

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED (“MIFID II”); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE “MIFID II PRODUCT GOVERNANCE REQUIREMENTS”), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY “MANUFACTURER” (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE BONDS HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE BONDS IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE BONDS TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE BONDS (A “DISTRIBUTOR”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER’S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS (BY EITHER ADOPTING OR REFINING THE MANUFACTURER’S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO THE BONDS.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE BONDS.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (AS AMENDED OR SUPERSEDED, THE INSURANCE DISTRIBUTION DIRECTIVE), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

## TERMS AND CONDITIONS OF THE BONDS

The issue of the £150,000,000 2.875 per cent. Guaranteed Convertible Bonds due 2025 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any Further Bonds (as defined below)) was (save in respect of any Further Bonds) authorised by resolutions of the board of directors of PHP Finance (Jersey No 2) Limited (the “**Issuer**”) passed on 17 June 2019 and 12 July 2019. The giving of the guarantee by Primary Health Properties PLC (the “**Guarantor**”) in respect of the Bonds was authorised by resolutions of the board of directors of the Guarantor passed on 11 June 2019 and resolutions of the committee of the board of directors of the Guarantor passed on 17 June 2019, 18 June 2019 and 12 July 2019. The Bonds are constituted by a trust deed dated 15 July 2019 (the “**Trust Deed**”) between the Issuer, the Guarantor and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 15 July 2019 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Guarantor, the Trustee and Bank of New York Mellon, London Branch (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as Principal Paying, Transfer and Conversion Agent under the Agency Agreement), the other Agents for the time being (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as Agents under the Agency Agreement) and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement), the Articles of the Issuer (as defined below) and the deed poll (the “**Deed Poll**”) executed and delivered on 15 July 2019 by the Guarantor. The Issuer and the Guarantor have also entered into a Calculation Agency Agreement dated 15 July 2019 (the “**Calculation Agency Agreement**”) with Conv-Ex Advisors Limited (the “**Calculation Agent**”, which expression shall include any successor as calculation agent under the Calculation Agency Agreement) whereby the Calculation Agent has been appointed to make certain calculations in relation to the Bonds.

Copies of each of the Trust Deed, the Agency Agreement, the Articles of the Issuer, the Deed Poll and the Calculation Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at the Issue Date (as defined below) at One Canada Square, Canary Wharf, London E14 5AL), and at the specified offices of the Paying, Transfer and Conversion Agents and the Registrar.

Capitalised terms used but not defined in these Conditions shall have the meanings provided in the Trust Deed or, as the case may be, the Articles of the Issuer, unless, in any case, the context otherwise requires or unless otherwise stated.

### 1. **FORM, DENOMINATION, TITLE, STATUS AND GUARANTEE**

#### 1.1 **Form and Denomination**

The Bonds are in registered form, serially numbered, in principal amounts of £100,000 each and integral multiples of £1,000 in excess thereof (an “**authorised denomination**”).

#### 1.2 **Title**

Title to the Bonds will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest

in it or its theft or loss (or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

### 1.3 **Status**

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 2, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### 1.4 **Guarantee**

The Guarantor has, pursuant to the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual performance by the Issuer of all its payment and other obligations in respect of the Bonds and under the Trust Deed (the “**Guarantee**”). The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Guarantor and shall, save for such exceptions as may be provided in applicable legislation and subject to Condition 2, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

## 2. **NEGATIVE PLEDGE**

2.1 So long as any Bond remains outstanding (as defined in the Trust Deed), the Guarantor will not, and will ensure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (a “**Security Interest**”), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Bondholders.

“**Permitted Security Interest**” means:

- (A) any Security Interest existing on assets at the time of their acquisition or securing Relevant Indebtedness of a person existing at the time that such person is merged into or consolidated with the Guarantor or becomes a Subsidiary, provided that such Security Interest (i) was not created in contemplation of such acquisition, merger or consolidation or event and (ii) in the case of a merger or consolidation, does not extend to any assets or property of the Guarantor or any Subsidiary, as the case may be (other than those of the person acquired and its Subsidiaries (if any));
- (B) any Security Interest over assets which is in existence prior to the Issue Date and any renewal or perfection undertaken on such Security Interest pursuant to an amendment, restatement or re-financing of the relevant underlying indebtedness (including, for the avoidance of doubt, any Security Interest created or outstanding over the same assets to secure any Relevant Indebtedness issued pursuant to the re-financing of any unlisted secured indebtedness in existence prior to the Issue Date provided, in any case, that the principal amount of such Relevant Indebtedness does not exceed the principal amount of such unlisted secured indebtedness); or
- (C) any Security Interest which is in existence prior to the Issue Date in respect of PHP Bond Finance plc’s £70,000,000 Floating Rate Guaranteed Secured Bonds due

2025, or any Security Interest created over assets in accordance with the terms of such bonds provided, in any case, that the principal amount of such bonds outstanding is not increased above £70,000,000; or

(D) any Security Interest mandatorily imposed by law; and

**“Relevant Indebtedness”** means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be (with the agreement of the issuer thereof), publicly quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

### 3. **DEFINITIONS AND CERTAIN OPERATIVE PROVISIONS**

#### 3.1 **Definitions**

In these Conditions, unless otherwise provided:

**“Additional Cash Alternative Amount”** has the meaning given to it in Condition 6.15.

**“Additional Ordinary Shares”** has the meaning provided in Condition 6.4.

**“Applicable RA Reference Date”** means in respect of any Retroactive Adjustment (i) in the case of a Retroactive Adjustment pursuant to Condition 6.3(A), the Ex-Date in respect of the relevant consolidation, reclassification, redesignation or subdivision, (ii) in the case of a Retroactive Adjustment pursuant to Conditions 6.3(B), 6.3(C), 6.3(D), 6.3(E), 6.3(F) or 6.3(J) the relevant Ex-Date in respect of the relevant Dividend, rights, options, warrants or other entitlement and (iii) in the case of any other Retroactive Adjustment, the RA Reference Date in respect of such Retroactive Adjustment.

**“Articles of the Issuer”** means the Articles of Association of the Issuer, as amended or replaced from time to time.

**“Authorised Signatory”** has the meaning provided in the Trust Deed.

**“Bondholder”** and **“holder”** mean the person in whose name a Bond is registered in the Register (as defined in Condition 4.1).

**“business day”** means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

**“Cash Alternative Amount”** means, in respect of any exercise of Conversion Rights in respect of which the Issuer shall have made a Cash Alternative Election, an amount (rounded to the nearest whole multiple of 0.01 (with 0.005 rounded upwards)) in sterling calculated by the Calculation Agent in accordance with the following formula and which shall be payable to a Bondholder in respect of any Cash Settled Shares upon an exercise of a Conversion Right if a Cash Alternative Election is applicable to such exercise :

$$CAA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

CAA = the Cash Alternative Amount;

S = the Cash Settled Shares;

$P_n$  = the Volume Weighted Average Price of an Ordinary Share on the  $n^{\text{th}}$  dealing day of the Cash Alternative Calculation Period; and

$N$  = 20, being the number of dealing days in the Cash Alternative Calculation Period,

provided that:

- (A) if any Dividend or other entitlement in respect of the Ordinary Shares is announced whether on or prior to or after the relevant Conversion Date in circumstances where (i) the record date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date and (ii) if on any dealing day in the Cash Alternative Calculation Period the price determined as provided above is based on a price ex- such Dividend or other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Ordinary Share as at the Ex-Date relating to such Dividend or entitlement, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (B) if any Additional Cash Alternative Amount is due in respect of the exercise of Conversion Rights in respect of which the Cash Alternative Amount is being determined, any Volume Weighted Average Price on any dealing day falling in the relevant Cash Alternative Calculation Period but before the Applicable RA Reference Date shall be multiplied by the adjustment factor (as determined pursuant to these Conditions) applied to the Exchange Price in respect of the relevant Retroactive Adjustment, all as determined in good faith by the Calculation Agent, provided that where such adjustment factor as aforesaid cannot be determined in accordance with these Conditions before the second business day in London before the date on which payment of the Additional Cash Alternative Amount is to be made, the relevant Volume Weighted Average Price as aforesaid shall be adjusted in such manner as determined in good faith to be appropriate by an Independent Adviser no later than such second business day in London before such payment date as aforesaid; and
- (C) if any doubt shall arise as to the calculation of the Cash Alternative Amount or the Additional Cash Alternative Amount or if such amount cannot be determined as provided above, the Cash Alternative Amount or the Additional Cash Alternative Amount, as the case may be, shall be equal to such amount as is determined in such other manner as an Independent Adviser shall consider in good faith to be appropriate to give the intended result.

**“Cash Alternative Calculation Period”** means the period of 20 consecutive dealing days commencing on the third dealing day following the Cash Election Date.

**“Cash Alternative Election”** has the meaning provided in Condition 6.15.

**“Cash Alternative Election Date”** means the date falling four dealing days following the relevant Conversion Date.

**“Cash Alternative Election Notice”** has the meaning provided in Condition 6.15.

**“Cash Dividend”** has the meaning provided in Condition 6.3(C).

**“Cash Settled Shares”** means, in respect of the exercise of Conversion Rights by a Bondholder, such number of Ordinary Shares (which shall be a whole number of Ordinary Shares and not exceed the number of Reference Shares as determined by the Issuer and notified to the relevant Bondholder in the relevant Cash Alternative Election Notice in accordance with Condition 6.15.

