.6 of this Agreement the Franchisor shall:
- 15.2.1 buy back (and the Franchisee shall sell) such of the Franchisee's Equipment as the Franchisor may desire at the original selling price to the Franchisee less thirty three percent (33%) for each calendar year or part thereof that the Equipment has been in the ownership of the Franchisee;
- 15.3 After the expiry or termination for any reason of this Agreement the Franchisee shall not, either on its own behalf or on behalf of any other person or company, in any capacity whatsoever, directly or indirectly:
- 15.3.1 for a period of one year thereafter be engaged concerned or interested in a business which is similar to or competitive or in conflict with the Business from or at the Premises;
 - 15.3.2 for a period of one year thereafter be engaged concerned or interested in a business which is similar to or competitive with the Business within the territory (save for a financial interest which does not allow it to influence the economic conduct of such a business)
 - 15.3.3 for a period of one year thereafter be engaged concerned or interested in a business which is similar to or competitive with the Business which operates within the territory of any other Franchisee of the Franchisor in whichever country in which the Franchisor's Franchisee operates;
 - 15.3.4 for the period of one year thereafter, either on its own behalf or on behalf of any other person or company in connection with any business which is or may in connection with any business which is or may in the Franchisor's reasonable opinion be similar to or competitive or in conflict with the Business seek to obtain referrals in respect of services from any person who is at termination or is or has in the previous 12 months been a Client, nor divert or seek to divert and client from the Franchisor or from any other Franchisee of the Franchisor;
 - 15.3.5 for a period of one year after termination either on its own behalf or on behalf of any other person or company seek to provide services competitive with the services or obtain referrals in respect of any such services from the Franchisor's existing Clients or those of any of its Franchisees with which the Franchisee has had contact or dealt with in the last six months prior to termination who at the date of such termination are customers or in the habit of dealing with the Franchisee or the Franchisor's other Franchisees.

15.3.6 for a period of one year after termination solicit or entice away from the Franchisor or any of its other Franchisees any person who shall at the date of such termination be employed by the Franchisor or any of the Franchisor's other Franchisees whether or not any such person would commit a breach of his contract of employment by reason of leaving such employment.

15.4 The Franchisee shall not represent itself as in any way connected or having been formerly connected with or interested in the Business, the Marks or the Franchise.

15.5 While these restrictions above are considered by both parties to be reasonable in all the circumstances it is agreed that if such restriction shall taken together be judged to go beyond what is reasonable in all the circumstances for the Franchisor's protection but would be judged reasonable if part or parts of the wording thereof were deleted the said restrictions shall apply with words deleted.

16 CHEQUES

The Franchisee shall be entitled to pay any cheques received in payment only of accounts rendered by the Franchisee in which the payee is "Telescan" into his own bank account and for this purpose the Franchisee shall have the Franchisor's authority to instruct his bank to credit all cheques made payable to "Telescan" to the Franchisee's account at such bank.

17 DATA PROTECTION

17.1 The Franchisee consents to the Franchisor obtaining (whether from him or others) recording and using personal data about the Franchisee in connection with the Business and for so long thereafter as may be reasonably required for the legitimate purposes of the Franchisor. The Franchisee also consents to the franchisor disclosing that information to others with a legitimate reason to receive it (e.g. relevant trade or professional bodies, regulatory authorities, Clients, suppliers, existing and potential Franchisees or transferees or potential transferees of the Franchisee's or the Franchisor's business) whether within or without the European Economic Area.

17.2 The Franchisee and the Franchisor each warrants that:

17.2.1 it is permitted (notified or exempted) or will before the processing commences be permitted under the Data Protection Act 1998 ("the Act") to process personal data to be provided to it under the terms of this Agreement;

17.2.2 It will not process such data provided by the other otherwise than in accordance with the terms of this Agreement or the Manual or as otherwise required by the other party; and

17.2.3 it will comply with the Seventh Data protection Principle (data security) under the Act in relation to all personal data provided to it pursuant to this Agreement.

17.3 The Franchisee irrevocably instructs the Franchisor to:-

17.3.1 use personal data transferred to it for the purpose of contacting the data subjects in connection with services supplied or to be supplied by the Franchisor or Franchisee;

17.3.2 transfer that personal data to other Franchisees, associates or agents of the Franchisor to enable that other Franchisee, associate or agent to contact and deal with that data subject.