**“Cash Settlement Ratio”** means, in respect of an exercise of Conversion Rights the subject of a Cash Alternative Election, such number as is equal to (x) the Cash Settled Shares in respect of such exercise of Conversion Rights, divided by (y) the Reference Shares in respect of such exercise of Conversion Rights.

a **“Change of Control”** shall occur if (i) any person or persons, acting in concert (as defined in the City Code on Takeovers and Mergers), acquire(s) or becomes entitled to control more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Guarantor (other than in any such case as a result of an Exempt Newco Scheme) or (ii) an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror), to acquire all or a majority of the issued ordinary share capital of the Guarantor or if any person proposes a scheme of arrangement or analogous proceeding with regard to such acquisition (other than an Exempt Newco Scheme) and (such offer or scheme of arrangement or analogous proceeding having become or been declared unconditional in all respects or having become effective) the right to cast more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Guarantor has or will become unconditionally vested in the offeror(s) or such person and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror(s) or such person, as the case may be.

**“Change of Control Exchange Price”** has the meaning provided in Condition 6.3(K).

**“Change of Control Notice”** has the meaning provided in Condition 6.14.

**“Change of Control Period”** means the period commencing on the occurrence of a Change of Control and ending 45 calendar days following the Change of Control or, if later, 45 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6.14.

**“Change of Control Put Date”** has the meaning provided in Condition 7.5.

**“Change of Control Put Exercise Notice”** has the meaning provided in Condition 7.5.

**“Closing Parity Value”** means, in respect of any dealing day, the amount determined in good faith by the Calculation Agent and calculated as follows:

$$\text{CPV} = N \times \text{CP}$$

where

CPV = the Closing Parity Value.

N = £1,000 divided by the Exchange Price in effect on such dealing day (or, if the Change of Control Exchange Price would apply in respect of any exercise of Conversion Rights which Conversion Date would fall on such dealing day, such Change of Control Exchange Price), provided that if (A) such dealing day falls on or after (i) the Ex-Date in relation to any entitlement in respect of which an adjustment is required to be made to the Exchange Price pursuant to Conditions 6.3(A), 6.3(B), 6.3(C), 6.3(D) 6.3(E), 6.3(F) or 6.3(J) or (ii) the date of the first public announcement of the terms of any such issue or grant as is mentioned in Condition 6.3(G) or 6.3(H) or of the terms of any such modification as is mentioned in Condition 6.3(I), and (B) such adjustment is not yet in effect on such dealing day, the Exchange Price in effect on such dealing day shall for the purpose of this definition only be multiplied by the adjustment factor subsequently determined by the Calculation Agent to be applicable in respect of the relevant Exchange Price adjustment.

CP = the Closing Price of an Ordinary Share on such dealing day.

**“Closing Price”** means, in respect of an Ordinary Share or any Security, Spin-Off Security, option, warrant or other right or asset on any dealing day, the closing price on such dealing day on the Relevant Stock Exchange of an Ordinary Share or, as the case may be, Security, Spin-Off Security, option, warrant, or other right or asset as published by or derived from Bloomberg page HP (or any successor page) (setting Last Price, or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of the Relevant Stock Exchange in respect of such Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset (all as determined in good faith by the Calculation Agent) (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Closing Date is PHP LN Equity HP), if any or, in any such case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day, provided that if on any such dealing day (for the purpose of this definition, the **“Original Date”**) such price is not available or cannot otherwise be determined as provided above, the Closing Price of an Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset, as the case may be, in respect of such dealing day shall be the Closing Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined as aforesaid, and further provided that if such immediately preceding dealing day falls prior to the fifth calendar day prior to the Original Date, an Independent Adviser shall determine the Closing Price in good faith.

**“Companies Act”** means the Companies Act 2006 of the United Kingdom.

**“Conversion Date”** has the meaning provided in Condition 6.8.

**“Conversion Notice”** has the meaning provided in Condition 6.8.

**“Conversion Period Commencement Date”** has the meaning provided in Condition 6.1(A).

**“Conversion Right”** has the meaning provided in Condition 6.1.

**“Converted Bonds”** means, in respect of any particular exercise of Conversion Rights by a Bondholder, the aggregate principal amount of the Bonds in respect of which Conversion Rights shall have been exercised by such Bondholder.

**“Current Market Price”** means, in respect of an Ordinary Share at a particular date, the arithmetic average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date, as determined in good faith by the Calculation Agent, provided that:

(A) for the purposes of determining the Current Market Price pursuant to Condition 6.3(E) or 6.3(G) in circumstances where the relevant event relates to an issue of Ordinary Shares, if at any time during the said five dealing-day period (which may be on each of such five dealing days) the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such five dealing days) the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), in any such case which has been declared or announced, then:

(1) if the Ordinary Shares to be issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the

amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement (or, where on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), as at the date of first public announcement of such Dividend or entitlement), in any such case, determined in good faith by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; or

- (2) if the Ordinary Shares to be issued do rank for the Dividend or entitlement in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend (or entitlement), in any such case, determined in good faith by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (B) for the purpose of determining the Current Market Price of any Ordinary Shares which may be comprised in a Scrip Dividend, if on any of the said five dealing days the Volume Weighted Average Price of the Ordinary Shares shall have been based on a price cum all or part of such Scrip Dividend, the Volume Weighted Average Price of an Ordinary Share on such dealing day or dealing days shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the value (as determined in accordance with paragraph (A) of the definition of “**Dividend**”) of such Scrip Dividend or part thereof; and
- (C) for any other purpose, if any day during the said five-dealing-day period was the Ex-Date in respect of any Dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such Dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date relating to such Dividend or entitlement.

“**dealing day**” means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time).

“**Dividend**” means any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:



(A) where a Scrip Dividend is announced, then the Scrip Dividend in question shall be treated as a Cash Dividend of an amount equal to the sum of:

- (1) in respect of the portion (if any) of the Scrip Dividend (which may be the whole of the Scrip Dividend) for which a Shareholder or Shareholders may make an election, the value of the option with the highest value, with the value of each option being equal to the value of the relevant property comprising such option as at the Scrip Dividend Valuation Date provided that, in the case of an option comprising more than one type of property, the value of such option shall be equal to the sum of the values of each individual type of property comprising such option, determined as provided below; and
- (2) in respect of the portion (if any) of the Scrip Dividend (which may be the whole of the Scrip Dividend) which is not subject to such election, the value of such portion as determined as provided below,

and where the value of any property in or comprising a Scrip Dividend shall be determined as follows:

- (x) in the case of Ordinary Shares, the Current Market Price of such Ordinary Shares as at the Scrip Dividend Valuation Date;
- (y) in the case of cash, the Fair Market Value of such cash as at the Scrip Dividend Valuation Date; and
- (z) in the case of any other property or assets, the Fair Market Value of such other property or assets as at the Scrip Dividend Valuation Date.

(B) any issue of Ordinary Shares falling within Condition 6.3(A) or 6.3(B) shall be disregarded for the purposes of this definition;

(C) a purchase or redemption or buy back of share capital of the Guarantor by or on behalf of the Guarantor or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Guarantor or any of its Subsidiaries, the Volume Weighted Average Price per Ordinary Share (before expenses) on any one calendar day (a "**Specified Share Day**") in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such calendar day) exceeds by more than 5 per cent. the Current Market Price of an Ordinary Share:

- (1) on the Specified Share Day; or
- (2) where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be,

in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares

purchased, redeemed or bought back by or on behalf of the Guarantor or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of such Current Market Price determined as aforesaid and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;

- (D) if the Guarantor or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (C) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Adviser;
- (E) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Guarantor for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Guarantor, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Guarantor, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly; and
- (F) where a Dividend in cash is declared which provides for payment by the Guarantor in the Relevant Currency (or, in the case of a Scrip Dividend, an amount in cash is or may be paid in the Relevant Currency, whether at the option of Shareholders or otherwise), it shall be treated as a Dividend in cash (or, in the case of a Scrip Dividend, an amount in cash) in such Relevant Currency, and in any other case it shall be treated as a Dividend in cash (or, in the case of a Scrip Dividend an amount in cash) in the currency in which it is payable by the Guarantor,

and any such determination shall be made in good faith by the Calculation Agent or where specifically provided, an Independent Adviser and, in either such case, on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

**“EEA Regulated Market”** means a regulated market as defined by Article 4.1 (21) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.

**“Event of Default”** has the meaning provided in Condition 10.

**“Exchange Price”** has the meaning provided in Condition 6.1.

**“Ex-Date”** means, unless otherwise defined herein, in respect of any Dividend (including, without limitation, any Spin-Off), rights, options, warrants or other entitlement, or any consolidation, reclassification, redesignation or subdivision as is mentioned in Condition 6.3(A), the first dealing day on which the Ordinary Shares are traded ex- the relevant Dividend, rights, options, warrants or other entitlement, or consolidation, reclassification, redesignation or subdivision, on the Relevant Stock Exchange (or, for the purpose of Condition 6.3(C), in the case of a Dividend which is a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares pursuant to paragraph (C) or (D) of the definition of “Dividend”, the date on which such purchase, redemption or buy back is made).

**“Exempt Newco Scheme”** means a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are (1) admitted to trading on the Relevant Stock Exchange or (2)

admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Guarantor or Newco may determine.

**“Extraordinary Resolution”** has the meaning provided in the Trust Deed.

**“Fair Market Value”** means, on any date the **“FMV Date”**):

- (A) in the case of a Cash Dividend, the amount of such Cash Dividend, as determined in good faith by the Calculation Agent;
- (B) in the case of any other cash amount, the amount of such cash, as determined in good faith by the Calculation Agent;
- (C) in the case of Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined in good faith by the Calculation Agent or an Independent Adviser), the arithmetic mean of:
  - (1) in the case of Ordinary Shares or (to the extent constituting equity share capital) other Securities or Spin-Off Securities, the daily Volume Weighted Average Prices of the Ordinary Shares or such other Securities or Spin-Off Securities; and
  - (2) in the case of Securities or Spin-Off Securities (to the extent not constituting equity share capital), options, warrants or other rights or assets, the Closing Prices of such Securities, Spin-Off Securities, options, warrants or other rights or assets;

in the case of both paragraphs (1) and (2) above, during the period of five dealing days on the Relevant Stock Exchange for such Securities, Spin-Off Securities, options, warrants or other rights or assets commencing on the FMV Date (or, if later, the first such dealing day (the **“Adjusted FMV Date”**) such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded) provided that where such Adjusted FMV Date falls after the fifth calendar day following the FMV Date, the Fair Market Value of such Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets shall instead be determined pursuant to paragraph (D) below, or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, all as determined in good faith by the Calculation Agent; and

- (D) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid) or where otherwise provided in paragraph (C) above to be determined pursuant to this paragraph (D), an amount equal to the fair market value of such Securities, Spin-Off Securities, options, warrants or other rights or assets as determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, and including as to the expiry date and exercise price (if any) thereof.

Such amounts, shall if necessary be translated into the Relevant Currency (if not expressed in the Relevant Currency on or prior to the FMV Date (or, as applicable in the case of (C) above, the Adjusted FMV Date)) at the Prevailing Rate on the FMV Date (or, as applicable in the case of (C) above, the Adjusted FMV Date), all as determined in good faith by the Calculation Agent. In addition, in the case of (A) and (B) above, the Fair Market Value shall

be determined in good faith by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit..

**“Final Maturity Date”** means 15 July 2025.

**“Financial Conduct Authority”** means the Financial Conduct Authority acting under Part VI of the Financial Services and Markets Act 2000.

**“First Call Date”** has the meaning provided in Condition 7.2(A).

**“Further Bonds”** means any further Bonds issued pursuant to Condition 18 and consolidated and forming a single series with the then outstanding Bonds.

**“Group”** means the Guarantor and its consolidated Subsidiaries taken as a whole.

**“IA Parity Event”** has the meaning provided in Condition 6.2.

**“IFRS”** means International Financial Reporting Standards, as issued by the International Accounting Standards Board and, for the purposes of these Conditions, as adopted by the European Union.

**“Independent Adviser”** means an independent financial institution or adviser with appropriate expertise, which may include the Calculation Agent, appointed by the Issuer or Guarantor at its own expense.

**“Interest Payment Date”** has the meaning provided in Condition 5.1.

**“Issue Date”** means 15 July 2019.

**“London Stock Exchange”** means the London Stock Exchange plc.

**“Market Price”** means the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date (translated, if not in sterling, into sterling at the Prevailing Rate on such Reference Date), provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced, whether on or prior to or after the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the Conversion Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Ordinary Share is based on a price ex-Dividend or ex- any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of such Dividend (translated, if not in sterling, into sterling at the Prevailing Rate on such Reference Date) or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement (or if that is not a dealing day, the immediately preceding dealing day), determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit and provided that, for the avoidance of doubt, there shall be no double-counting in respect of any Dividend or entitlement.

**“Material Subsidiary”** has the meaning provided in Condition 10.

**“Newco Scheme”** means a scheme of arrangement or analogous proceeding (**“Scheme of Arrangement”**) which effects the interposition of a limited liability company (**“Newco”**) between the Shareholders immediately prior to the Scheme of Arrangement (the **“Existing Shareholders”**) and the Guarantor, provided that (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders (except for a

nominal holding by initial subscribers); (ii) immediately after completion of the Scheme of Arrangement the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco (other than a nominal holding by initial subscribers), are Existing Shareholders in or substantially in the same proportions as such Existing Shareholders held Ordinary Shares immediately prior to completion of the Scheme of Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder (or shareholders) of the Guarantor; (iv) all Subsidiaries of the Guarantor immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Guarantor) are Subsidiaries of the Guarantor (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Guarantor (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Guarantor immediately prior to the Scheme of Arrangement.

**“Newco Scheme Modification”** has the meaning provided in Condition 14.1.

**“Non-Cash Dividend”** has the meaning provided in Condition 6.3(C).

**“Offer Period”** has the meaning provided in Condition 7.4.

**“Open Offer”** means an invitation to existing securities holders to subscribe or purchase securities in proportion to their holdings which is not made by means of a renounceable letter (or other negotiable document).

**“Optional Redemption Date”** has the meaning provided in Condition 7.2.

**“Optional Redemption Notice”** has the meaning provided in Condition 7.2.

**“Ordinary Shares”** means fully paid ordinary shares in the capital of the Guarantor with, on the Issue Date, a par value of £0.125 each.

**“Paid-up Value”** has the meaning given to such term in the definition of “Preference Shares”.

**“Parity Event”** has the meaning provided in Condition 6.2.

**“Parity Notification Event”** has the meaning provided in Condition 6.2.

**“Parity Notification Event Notice”** has the meaning provided in Condition 6.2.

**“Parity Value”** means, in respect of any dealing day, the amount determined in good faith by the Calculation Agent as follows:

$$PV = N \times VWAP$$

where:

PV = the Parity Value;

N = £1,000 divided by the Exchange Price in effect on such dealing day (or, if the Change of Control Exchange Price would apply in respect of any exercise of Conversion Rights in respect of which the Conversion Date would fall on such dealing day, such Change of Control Exchange Price), provided that if (A) such dealing day falls on or after (i) the Ex-Date in relation to any entitlement in respect of which an adjustment is required to be made to the Exchange

Price pursuant to Conditions 6.3(A), 6.3(B), 6.3(C), 6.3(D), 6.3(E), 6.3(F) or 6.3(J) or (ii) the date of the first public announcement of the terms of any such issue or grant as is mentioned in Condition 6.3(G) or 6.3(H) or of the terms of any such modification as is mentioned in Condition 6.3(I) and (B) such adjustment is not yet in effect on such dealing day, the Exchange Price in effect on such dealing day shall for the purpose of this definition only be multiplied by the adjustment factor subsequently determined in good faith by the Calculation Agent to be applicable in respect of the relevant Exchange Price adjustment; and

WVAP = the Volume Weighted Average Price of an Ordinary Share on such dealing day translated, if not in sterling, into sterling at the Prevailing Rate on such dealing day.

“**Permitted Purpose**” has the meaning provided in Condition 10.

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

“**Physically Settled Shares**” means, in respect of any exercise of Conversion Rights, (i) where no Cash Alternative Election is made in respect thereof, the Reference Shares or (ii) where a Cash Alternative Election is made in respect thereof, such number of Ordinary Shares (which may be equal to zero) as is equal to the Reference Shares minus the Cash Settled Shares.

“**Preference Shares**” means exchangeable redeemable preference shares of the Issuer, having the rights set out in the Articles of the Issuer, with a par value of £0.01 each and which will be issued on conversion of the Bonds at a paid-up value (the “**Paid-up Value**”) of £1,000 each.

“**Prevailing Rate**” means, in respect of any pair of currencies on any calendar day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date (for the purpose of this definition, the “**Original Date**”) as appearing on or derived from Bloomberg page BFIX (or any successor page) in respect of such pair of currencies, or, if such a rate cannot be so determined, the rate prevailing as at 12 noon (London time) on the immediately preceding calendar day on which such rate can be so determined, provided that if such immediately preceding calendar day falls earlier than the fifth calendar day prior to the Original Date or if such rate cannot be so determined (all as determined in good faith by the Calculation Agent), the Prevailing Rate in respect of the Original Date shall be the rate determined in such other manner as an Independent Adviser shall in good faith consider appropriate.

“**Quarter**” means each period in any year commencing on (and including) a Quarter Date and ending on (but excluding) the next following Quarter Date.

“**Quarter Date**” means 31 March, 30 June, 30 September and 31 December in each year.

“**RA Reference Date**” has the meaning provided in Condition 6.4.

“**Record Date**” has the meaning provided in Condition 8.3.

“**Reference Date**” means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a dealing day, the next following dealing day.

**“Reference Shares”** means, in respect of the exercise of Conversion Rights by a Bondholder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined in good faith by the Calculation Agent by dividing the Converted Bonds by the Exchange Price in effect on the relevant Conversion Date except that where the Conversion Date falls on or after the date an adjustment to the Exchange Price takes effect pursuant to Conditions 6.3(A), 6.3(B), 6.3(C), 6.3(D), 6.3(E), 6.3(F) or 6.3(J) but prior to the record date or other due date for establishment of entitlement in respect of the relevant consolidation, reclassification/redesignation or substitution, Dividend, issue, grant or other entitlement (as the case may be) giving rise to such adjustment, then provided the Issuer is or, as the case may be, would be able to confer the benefit of the relevant consolidation, reclassification/redesignation or substitution, Dividend, issue, grant or other entitlement (as the case may be) on the relevant Bondholder in respect of the relevant Ordinary Shares to be issued (in the absence of a Cash Alternative Election having been made in respect of the relevant exercise of Conversion Rights) to such Bondholder in respect of the relevant exercise of Conversion Rights, the Exchange Price in respect of such exercise shall be such Exchange Price as would have been applicable to such exercise had no such adjustment been made.

**“Register”** has the meaning provided in Condition 4.1.

**“Relevant Currency”** means at any time, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

**“Relevant Date”** means, in respect of any Bond, whichever is the later of:

- (A) the date on which payment in respect of it first becomes due; and
- (B) if any amount of the money payable is improperly withheld or refused, the earlier of (a) the date on which payment in full of the amount outstanding is made and (b) the day falling seven calendar days after the Trustee or the Principal Paying, Transfer and Conversion Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh calendar day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

**“Relevant Stock Exchange”** means (i) in the case of Ordinary Shares or the ordinary shares of Newco, the London Stock Exchange or if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the London Stock Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing and (ii) in the case of Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets are then listed, admitted to trading or quoted or dealt in.