17.4 In this Clause data controller and personal data shall have the same meaning as set out in the 1998 Act.

18 INTEREST

The Franchisee shall pay interest at such international bank base rate as shall be charged by the Franchisor's bankers plus an administration charge of two percent (2%) per week on any monies due to the Franchisor (including without prejudice to the generality of the foregoing the Franchise Fee, Management Services Fee and monies due to the Franchisor from the Franchisee by way of payment for Products, Equipment, other goods and services supplied by the Franchisor to the Franchisee) from the due date until the date of actual payment both before and after judgement.

19 WAIVER

Waiver by the Franchisor of any particular breach hereof by the Franchisee shall not affect or prejudice the Franchisor's rights in respect of any other breach nor any subsequent breach of the same or of a different kind and no delay forbearance or omission of the Franchisor in enforcing any right arising from any breach or default by the Franchisee shall affect or prejudice the Franchisor's rights and remedies as to the same or any future default and no waiver or variation of this Agreement shall be valid unless the same shall have been made in writing and signed by a director of the Franchisor.

20 SEVERANCE

20.1 Each of the restrictions and provisions contained in this Agreement and in each Clause and sub-clause hereof shall be construed as independent of every other such restriction and provision to the effect that if any provision of this agreement or the application of any provision to any person or to any circumstances shall be determined to be invalid and unenforceable then save as provided in Clause 20.2 such determination shall not affect any other provision of this Agreement or the application of such provision to any person or circumstance all of which other provisions shall remain in full force and effect.

20.2 In the event that any provision of this Agreement shall be held to be invalid or unenforceable by a court of law or other competent authority in a way which in the Franchisor's sole opinion materially adversely affects its right to receive payment of the fees or other remuneration or the terms on which the franchisor supplies goods or services to the Franchisee or any territorial exclusivity conferred hereunder, or the Know-how, Intellectual Property and/or the Marks, then and in such case the franchisor may without liability terminate this Agreement by notice in writing to the Franchisee to that effect and in such circumstances the provisions of Clause 15 will apply.

21 AGENCY

This agreement shall not operate so as to constitute the Franchisee as a partner, agent, servant or representative of the Franchisor (save as for dealing with referring Clients) and the Franchisee shall not represent himself as such nor represent himself as having any power or authority to incur any obligation of any nature express or implied on behalf of the franchisor and shall not bind or pledge the credit of the Franchisor or attempt or purport to do any such things

22 ENTIRE AGREEMENT

Save as provided in Clause 23 hereof this Agreement and the Manual contain the entire Agreement between the parties hereto and the Franchisee acknowledges that he has not relied upon any oral or written representations or warranties made by or on behalf of the Franchisor save such as may have been notified to the Franchisor in writing and which are annexed hereto and has made his own independent investigations into all matters relevant to the Franchisee's Business the Services and Intellectual Property.

23 APPLICATION FORM

Notwithstanding the provisions of Clause 22 hereof the answers and representations given or made by the Franchisee on any application form or letter of disclosure provided by the Franchisee to the Franchisor shall form part of this Agreement and if any of the information given by the Franchisee is proved false or incorrect the Franchisor shall be entitled to treat any such misrepresentation as a fundamental breach of this Agreement and shall be entitled to terminate this Agreement.

24 INDEMNITY

The Franchisee shall indemnify and keep indemnified the Franchisor from and against any and all loss damage liability and legal fees and costs incurred by the Franchisor arising as a result of any and all breaches by the Franchisee of any provisions of this Agreement and/or its agents, employees, representatives or clients insofar as such loss damage liability fees or costs is not due to any default of the Franchisor.

25 NOTICES

- 25.1 Any notice consent or the like required to be given to any party in connection with this Agreement shall be in writing and shall be sent by first class post or recorded delivery or by facsimile or email transmission and every such notice consent and the like shall be deemed effectively served if sent by post at the expiration of 48 hours after the same was posted to the address of the recipient as stated in Clause 25.2, or such other address as shall be notified to the other party for such purpose, whether or not received, or if by facsimile or email transmission upon despatch to the correct facsimile number or email address of the addressee on a day on which the addressee party is open for business or otherwise at the commencement of the first business day following despatch. Each of the parties shall notify the other of any change of address within 48 hours of such change.
- 25.2 Notice to the Franchisor served by first class post or recorded delivery should be sent to Telescan Limited, Rue du Rhône 14, 1204, Geneva, Switzerland. Notice to the Franchisee served by first class post or by recorded delivery should be sent to the address of the Franchisee shown at the head of this Agreement.