**“Retroactive Adjustment”** has the meaning provided in Condition 6.4.

**“Scheme of Arrangement”** has the meaning provided in the definition of “Newco Scheme”.

**“Scrip Dividend”** means:

- (A) a Dividend (whether in cash or otherwise) which is to be satisfied, or which may at the election of a Shareholder or Shareholders be satisfied, in whole or in part, by the issue of Ordinary Shares and/or other property or assets; or
- (B) an issue of Ordinary Shares or other property or assets by way of a capitalisation of profits or reserves (including any share premium account or other reserve, and whether described as a scrip or share dividend or distribution or otherwise) which is

to be satisfied, or which may at the election of a Shareholder or Shareholders be satisfied, in whole or in part, by the payment of cash.

**“Scrip Dividend Valuation Date”** means:

- (A) in respect of any portion of a Scrip Dividend for which a Shareholder or Shareholders may make an election, the later of (i) the Ex-Date in relation to the relevant Scrip Dividend, (ii) the last date on which the relevant election can be made by such Shareholder or Shareholders and (iii) the date on which the number of Ordinary Shares, amount of cash, or amount of other property or assets, as the case may be, which may be issued is publicly announced; or
- (B) in respect of any portion of a Scrip Dividend which is not subject to such election, later of the (i) the Ex-Date in relation to the relevant Scrip Dividend and (ii) the date on which the number of Ordinary Shares, amount of cash or amount of such other property or assets, as the case may be, to be issued is publicly announced.

**“Securities”** means any securities including, without limitation, Ordinary Shares and any other shares in the capital of the Guarantor and options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares or any other shares in the capital of the Guarantor.

**“Shareholders”** means the holders of Ordinary Shares.

**“Specified Taxes”** has the meaning provided in Condition 6.8.

**“Spin-Off”** means:

- (A) a distribution of Spin-Off Securities by the Guarantor to Shareholders as a class; or
- (B) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than the Guarantor) to Shareholders as a class or, in the case of or in connection with a Scheme of Arrangement, Existing Shareholders, as a class (but excluding the issue and allotment of shares (or depository or other receipts or certificates representing such shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Guarantor or any of its Subsidiaries.

**“Spin-Off Securities”** means equity share capital of an entity other than the Guarantor or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Guarantor.

**“Subsidiary”** means a subsidiary within the meaning of Section 1159 of the Companies Act and excludes any dormant subsidiary.

**“Tax Redemption Date”** has the meaning provided in Condition 7.3.

**“Tax Redemption Notice”** has the meaning provided in Condition 7.3.

**“Trustee Certification”** has the meaning provided in Condition 10.

**“Volume Weighted Average Price”** means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, option, warrant or other right or asset on any dealing day, the volume-weighted average price on such dealing day on the Relevant Stock Exchange of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, option, warrant or other right or asset as published by or derived from Bloomberg page HP (or any successor page) (setting Weighted Average Line, or any other successor setting and using



values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of the Relevant Stock Exchange in respect of such Ordinary Share, Spin-Off Security, options, warrants or other rights or assets (all as determined in good faith by the Calculation Agent) (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Closing Date is PHP LN Equity HP), if any or, in any such case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day, provided that if on any such dealing day (for the purpose of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined, and further provided that if such immediately preceding dealing day falls prior to the fifth calendar day before the Original Date, an Independent Adviser shall determine the Volume Weighted Average Price in good faith.

“**£**” and “**sterling**” means the lawful currency for the time being of the United Kingdom.

### 3.2 **Certain operative provisions**

(A) For the purpose of these Conditions:

- (1) References to “**ordinary share capital**” have the meaning provided in Section 1119 of the Corporation Tax Act 2010 and to “**equity share capital**” have the meaning provided in Section 548 of the Companies Act.
- (2) References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re- enactment.
- (3) References to any issue or offer or grant to Shareholders or Existing Shareholders “**as a class**” or “**by way of rights**” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be (other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant); provided that, for the purpose of these Conditions, references to “**by way of rights**” shall exclude any issue or offer or grant to all or substantially all Shareholders or Existing Shareholders which is an Open Offer.
- (4) For the purpose of the definitions of “Current Market Price”, “Dividend”, “Newco Scheme”, “Reference Shares”, “Scrip Dividend”, “Scrip Dividend Valuation Date”, Conditions 6 and 11, (i) references to the “**issue**” of Ordinary Shares, Securities or other property or assets or Ordinary Shares, Securities or other property or assets being “**issued**” shall include the issue or transfer and the delivery of Ordinary Shares (or, as the case may be, Securities or other property or assets), whether newly issued and allotted or previously existing and held by or on behalf of the Guarantor or any of its Subsidiaries, and (ii) Ordinary Shares held by or on behalf of the Guarantor or any of its Subsidiaries (and which, in the case of Condition 6.3(D) and 6.3(E), do not rank for the relevant Dividend, right or other entitlement) shall not be considered as or

treated as “**in issue**” or “**issued**” or entitled to receive the relevant Dividend, right or other entitlement.

- (5) In relation to the Ordinary Shares, references in these Conditions to listing on the London Stock Exchange (or like or similar references) shall be construed as admission to the Official List of the Financial Conduct Authority and admission to trading on the EEA Regulated Market of the London Stock Exchange.
  - (6) References in these Conditions to principal in respect of the Bonds shall, unless the context otherwise requires, be deemed to include any premium and any other amount (other than interest) which may be payable by the Issuer or, as the case may be, the Guarantor in respect of the Bonds.
  - (7) References to any agreement, deed or other document shall be deemed also to refer to such agreement, deed or other document as amended, varied, supplemented or novated from time to time and shall include any replacement thereto from time to time. Words importing a gender shall include all genders.
- (B) In making any calculation or determination of Current Market Price, Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as (if the Calculation Agent determines in its sole discretion that it is capable of making the relevant determination in its capacity of Calculation Agent) the Calculation Agent or (in any other case) an Independent Adviser determines in good faith to be appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

#### 4. **REGISTRATION AND TRANSFER OF BONDS**

##### 4.1 **Registration**

The Issuer will cause a register (the “**Register**”) to be kept at (and only at) the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of Bonds.

##### 4.2 **Transfer**

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4.3 and 4.4, be transferred in whole or in part in an authorised denomination by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed by the transferor and transferee and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent. If only part of a Bond is being transferred, the retained part must be in an authorised denomination.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, register the relevant transfer in the Register and deliver a new Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a Bond for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the

expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

#### 4.3 **Formalities Free of Charge**

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Trustee (and as initially set out in the Agency Agreement).

#### 4.4 **Closed Periods**

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (i) during the period of 15 calendar days ending on and including the calendar day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7.2 or 7.3; (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6.8; (iii) in respect of which a Bondholder has exercised its right to require redemption pursuant to Condition 7.5; or (iv) during the period of 15 calendar days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

### 5. **INTEREST**

#### 5.1 **Interest Rate**

The Bonds bear interest from (and including) the Issue Date at the rate of 2.875 per cent. per annum calculated by reference to each £1,000 in principal amount of Bonds and payable semi-annually in arrear in equal instalments of £14.375 on 15 January and 15 July in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 15 January 2020.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of calendar days in the relevant period from (and including) the first calendar day of such period to (but excluding) the last calendar day of such period divided by the product of (a) the number of calendar days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next Interest Payment Date and (b) the number of Interest Periods normally ending in any year.

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

#### 5.2 **Accrual of Interest**

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Issue Date (subject in any such case as provided in Condition 6.11) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5.1 (both before and after judgment) until the Relevant Date.

## 6. CONVERSION OF BONDS

### 6.1 Conversion Right

Subject to the right of the Guarantor to make a Cash Alternative Election pursuant to Condition 6.15 and otherwise as provided in these Conditions, each Bond shall entitle the holder to convert each £1,000 principal amount of a Bond into one fully paid Preference Share, with each such Preference Share being allotted at a price equal to the Paid-Up Value (a “**Conversion Right**”).

Conversion Rights may only be exercised in the following circumstances:

- (A) at any time from (and including) 26 August 2019 (the “**Conversion Period Commencement Date**”) up to (but excluding) the First Call Date if the Conversion Date falls during a particular Quarter, if the arithmetic mean of the Parity Value on each dealing day in any period of 20 consecutive dealing days in the period of 30 consecutive dealing days ending on (and including) the dealing day immediately preceding the final dealing day of the immediately preceding Quarter, is greater than £1,000; or
- (B) where the Conversion Date falls at any time from (and including) the First Call Date to (but excluding) the tenth calendar day prior to the Final Maturity Date; or
- (C) at any time:
  - (1) in case of early redemption of all the outstanding Bonds at the option of the Issuer pursuant to Condition 7.2 or 7.3, provided that the Conversion Date falls in the period from (and including) the date on which the relevant notice of redemption is given up to (but excluding) the tenth calendar day preceding the date of early redemption unless there shall be a default in making payment in respect of such Bond on any such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given to Bondholders in accordance with Condition 17 or, if earlier, the Final Maturity Date, or, if the Final Maturity Date is not a London business day, the immediately preceding London business day; or
  - (2) in the case of a distribution to Shareholders of cash, assets, securities or other property where the Fair Market Value (on the date on which the terms of such distribution were first publicly announced by the Guarantor) of such distribution per Ordinary Share is greater than 20 per cent. of the arithmetic mean of the Volume Weighted Average Price of an Ordinary Share on each dealing day in the 20 dealing day period ending on (and including) the dealing day immediately preceding the date on which the terms of such distribution were first publicly announced by the Guarantor (or, as the case may be, the Adjusted FMV Date if applicable when determining such Fair Market Value as aforesaid), as notified by the Issuer to the Bondholders in accordance with Condition 17 and to the Trustee no later than the third London business day following the first date on which such Fair Market Value as aforesaid is determined as provided pursuant to the definition thereof (or, where such Fair Market Value is determined pursuant to paragraph (D) of the definition thereof, no later than the tenth London business day following the date of such first public announcement as aforesaid), provided that the Conversion Date falls in the period from (and including) the date on which such notification is made up to (but excluding) the later of (i) the Ex-Date in respect of such distribution and

- (ii) the tenth London business day following the date on which such notification is made; or
- (3) in the case of a Change of Control of the Guarantor, provided that the Conversion Date falls during the Change of Control Period; or
- (4) in the case of an Event of Default, provided that the Conversion Date falls in the period (if any) from (and including) (i) where Trustee Certification with respect to such Event of Default is not required, the date of occurrence of the Event of Default or where applicable, the date of expiry of the relevant grace period related to the Event of Default or (ii) where Trustee Certification with respect of such Event of Default is required, the later of (x) the date of expiry of any applicable grace period related to the Event of Default and (y) the date on which the Trustee has certified that the relevant Event of Default is in its opinion materially prejudicial to the interests of the Bondholders, in each case in accordance with Condition 10, up to (but excluding) the date the Bonds are declared due and payable pursuant to Condition 10; or
- (5) if a Parity Event or IA Parity Event occurs pursuant to Condition 6.2, provided that the Conversion Date falls during the period of 5 consecutive London business days commencing on and including the first London business day following the Issuer Notification Date,

provided that, in each case, the Conversion Date falls on or prior to the tenth calendar day prior to the Final Maturity Date and if the final date for the exercise of Conversion Rights is not a London business day then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding London business day.

Conversion Rights may not be exercised (i) following the giving of notice by the Trustee pursuant to Condition 10 or (ii) in respect of a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to Condition 7.5.

Save in the circumstances described in Condition 6.11 in respect of any notice given by the Issuer pursuant to Condition 7.2, Conversion Rights may not be exercised by a Bondholder in circumstances where the relevant Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive).

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond, together with a duly completed Conversion Notice, to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6.8.

Each Bondholder exercising the Conversion Right shall be required to certify in the Conversion Notice, among other things, that it or, if it is a broker-dealer acting on behalf of a customer, such customer:

- (A) will, on conversion, become the beneficial owner of the Ordinary Shares; and
- (B) is located outside the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended).

Upon exercise of Conversion Rights by a Bondholder, the Issuer will issue the relevant number of Preference Shares to the relevant Bondholder on and as at the relevant Conversion Date.

Conversion Rights may only be exercised in respect of an authorised denomination.

All Preference Shares issued on conversion of any Bonds shall (without any further action being required to be taken by, and without any cost or expense to, the relevant Bondholder, the Principal Paying, Transfer and Conversion Agent or the Trustee) automatically be transferred on and as at the relevant Conversion Date from the relevant Bondholder to the Guarantor and in consideration therefor the Guarantor shall: (i) (if a Cash Alternative Election is not made by the Guarantor in respect of the relevant exercise of Conversion Rights) issue to the relevant Bondholder such number of Ordinary Shares as is determined by dividing the aggregate Paid-Up Value in respect of such Preference Shares by the Exchange Price in effect on the relevant Conversion Date (and, where necessary, rounding down to the nearest whole number of Ordinary Shares); or (ii) (where a Cash Alternative Election is made by the Guarantor in respect of the relevant exercise of Conversion Rights) make payment to the relevant Bondholder of the relevant Cash Alternative Amount and, where the number of Cash Settled Shares is less than the number of Reference Shares in respect of such exercise of Conversion Rights, issue to the relevant Bondholder a number of Ordinary Shares as is equal to the Reference Shares minus the Cash Settled Shares.

The initial exchange price (the “**Exchange Price**”) is £1.5325 per Ordinary Share. The Exchange Price is subject to adjustment in the circumstances described in Condition 6.3.

The Guarantor will procure that Ordinary Shares to be issued on exercise of Conversion Rights will be issued to the relevant Bondholder or his nominee as specified in the relevant Conversion Notice (without any further action being required to be taken by, and without any cost or expense to, the relevant Bondholder, the Principal Paying, Transfer and Conversion Agent or the Trustee). Such Ordinary Shares will be deemed to be issued on or as of the relevant Conversion Date. Any Additional Ordinary Shares to be issued will be deemed to be issued on or as of the relevant Reference Date.

Each of the Issuer and the Guarantor shall (at its own expense) be entitled to do all such things and make all such entries in the Issuer’s and the Guarantor’s respective registers of members and execute all such documents, whether at the request of the Trustee, on behalf of the relevant Bondholders or otherwise (including the execution of such instruments of transfer on behalf of the relevant Bondholders) as may be necessary to effect any such transfer of Preference Shares to the Guarantor.

Conversion Rights are not exercisable in respect of any specific Preference Shares or Ordinary Shares and no Preference Shares or Ordinary Shares have been or will be charged, placed in custody or otherwise set aside to secure or satisfy the obligations of the Issuer and the Guarantor in respect of the delivery of Preference Shares or Ordinary Shares.

Upon the issue of the Preference Shares on conversion of any Bonds and the registration and transfer of such Preference Shares to the Guarantor as provided in these Conditions and, where applicable, the payment of any interest pursuant to Condition 6.11, the Issuer shall be released from and shall have no further liability in respect of such Bonds, including in respect of the delivery of Ordinary Shares in respect of such Preference Shares and/or payment of any Cash Alternative Amount.

Fractions of Ordinary Shares will not be issued and no cash payment or other adjustment will be made in lieu thereof. If a Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares to be issued in respect of such exercise are to be registered in the same name, the number of Ordinary Shares to be issued in respect thereof shall be calculated by the Calculation Agent on the basis of the aggregate Paid-up Value of the Preference Shares issued on such conversion and which are to be exchanged for Ordinary Shares, and rounded down to the nearest whole number of Ordinary Shares.

## 6.2 Parity Event or IA Parity Event

Whether or not a Parity Event or IA Parity Event has occurred for the purposes of Condition 6.1 shall be determined in accordance with the provisions of this Condition 6.2.

- (A) None of the Issuer, the Guarantor, the Calculation Agent, the Trustee or any Paying, Transfer and Conversion Agent will be required to monitor the Quote for the Bonds (or the Mid-Market Price) or perform any related calculations (or take any steps to monitor the Quote for the Bonds (or the Mid-Market Price) or perform any related calculations) to verify whether a Parity Event or IA Parity Event has occurred unless, in the case of the Issuer and the Calculation Agent only, any person with an interest in a Bond (or any person acting on its behalf) provides notice (a “**Parity Notification Event Notice**”) to the Issuer in writing (in accordance with Condition 17) with reasonable supporting evidence that a Parity Notification Event has occurred.

If any such Parity Notification Event Notice is provided in accordance with the foregoing after 5.00 p.m. (London time) on any day, or on a day which is not a London business day, it shall be deemed to have been provided on the immediately following London business day, and the date on which such Parity Notification Event Notice is provided or deemed to be provided shall be the “**Notification Date**”. Once a Parity Notification Event Notice has been provided (or deemed to be so provided) on a Notification Date, any subsequent Parity Notification Event Notice shall be disregarded, and no Notification Date shall occur in respect of that subsequent Parity Notification Event Notice, if the Parity Notification Event to which that subsequent Parity Notification Event Notice relates occurred in respect of any 5-dealing-day period which ended prior to the Notification Date in respect of the first Parity Notification Event Notice provided.

Each Parity Notification Event Notice shall be copied to the Calculation Agent, for the purposes of which it shall be sent by electronic mail to such address as is specified in Condition 17.

A Parity Notification Event Notice shall include a certification by or on behalf of the relevant person that it holds an economic interest in at least one Bond, on which certification the Issuer and the Calculation Agent shall be able to rely, in the absence of fraud or manifest error, without further investigation. If a Parity Notification Event Notice is delivered in accordance with the foregoing, neither the Issuer nor the Calculation Agent shall be entitled or required to demand any further information from such person.

- (B) The following shall apply in respect of each Notification Date which is deemed to occur under this Condition 6.2:
- (1) the Issuer shall give notice thereof to the Bondholders in accordance with Condition 17 (and such notice shall be given no later than on the first dealing day of the relevant Reference Period and shall specify such Reference Period);
  - (2) the Calculation Agent shall, by no later than the second dealing day immediately following the end of the relevant Reference Period, determine in good faith whether a Parity Event has occurred or has not occurred in respect of such Reference Period;
  - (3) if a Bond Price Unavailability Date occurs in respect of the relevant Reference Period, (i) the Issuer shall give notice thereof to the Bondholders in accordance with Condition 17 (and such notice shall be given no later than on the second dealing day following such Bond Price Unavailability Date and shall specify the relevant Bond Price Determination Date); and (ii) the Calculation Agent shall

determine in good faith whether an IA Parity Event has occurred or has not occurred in respect of such Reference Period (such determination to have been made no later than the third dealing day immediately following the Bond Price Determination Date); and

- (4) the Issuer will give notice of the Calculation Agent's determination to the Bondholders and the Trustee in accordance with Condition 17 no later than the date falling on the second dealing day immediately following the date on which the Calculation Agent notifies the Issuer of such determination as aforesaid (the date on which notice is given by the Issuer as aforesaid being referred to as the "**Issuer Notification Date**").