26 FORCE MAJEURE

Neither of the parties to this Agreement shall be responsible to the other party for any delay in performance or non-performance due to any causes beyond the reasonable control of the parties hereto but the affected party shall promptly upon the occurrence of any such cause so inform the other party in writing, stating that such cause has delayed or prevented its performance under this Agreement and thereafter such party shall take all action within its power to comply with the terms of this Agreement as fully and promptly as possible.

27 PROPER LAW AND JURISDICTION

- 27.1 This Agreement and all rights and obligations of the parties shall be governed and construed in accordance with the laws of England and the parties hereby submit to the non-exclusive jurisdiction of the English courts.
- 27.2 Both parties will before recourse to litigation attempt to settle all disputes in good faith on an amicable basis.
- 27.3 Clause 27.2 shall not prevent the Franchisor bringing any proceedings for an emergency injunction without notice to the Franchisee.

28 RESERVATION OF RIGHTS

All rights and licences not specifically and expressly granted to and conferred upon the Franchisee by this Agreement are for all purposes reserved to the Franchisor.

29 THIRD PARTY RIGHTS

This Agreement does not create any right enforceable by any person not a party to it except that a transferee, successor or assignee pursuant to Clause 11.5 is deemed to be a party to this Agreement.

30 GUARANTEE

In the event that the Franchisee is a company the majority shareholder in the Franchisee or such other person as is required by the Franchisor shall in consideration of the Franchisor entering into the Franchise Agreement enter into the guarantee appended to this Agreement at the same time as this Franchise Agreement is entered into. In the event that the guarantor dies the Franchisee will provide a replacement guarantor acceptable to the Franchisor in its sole discretion. If an acceptable guarantor is not found and/or if such replacement guarantor does not enter into a guarantee in the form appended to this agreement within twenty eight (28) days of the death of the original guarantor the franchisor may terminate this Franchise Agreement.

IN WITNESS whereof this Agreement has been duly executed on the date first above written by the parties hereto.

IF FRANCHISEE IS A COMPANY

Signed by <<Full_Name_1>>

on behalf of <<Full_Name_1>>Limited _____

Authorised Signatory

IF MORE THAN ONE FRANCHISE THEN IT IS A PARTNERSHIP

Signed by<<Full_Name_1>>

Authorised Signatory

Signed by <<Full_Name_2>>

Authorised Signatory

Signed by <<Full_Name_3>>

Authorised Signatory

Signed by<<Full_Name>>

on behalf of Telescan AS

Schedule 1 - Detailed Information

Schedule 2 - Initial supplies and equipment

Schedule 3

Minimum Performance Standards

The minimum performance level for a Telescan Franchisee will be as follows:

Year	MRI Scans per working day
1	10
2	12
3	14
4	16

Appendix 1

Guarantee

This Guarantee is entered into this _____ day of _____ 20

Between

(1) (Full Name) of (Address) - (The Guarantor) and

(2) Telescan AS (Registered Number 12482582) the registered address of which is Viru Väljak 2, 10111 Tallinn, Estonia (The Franchisor)

WHEREAS

(A) The Guarantor is a shareholder in (company name) Limited (the Franchisee) and

(B) The Franchisee has been granted a franchise (the "Franchise") by the Franchisor under a franchise agreement of even date herewith, (the "Franchise Agreement") and

(C) it is a term of the Franchise Agreement that the Guarantor enters into this Guarantee.

IT IS HEREBY AGREED AS FOLLOWS

1 In this Guarantee:

1.1 Words and expressions defined in the Franchise Agreement shall have the same meanings when used in this Guarantee unless the context otherwise requires.

1.2 Masculine includes the feminine and the singular the plural and vice versa and obligations undertaken by more than single person including a company or firm are joint and separate obligations.

2 In consideration of the Franchisor granting the Franchisee a Franchise the Guarantor hereby covenants and undertakes with the Franchisor:

2.1 that the Franchisee will duly observe and perform all the obligations contained in the Franchise Agreement on the Franchisee's part to be observed and performed;

2.2 that if the Franchisee shall fail to observe or perform any of the said obligations or fails to pay any monies due under the Franchise Agreement to the Franchisor, the Guarantor will be liable for such default and shall make payment of any sums so due upon demand being made by the Franchisor;

2.3 that he will (as a distinct and separate obligation) indemnify and render harmless the franchisor in respect of all losses, damages, claims, costs and expenses which the Franchisor may incur or suffer by reason of any act or omission of the Franchisee;

2.4 that he will devote his full time attention and effort to the management and operation of the Franchisee's Business except to the extent and in the manner expressly and previously agreed in writing by the Franchisor;

2.5 the he will not make use of any of the Trade Names or the Marks (including goodwill) and will not disclose to any third party or make use of any of the Franchisor's trade secrets, know-how or any methods in the Franchisee's Business of which the Guarantor may acquire knowledge by virtue of the training he may have received from the Franchisor through his involvement in the Franchisee's Business, his shareholding or directorship in the Franchisee (save such know-how that has come into the public domain by means other than the Franchisee's or the Guarantor's breach).

3 if there are two or more persons who are parties to this Guarantee as Guarantor all covenants and agreements on the part of the Guarantor shall be deemed to be joint and several covenants on their part.

- 4 The liability of the Guarantor shall not in any way be released or affected by:-
- 4.1 any time or indulgence granted by the Franchisor to the Franchisee or any neglect or forbearance of the Franchisor in enforcing the observance or performance of the covenants or other terms of the Franchise Agreement
 - 4.2 any variation of the terms of the Franchise Agreement between the Franchisor and Franchisee
 - 4.3 any change in the constitution, structure or powers of the Franchisee or the Franchisor
 - 4.4 any act beyond the powers of the Franchisee
 - 4.5 the termination of the Franchise Agreement by the Franchisor
 - 4.6 any other act omission matter or thing which but for this Clause would cause the Guarantor's obligations under this Agreement to be released wholly or in part.
- 5 **SEVERABILITY**
- If any item or provision contained in this Guarantee or any part thereof (in this Clause called the "Offending Provision") shall be declared or become unenforceable invalid or illegal for any reason whatsoever including but not detracting from the generality of the foregoing a decision by the competent domestic or European courts, an act of Parliament, European Union Legislation or any statutory or other bye-laws or regulations or any other requirements having the force of law, the other terms and provisions of this Guarantee shall remain in full force and effect as if this Guarantee had been executed without the Offending Provision appearing herein.
- 6 **NOTICES**
- Any notice required to be given for the purposes of this Agreement shall be given by sending the same by pre-paid First Class post or facsimile, or by delivering the same at, the relevant address shown in this Guarantee or such other address as shall have been notified (in accordance with this Clause) by the party concerned as being its address for the purposes of this Clause. Any notice so sent shall be deemed to have been served two days after posting and in this service it shall be sufficient proof that the Notice was properly addressed and stamped and put into the post. Any notice sent by facsimile shall be deemed to have been sent on the next day following the date of despatch thereof which is a business day.
- 7 **APPROVALS**
- Any amendment, release or notice of satisfaction of this Guarantee will only be valid if given in writing by one of the Franchisor's directors.
- 8 **WAIVER**
- Neither the failure of the Franchisor to exercise any power given to it hereunder or to insist upon strict compliance by the Franchisee with any obligation hereunder nor any custom or practice of the parties shall constitute any waiver of any of the Franchisor's rights under this Guarantee. Waiver by the Franchisor of any particular default by the Franchisee must be in writing and shall not affect or impair any of the Franchisor's rights in respect of any subsequent default of any kind by the Franchisee nor shall any delay by or omission of the Franchisor to exercise any rights arising from any default of the Franchisee effect or impair the Franchisor's rights in respect of the said default or any default of any kind.

Appendix 2 - Territory Maps

Appendix 3 - Application Form

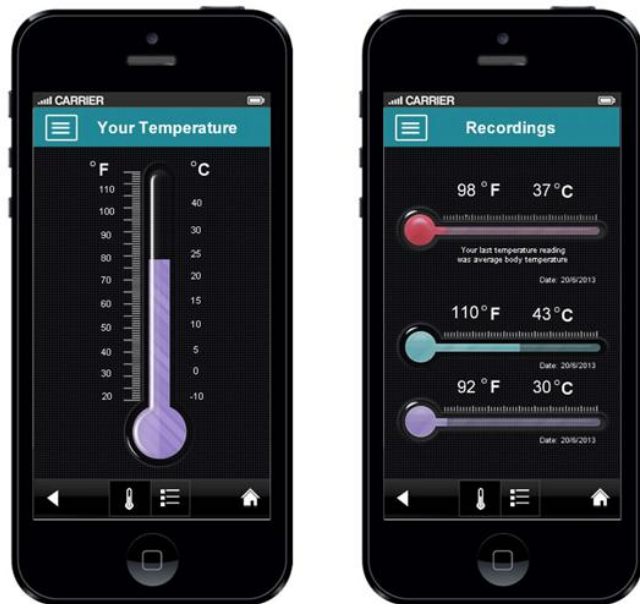
Appendix 4 - Disclosure Letter

Appendix 2. Medical Applications

Thermoscan

Thermoscan is the best way to take your temperature. You are able to measure the temperature of your body, starting by measuring your heartbeat.