In these Conditions:

**"Bond Price Determination Date"** means the fifth dealing day following the relevant Bond Price Unavailability Date;

A **"Bond Price Unavailability Date"** shall have occurred in respect of any Reference Period, as determined in good faith by the Calculation Agent, if no Quote for the Bonds is available on at least 6 dealing days comprised in such Reference Period, and in any such case the Bond Price Unavailability Date shall be such sixth dealing day;

An **"IA Parity Event"** shall occur in respect of any Reference Period if, as determined in good faith by the Calculation Agent, (i) a Bond Price Unavailability Date has occurred in respect of such Reference Period, and (ii) the Quote for the Bonds on the Bond Price Determination Date (and if no such Quotes for the Bond is available, the fair market value (taking into consideration the mid-market price) as at or around 5.00 p.m. (London time) on the Bond Price Determination Date per £1,000 in principal amount of the Bonds (as determined in good faith by an Independent Adviser)) is less than 97 per cent. of the Closing Parity Value on such Bond Price Determination Date;

**"Leading Institution"** means any bank or financial institution which is a leading, internationally recognised market maker in trading exchangeable and/or convertible bonds;

**"Mid-Market Price"** means, in respect of any day, the average of the prices per £1,000 in principal amount of the Bonds quoted by a Leading Institution for (x) the purchase by such Leading Institution (bid price), and (y) the purchase from such Leading Institution (ask price), in each case in respect of the Bonds as at or around 5.00 p.m. (London time) on such day;

A **"Parity Event"** shall occur in respect of any Reference Period if, as determined in good faith by the Calculation Agent, (i) the Quote for the Bonds is available in respect of at least 5 dealing days comprised in such Reference Period, and (ii) on each dealing day comprised in such Reference Period in respect of which the Quote for the Bonds is available, such Quote for the Bonds is less than 97 per cent. of the Closing Parity Value in respect of such dealing day;

A **"Parity Notification Event"** shall occur if in respect of each dealing day comprised in a period of five consecutive dealing days (ending no earlier than the 5th dealing day before the Notification Date), either (i) no Mid-Market Price was available from a Leading Institution in respect of such dealing day, or (ii) the average of the Mid-Market Prices provided by three Leading Institutions in respect of such dealing day (or such lesser number of such Leading Institutions (if any) as the Bondholder is able to obtain a Mid-Market Price from) was less than 97 per cent. of the Closing Parity Value in respect of such dealing day;

**"Quote for the Bonds"** means, in respect of any dealing day, the arithmetic average (as determined in good faith by an Independent Adviser) of the Mid-Market Prices in respect of such dealing day obtained by such Independent Adviser from three Leading Institutions as



such Independent Adviser shall in good faith consider appropriate, or, if only two Mid-Market Prices may be obtained from such three Leading Institutions, the arithmetic average of such two Mid-Market Prices so obtained or, if only one Mid-Market Price can be obtained from such three Leading Institutions, such Mid-Market Price, provided that where no Mid-Market Price can be determined pursuant to this definition in respect of such dealing day, it shall be deemed that no Quote for the Bonds is available in respect of such dealing day; and

“**Reference Period**” means, in respect of any Notification Date, the period of 10 consecutive dealing days commencing on the second dealing day following such Notification Date.

### 6.3 Adjustment of Exchange Price

Upon the happening of any of the events described below, the Exchange Price shall be adjusted by the Calculation Agent as follows:

- (A) If and whenever there shall be a consolidation, reclassification/redesignation or subdivision affecting the number of Ordinary Shares in issue, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification, redesignation or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification, redesignation or subdivision, as the case may be.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(A), the “**Effective Date**”) the consolidation, reclassification, redesignation or subdivision, as the case may be, takes effect.

- (B) If and whenever the Guarantor shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), other than an issue of Ordinary Shares constituting a Scrip Dividend, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date of such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such issue; and

B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(B), the “**Effective Date**”) which is the date of issue of such Ordinary Shares.

- (C) If and whenever the Guarantor shall make or pay any Capital Distribution to the Shareholders, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of the relevant Capital Distribution; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Guarantor or any Subsidiary of the Guarantor, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back).

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(C)(1), the “**Effective Date**”) which is the later of (i) the Ex-Date of the relevant Capital Distribution and (ii) the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

“**Capital Distribution**” means any Non-Cash Dividend.

“**Cash Dividend**” means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (B) of the definition of “**Spin-Off**”, and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (A) of the definition of “**Dividend**”, and for the avoidance of doubt, a Dividend falling within paragraph (C) or (D) of the definition of “**Dividend**” shall be treated as being a Non-Cash Dividend.

“**Non-Cash Dividend**” means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

- (D) If and whenever the Guarantor shall make or pay any Extraordinary Dividend to the Shareholders, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A - C}$$

where:

- A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of the relevant Extraordinary Dividend;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend; and

C is the amount (if any) by which the Threshold Amount in respect of the Relevant Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Cash Dividends per Ordinary Share declared, announced, made or paid in such Relevant Year (where C shall be zero if such previous Cash Dividends per Ordinary Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Year). For the avoidance of doubt “C” shall equal the Threshold Amount in respect of the Relevant Year where no previous Cash Dividends per Ordinary Share have been made or paid in such Relevant Year.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(D), the “**Effective Date**”) which is the later of (i) the Ex-Date in respect of the Extraordinary Dividend and (ii) the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined.

“**Extraordinary Dividend**” means any Cash Dividend (the “**Relevant Dividend**”) made or paid in a calendar year (the “**Relevant Year**”), if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) the Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Fair Market Values of any other Cash Dividend or Cash Dividends per Ordinary Share made or paid in the Relevant Year, exceeds the Threshold Amount in respect of such Relevant Year, and in that case the Extraordinary Dividend shall be the Relevant Dividend.

“**Threshold Amount**” means, for any Relevant Year, 2.80 pence per Ordinary Share (adjusted pro rata for any adjustments to the Exchange Price made pursuant to the provisions of this Condition 6.3, including this Condition 6.3(D)).

On any adjustment to the Threshold Amount, the resultant Threshold Amount, if not an integral multiple of 0.01 pence, shall be rounded down to the nearest whole multiple of 0.01 pence. No adjustment shall be made to the Threshold Amount where such adjustment (rounded down if applicable) would be less than one per cent. of the Threshold Amount then in effect. Any adjustment not required to be made and/or any amount by which the Threshold Amount has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Threshold Amount shall be given by the Guarantor to Bondholders in accordance with Condition 17 and to the Trustee promptly after the determination thereof.

For the purposes of this Condition 6.3(D), unless otherwise specified, the Fair Market Value of any Dividend shall (subject as provided in paragraph (A) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) be determined as at the Ex-Date in respect of the Dividend the Fair Market Value of which is being determined, and in the case of a Spin-Off, the Fair Market Value of the relevant Capital Distribution shall be the Fair Market Value of the relevant Spin-Off Securities or, as the case may be, the relevant property or assets.

In making any calculations for the purposes of this Condition 6.3(D), such adjustments (if any) shall be made as (if the Calculation Agent determines in its sole discretion that it is capable of making the relevant determination in its capacity as Calculation Agent) the Calculation Agent or (in any other case) an Independent Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Ordinary Shares or (ii) the issue of Ordinary Shares by way of

capitalisation of profits or reserves (or any like or similar event) or (iii) any increase in the number of Ordinary Shares in issue in the Relevant Year in question or (iv) any adjustment to the Exchange Price made in the Relevant Year in question.

- (E) If and whenever the Guarantor shall issue Ordinary Shares to Shareholders as a class by way of rights (which for the avoidance of doubt as set out in Condition 3.2(A)(iii) shall not include an Open Offer), or the Guarantor or any of the Guarantor's Subsidiaries or (at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights (which for the avoidance of doubt as set out in Condition 3.2(A)(iii) shall not include an Open Offer), any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to acquire, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a consideration receivable per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as determined by reference to the definition of "C" below) which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue on the Effective Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the Effective Date; and
- C is the number of Ordinary Shares to be issued upon exercise of such rights or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or other rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate, provided that if, on the Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6.3(E), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(E), the "**Effective Date**") which is the Ex-Date in respect of the relevant issue or grant.

- (F) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request or pursuant to any arrangements with the Guarantor or any Subsidiary of

the Guarantor) any other company, person or entity shall (other than in the circumstances the subject of paragraph 6.3(E) and where such issue is determined to constitute a Cash Dividend pursuant to paragraph (A) of the definition of “Dividend”) issue any Securities to Shareholders as a class by way of rights (which for the avoidance of doubt as set out in Condition 3.2(A)(iii) shall not include an Open Offer) or grant to Shareholders as a class by way of rights (which for the avoidance of doubt as set out in Condition 3.2(A)(iii) shall not include an Open Offer) any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of the relevant issue or grant; and
- B is the Fair Market Value (on the Ex-Date in respect of the relevant issue or grant) of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(F), the “**Effective Date**”) which is the later of (i) the Ex-Date in respect of the relevant issue or grant and (ii) the first date upon which the Fair Market Value of the portion of the rights attributable to one Ordinary Share is capable of being determined as provided herein.