It's also able to keep track of your previous measurements in order to help in understanding your health.



Skinscan

Skinscan allows the user to search for symptoms of a skin ailment fast and effectively, simply match the look of your problem skin condition with the examples in the extensive library and learn how to best deal with them.

If you can't find what you are looking for, take advantage of Skinscan's direct doctor access and take a photo of your ailment to send to one of our dermatology specialists for diagnosis.



Eyescan

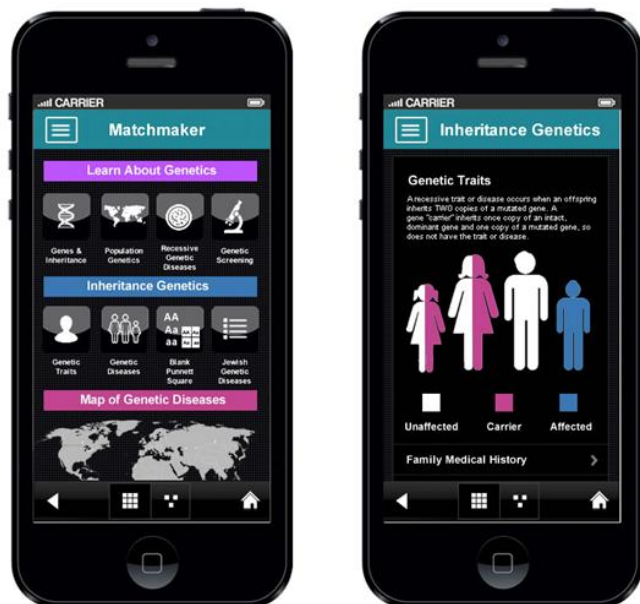
This app would allow the patient to take a photo of their eye and upload it the Telescan database to be examined and tested. The image would be examined for diseases such as photo glaucoma/diabetes etc. Telescan would then contact the individual with the results and give the necessary advice/information from their results.



Matchmaker – Compatible DNA for Prospective Partners

Compare DNA information from yourself and a prospective partner to help determine the probability of transference of several major genetic complications onto children.

Matchmaker is a way to learn how recessive genetic traits and diseases are inherited and how certain diseases are more prevalent in different populations.



Would you Adam and Eve it?

Discovering your family history couldn't be easier. Whether you're a beginner or an expert, this app puts your heritage at your fingertips. Create a family tree and we'll give you hints to help you learn more about your family's past.



Baby Monitoring

The baby monitoring app allows parents to view, hear, and communicate with their babies via wireless video. Place the monitor in the baby's bedroom and control all the settings directly from your smart phone, you will even be able to monitor room temperature and humidity.



Pregnancy Monitoring

Expecting? Get the must-have pregnancy app for any parent-to-be. Brought to you by Telescan, the most trusted parenting resource.

The app has a due date calculator, pregnancy countdown, and week-by-week photos of your baby's growth and development. There are also lots of interesting tidbits scattered throughout the app.



Blood Pressure Monitoring

Keeping track of blood pressure is a good habit to keep healthy. High blood pressure (HBP) is one of most common and frequently-occurring diseases; heredity, unbalanced diet, fat, lack of exercise, and drink etc may cause high blood pressure. Blood Pressure Monitoring- Family Lite turns your device into a personal blood pressure and weight health monitor. It comes with lifetime data visualization, statistics reporting, medication correlation, email import/export, built-in reminders and much more.



Pulse – ECG (Purchase Body Leads)

To record heart rhythm, a user would open Telescan's Pulse app, prop the iPhone on his or her chest (or place thumbs on two sensors, take a 30-second reading and then upload the data to Telescan's cloud server.

This could all be done from home, office or convenient location, and a medical professional could then download and analyze that information.



Cosmetic Surgery

If you're thinking about getting a lift, nip, or tuck, this app is for you. It's the most comprehensive pocket encyclopedia of plastic surgery terms, before and after photos, and visualization tools to help you really know what to expect from a procedure, including seeing potential results on your own photo.