- (G) If and whenever the Guarantor shall issue (otherwise than as mentioned in Condition 6.3(E) above, and including without limitation and for the avoidance of doubt by way of an Open Offer) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of the Bonds (which for this purpose shall include any Further Bonds) or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or right to otherwise acquire Ordinary Shares and other than constituting a Scrip Dividend) or if and whenever the Guarantor or any of the Guarantor’s Subsidiaries or (at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor’s Subsidiaries) any other company, person or entity shall issue or grant (otherwise than as mentioned in Condition 6.3(E) above, and including without limitation and for the avoidance of doubt by way of an Open Offer) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at a consideration receivable per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as determined by reference to the definition of “C” below) which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of the first public announcement of the terms of such issue of Ordinary Shares or grant of options, warrants or rights;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant as aforesaid; and
- C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights, provided that if, on the date of the first public announcement of the terms of such issue or grant as aforesaid, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6.3(G), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the date of the first public announcement of the terms of such issue or grant as aforesaid and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the date of the first public announcement of the terms of such issue or grant as aforesaid.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(G), the "**Effective Date**") which is the later of (i) the date of issue of such Ordinary Shares or, as the case may be, the issue or grant of such options, warrants or rights and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this Condition 6.3(G).

- (H) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request of or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity (otherwise than as mentioned in Conditions 6.3(E), 6.3(F) or 6.3(G) above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds, which term for this purpose shall exclude any Further Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified or redesignated as Ordinary Shares, and the consideration per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as determined by reference to the definition of "**C**" below) receivable upon conversion, exchange, subscription, purchase, acquisition or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of the first public announcement of the terms of such issue or grant (but where the

relevant Securities carry rights of conversion into or rights of exchange or subscription for, purchase of, or rights to otherwise acquire Ordinary Shares which have been issued, purchased or acquired by the Guarantor or any of the Guarantor's Subsidiaries (or at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);

- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such reclassification or redesignation would purchase at such Current Market Price on the date of the first public announcement of the terms of such issue or grant as aforesaid; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such reclassification or redesignation, provided that if, on the date of issue of such Securities or, as the case may be, the grant of such rights, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified or redesignated or at such other time as may be provided), then for the purposes of this Condition 6.3(H), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the date of the first public announcement of the terms of such issue or grant as aforesaid and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, reclassification or redesignation had taken place on the date of the first public announcement of the terms of such issue or grant as aforesaid.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(H), the "**Effective Date**") which is the later of (i) the date of issue of such Securities or, as the case may be, the grant of such rights and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this Condition 6.3(H).

- (I) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) as are mentioned in Condition 6.3(H) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as determined by reference to the definition of "C" below) receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the proposed terms for such modification, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of the first public announcement of the proposed terms for such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Guarantor or any Subsidiary of the Guarantor (or at the direction or request or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share on the date of the first public announcement of the proposed terms for such modification as aforesaid or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as the Calculation Agent shall in good faith consider appropriate for any previous adjustment under this Condition 6.3(I) or Condition 6.3(H) above, provided that if, on the date of the first public announcement of the proposed terms for such modification as aforesaid, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided) then for the purposes of this Condition 6.3(I), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the date of the first public announcement of the proposed terms for such modification as aforesaid and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the date of the first public announcement of the proposed terms for such modification as aforesaid.

Such adjustment shall become effective on the date (for the purpose of this Condition 6.3(I), the "**Effective Date**") which is the later of (i) the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this Condition 6.3(I).

- (J) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request of or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Exchange Price falls to be adjusted under Conditions 6.3(B), 6.3(C), 6.3(D), 6.3(E),



6.3(F), 6.3(G) or 6.3(H) above or Condition 6.3(K) below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant day)) the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of the relevant offer; and

B is the Fair Market Value (on the Ex-Date in respect of the relevant offer) of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the date which is (for the purpose of this Condition 6.3(J), the “**Effective Date**”) which is the later of (i) the Ex-Date in respect of the relevant offer and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this Condition 6.3(J).

- (K) If a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls (i) during the Change of Control Period or (ii) on any day following the giving by the Issuer of an Optional Redemption Notice pursuant to Condition 7.2(A) in circumstances where the precondition specified in Condition 7.2(A) would not have been satisfied assuming (solely for the purpose of this proviso (ii)) that the Parity Value in respect of the relevant dealing days had been determined only on the basis of the Exchange Price in effect (but not using the Change of Control Exchange Price where applicable), the Exchange Price to be applied with respect to such exercise of Conversion Rights (the “**Change of Control Exchange Price**”) shall be determined as set out below:

$$COCEP = \frac{OEP}{1 + (EP \times \frac{c}{t})}$$

where:

COCEP = means the Change of Control Exchange Price;

OEP = means the Exchange Price in effect on the relevant Conversion Date;

EP = means 15 per cent. (expressed as a fraction);

c = means the number of calendar days from and including the date the Change of Control occurs to but excluding the Final Maturity Date;

t = 2192, being the number of calendar days from and including the Issue Date to but excluding the Final Maturity Date.

- (L) If, following consultation with the Calculation Agent, the Guarantor determines that, or is uncertain as to whether, an adjustment should be made to the Exchange Price as a result of one or more circumstances not referred to above in this Condition 6.3 (even if the relevant circumstance is specifically excluded from the operation of Conditions 6.3(A) to 6.3(K) above), the Guarantor shall, at its own expense and acting reasonably, request an Independent Adviser to determine as soon as

practicable what adjustment (if any) to the Exchange Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 6.3(L) if such Independent Adviser is so requested to make such a determination not more than 21 calendar days after the date on which the relevant circumstances and if the adjustment would result in a reduction to the Exchange Price.

Notwithstanding the foregoing provisions:

- (1) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6.3 have already resulted or will result in an adjustment to the Exchange Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Exchange Price or where more than one event which gives rise to an adjustment to the Exchange Price occurs within such a short period of time that, in the opinion of the Issuer or the Guarantor (following consultation with the Calculation Agent), a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result; and
- (2) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Exchange Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and
- (3) other than pursuant to Condition 6.3(A), no adjustment shall be made that would result in an increase to the Exchange Price.

For the purpose of any calculation of the consideration receivable or price pursuant to Conditions 6.3(E), 6.3(G), 6.3(H) and 6.3(I), the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (A) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (B) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Guarantor to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant date as at which the Current Market Price of one Ordinary Share is being determined in Conditions 6.3(E), 6.3(G), 6.3(H) or 6.3(I), as the case may be, plus in the case of each of (A) and (B)

above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (C) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (A) or (B) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate all as determined in good faith by (if the Calculation Agent determines in its sole discretion that it is capable of making the relevant determination in its capacity of Calculation Agent) the Calculation Agent or (in any other case) an Independent Adviser;

- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency (other than in circumstances where such consideration is also expressed in the Relevant Currency, in which case such consideration should be treated as expressed in the Relevant Currency in an amount equal to the amount of such consideration when so expressed in the Relevant Currency), it shall be converted by the Calculation Agent into the Relevant Currency at the Prevailing Rate on the relevant date as at which the Current Market Price of one Ordinary Share is being determined in Conditions 6.3(E), 6.3(G), 6.3(H) or 6.3(I), as the case may be);
- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith;
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity;
- (f) if as part of the same transaction, Ordinary Shares shall be issued or issuable for a consideration receivable in more than one or in different currencies then the consideration receivable per Ordinary Share shall be determined by dividing the aggregate consideration (determined as aforesaid and translated if and to the extent not in the Relevant Currency, into the Relevant Currency as aforesaid) by the aggregate number of Ordinary Shares so issued; and
- (g) references in these Conditions to “**cash**” shall be construed as cash consideration within the meaning of section 583(3) of the Companies Act.

#### 6.4 **Retroactive Adjustments**

If the Conversion Date in relation to any Bond which is the subject of an exercise of Conversion Rights shall be:

- (A) after the date (the “**RA Reference Date**”) which is (i) the record date in respect of any consolidation, reclassification, redesignation or subdivision as is mentioned in Condition 6.3(A) above, or (ii) the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6.3(B), 6.3(C), 6.3(D), 6.3(E), 6.3(F) or 6.3(J) above, or (iii) the date of the first public announcement of the terms of any such issue or grant as is mentioned in Condition 6.3(G) or 6.3(H) above or of the terms of any such modification as is mentioned in Condition 6.3(I) above, and
- (B) before the relevant adjustment to the Exchange Price becomes effective under Condition 6.3 above (such adjustment, a “**Retroactive Adjustment**”),

then (solely in respect of the Physically Settled Shares, if any) the Issuer shall procure that there shall be issued to the relevant Bondholder, in accordance with the instructions contained in the relevant Conversion Notice, such additional number of Physically Settled Shares (if any) as determined in good faith by the Calculation Agent (the “**Additional Ordinary Shares**”) as, together with the Physically Settled Shares issued on the relevant exercise of Conversion Rights (together with any fraction of Physically Settled Share not so issued), is equal to the number of Physically Settled Shares which would have been required to be issued in respect of such exercise as if the relevant adjustment to the Exchange Price had been made and had become effective immediately prior to the relevant Conversion Date (such number of Physically Settled Shares as aforesaid being for this purpose calculated as (i) where such exercise of Conversion Rights is not the subject of a Cash Alternative Election, the Reference Shares in respect of such exercise of Conversion Rights determined for this purpose by reference to such deemed Exchange Price as aforesaid, and (ii) where such exercise of Conversion Rights is the subject of a Cash Alternative Election, the difference (if any) between (A) such number of Reference Shares as is determined pursuant to (i) and (B) the product of (x) such number of Reference Shares determined as aforesaid and (y) the Cash Settlement Ratio in respect of such exercise of Conversion Rights) all as determined in good faith by the Calculation Agent, provided that if in the case of Condition 6.3(A), 6.3(B), 6.3(C), 6.3(D), 6.3(E), 6.3(F) or 6.3(J) the relevant Bondholder shall be entitled to receive the relevant Physically Settled Shares, Dividends or Securities or other entitlement in respect of the Physically Settled Shares to be issued to it, then no such Retroactive Adjustment shall be made in relation to the relevant event and the relevant Bondholder shall not be entitled to receive Additional Ordinary Shares in relation thereto.