Medication Regime

This app is designed to easily help you remember when to take a series of medication, you can store up to 20 medications per day set at individual timings, select from pictures to help easily identify your right medications. Enter in the bottle details and the app will alert you when you are nearing the end of your supply.



Exercise

Track your daily exercise regime with this handy app, it will work out your calorie loss and track all changes in an easy to read chart to enable to you to follow your fitness progress. Becoming and staying fit has never been easier with the help of the Telescan exercise app! Hundreds of exercises are explained with clear pictures, videos and text instructions all within the palm of your hand!



Calorie Counter

A calorie counter is a way to count your daily caloric intake using our easy to use caloric counter. Calorie counting is an easy way for you to manage your weight. If you have a daily caloric requirement that you want to meet, or you need to monitor your caloric intake, our calorie counting technique is for you. Our calorie chart is easy to read, and you can easily count the calories in food that you eat.



Dietary Advise

Monitor your calorie, sugar, fat, carbs and protein intake to maintain a healthy lifestyle, chose from calorie control, health eating or one of the many pre-programmed diet plans, this app will help you stay on the right track whether eating at home, or out.



BMI/BMR/Body Fat

Measure your BMI/Bodyfat throughout your diet and/or exercise plan to check you are on the right tracks and give you that boost to continue your plan. Record results in a weekly or monthly tracker, compare photographic results side-by-side.



Direct Access to a Doctor

Need fast direct access to a GP? Using this app you can email complete with photographs you ailment direct to a qualified GP open 24hours receive a response with diagnosis and advice within 24hours.



Vision Test

You're probably one of the 40% of people that haven't had your eyes tested in the last two years and although you are convinced they're fine, you find that your vision isn't quite as good as it used to be; but you don't have time to go down to the opticians to be sure, and to be quite honest you can't really be bothered. Sound familiar? Introducing, the all new Vision Test App: an eye test in the palm of your hand.



Medical Encyclopaedia

Medical information encyclopaedia contains all information relating to explanations of medical terminology and procedures, never get lost in translation again when you can quickly and easily look up information on all terms and procedures, store favourites, email information and have easy access to any related articles of interest.



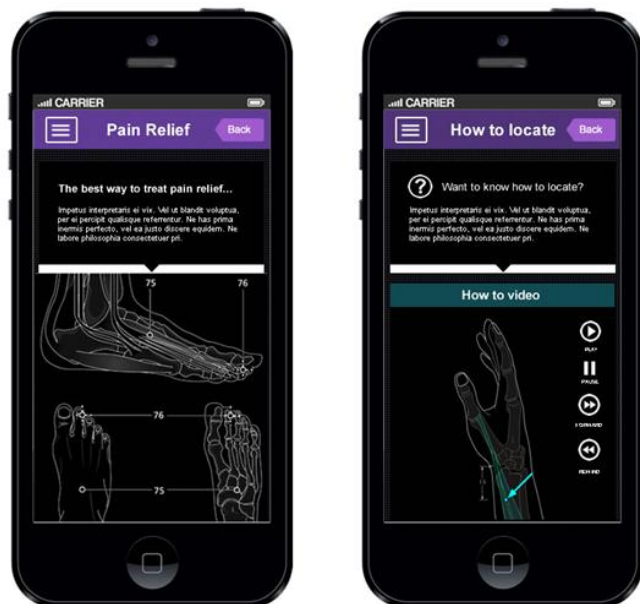
Stethoscope

Remotely monitor results provided by your electronic stethoscope straight from your handheld device, record sound waves in charts which can be printed or analysed and can be saved as .wav files to be emailed to other specialists. Capture and display sounds in real time directly from your electronic stethoscope to iPhone/Touch/iPad - a powerful tool for bedside auscultation, in office, or remotely. For amateur use, you can also record heart sounds without a stethoscope using iPhone 3GS or later, including iPhone 5 and retina iPads.



Acupressure Guide

Detailed charts which are easy to follow guide you through active pressure points on the hands and feet aiding pain relief and general well being. Follow the technique videos to see how to make the most of the relaxing benefits of stimulating the body's pressure points.



Therapy Guide

Therapy guide gives you the info on complementary therapies that you need, right on hand in your iPhone. This comprehensive encyclopaedia of complimentary and holistic therapy will guide you to various remedies to compliment your prescribed medication if you are undergoing a variety of clinical treatments including herbal therapy, massage therapy, homeopathy and many more.





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