## 6.5 **Decision of an Independent Adviser or Calculation Agent**

If following consultation between the Guarantor and the Calculation Agent, any doubt shall arise as to whether an adjustment falls to be made to the Exchange Price or as to the appropriate adjustment to the Exchange Price, and following consultation between the Guarantor and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Bondholders and all other parties, save in the case of manifest error.

Adjustments to the Exchange Price shall be determined and calculated in good faith by the Calculation Agent, and/or to the extent so specified in these Conditions and upon request from the Issuer or the Guarantor, by an Independent Adviser. Adjustments to the Exchange Price calculated by the Calculation Agent and/or, where applicable, an Independent Adviser or an opinion of an Independent Adviser and any other determinations or calculations made by the Calculation Agent or an Independent Adviser pursuant to the Conditions shall be final and binding (in the absence of bad faith or manifest error) on the Issuer, the Guarantor, the Trustee, the Bondholders, the Paying, Transfer and Conversion Agents and (in the case of a determination by an Independent Adviser) the Calculation Agent. The Calculation Agent may consult, at the expense of the Issuer and Guarantor, on any matter (including but not limited to, any legal matter), any legal or other professional adviser and it shall be able to rely on, and it shall not be liable and shall incur no liability as against the Trustee, the

Bondholders or the Paying, Transfer and Conversion Agents in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.

The Calculation Agent is acting exclusively as an agent for, and upon request from, the Issuer and the Guarantor. Neither the Calculation Agent (acting in such capacity) nor any Independent Adviser appointed in connection with the Bonds (acting in such capacity), shall have any relationship of agency or trust with, and neither the Calculation Agent (acting in such capacity) nor any Independent Adviser (acting in such capacity) shall be liable nor incur any liability against, the Trustee, the Bondholders or the Paying, Transfer and Conversion Agents.

#### **6.6 Share or Option Schemes, Dividend Reinvestment Plans**

No adjustment will be made to the Exchange Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted (i) to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person), consultants or former consultants, or their spouses or relatives, in each case, of the Guarantor or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme or (ii) pursuant to any dividend reinvestment plan or similar plan or scheme.

#### **6.7 Rounding Down and Notice of Adjustment to the Exchange Price**

On any adjustment, the resultant Exchange Price, if not an integral multiple of £0.0001, shall be rounded down to the nearest whole multiple of £0.0001. No adjustment shall be made to the Exchange Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Exchange Price then in effect. Any adjustment not required to be made and/or any amount by which the Exchange Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Exchange Price shall be given by the Guarantor to Bondholders in accordance with Condition 17 and to the Trustee promptly after the determination thereof.

The Exchange Price shall not in any event be reduced to below the nominal value of the Ordinary Shares. The Guarantor undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Exchange Price to below such nominal value or any minimum level permitted by applicable laws or regulations.

#### **6.8 Procedure for exercise of Conversion Rights**

Conversion Rights shall be exercised by a Bondholder by delivering the relevant Bond to the specified office of any Paying, Transfer and Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such delivery is made after the end of normal business hours or on a calendar day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for these Conditions to have been made on the next following such business day.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the Issuer and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Paying, Transfer and Conversion Agents and the relevant Bondholder.

Conversion Rights may only be exercised in respect of an authorised denomination.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be the business day in London immediately following the date of the delivery (or deemed delivery) of the relevant Bond and the Conversion Notice as provided in this Condition 6.8.

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any capital, stamp, issue, registration and transfer taxes and duties arising in connection with conversion (other than any capital, stamp, issue, registration, transfer or similar taxes and duties (excluding for the avoidance of doubt, capital gains tax or similar taxes on gains or profits levied on the relevant Bondholder) payable in Jersey or the United Kingdom, or in any other jurisdiction to whose taxing jurisdiction the Issuer and/or the Guarantor is generally subject, (a) in respect of the allotment and issue of Preference Shares on exercise of Conversion Rights or (b) on transfer of any Preference Shares to the Guarantor pursuant to these Conditions or (c) in respect of the issue of any Ordinary Shares on exchange of the Preference Shares (including any Additional Ordinary Shares) (the “**Specified Taxes**”). Save for any United Kingdom stamp duty in respect of (i) the transfer of any Preference Shares to the Guarantor or (ii) the issue of any Ordinary Shares on exchange of the Preference Shares (including any Additional Ordinary Shares) pursuant to these Conditions (which shall be paid by the Guarantor if and to the extent required to be paid), the Specified Taxes shall be paid by the Issuer or, failing which, the Guarantor. If the Issuer or the Guarantor shall fail to pay any capital, stamp, issue, registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer (or, failing which the Guarantor) as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any interest or penalties payable in respect thereof.

The Trustee shall not be responsible for monitoring or determining whether any such capital, stamp, issue, registration and transfer taxes and duties are payable or the amount thereof and it shall not be responsible or liable to any person for any failure by the Issuer or the Guarantor to pay such capital, stamp, issue, registration and transfer taxes and duties.

Without prejudice to the provisions above, each Bondholder must pay any, taxes imposed on it arising by reference to any income, profits or gains arising in relation to any disposal or deemed disposal of any Bonds, Preference Shares or Ordinary Shares (including any Additional Ordinary Shares) or any interest therein.

Ordinary Shares to be issued by the Guarantor to a Bondholder on exchange of Preference Shares issued on the exercise of Conversion Rights will not be available for issue (i) to, or to a nominee or agent for, Euroclear Bank SA/NV or Clearstream Banking S.A. or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depository receipts within the meaning of Section 93 of the

Finance Act 1986 of the United Kingdom, in each case at any time prior to the “abolition day” as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom.

Ordinary Shares to be issued by the Guarantor to a Bondholder on exchange of Preference Shares issued on the exercise of Conversion Rights (including any Additional Ordinary Shares) will be issued in uncertificated form through the dematerialised securities trading system operated by Euroclear UK and Ireland Limited, known as CREST, unless at the relevant time the Ordinary Shares are not a participating security in CREST, in which case the Ordinary Shares will be issued in certificated form. Where Ordinary Shares are to be issued through CREST, they will be delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by not later than seven London business days following the relevant Conversion Date (or, in the case of any Additional Ordinary Shares, not later than seven London business days following the Reference Date). Where Ordinary Shares are to be issued in certificated form, a certificate in respect thereof will be dispatched by mail free of charge (but uninsured and at the risk of the recipient) to the relevant Bondholder or as it may direct in the relevant Conversion Notice within 28 calendar days following the relevant Conversion Date or, as the case may be, the Reference Date.

Notwithstanding any other provision of these Conditions, a Bondholder exercising its Conversion Right following a Change of Control Conversion Right Amendment (as described in Condition 11.2(B)(8)) will be deemed, for the purposes of these Conditions, to have received the Ordinary Shares to be given to it by the Guarantor in consideration for the Preference Shares arising on conversion of its Bonds in the manner provided in these Conditions, and have exchanged such Ordinary Shares for the consideration that it would have received therefor if it had exercised its Conversion Right in respect of such Bonds at the time of the occurrence of the relevant Change of Control.

## 6.9 Ordinary Shares

- (A) Ordinary Shares (including any Additional Ordinary Shares) issued upon exchange of Preference Shares will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments where the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.
- (B) Save as provided in Condition 6.11, no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Issue Date).

## 6.10 Preference Shares

- (A) Preference Shares allotted pursuant to these Conditions will be fully paid and will rank *pari passu* with all (if any) fully paid Preference Shares then in issue except that the Preference Shares so allotted will not rank for any dividend or other distribution declared, paid or made by reference to a record date which falls on any date prior to the relevant Conversion Date.
- (B) Preference Shares will be allotted as of the relevant Conversion Date and will be allotted in the name of the person(s) specified in the relevant Conversion Notice.

### 6.11 Interest on Conversion

If any notice requiring the redemption of the Bonds is given pursuant to Condition 7.2 on or after the fifteenth dealing day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Issue Date) in respect of any Dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 dealing days after the Record Date in respect of the Interest Payment Date next following such record date, interest shall accrue at the rate provided in Condition 5.1 on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Record Date in respect of the Interest Payment Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Issue Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 calendar days after the relevant Conversion Date by transfer to a sterling account with a bank in London in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

### 6.12 Purchase or Redemption of Ordinary Shares

The Guarantor or any Subsidiary of the Guarantor may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Guarantor (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Bondholders.

### 6.13 No Duty to Monitor

Neither the Trustee, the Paying, Transfer and Conversion Agents nor the Calculation Agent shall be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Exchange Price and will not be responsible or liable to any person for any loss arising from any failure by it to do so, nor shall the Trustee or the Calculation Agent be responsible or liable to any person (other than, in the case of the Calculation Agent, to the Issuer and the Guarantor, strictly in accordance with the relevant provisions of the Calculation Agency Agreement) for any determination of whether or not an adjustment to the Exchange Price is required or should be made nor as to the determination or calculation of any such adjustment. Neither the Trustee, the Calculation Agent nor the Paying, Transfer and Conversion Agents shall be under any duty to monitor whether any event or circumstance has occurred or exists or may occur or exist which would entitle the Bondholders to exercise the Conversion Rights pursuant to Condition 6.1.

### 6.14 Change of Control

Within 14 calendar days following the occurrence of a Change of Control, the Issuer or the Guarantor shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 17 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 7.5.

The Change of Control Notice shall also specify:

- (A) all information material to Bondholders concerning the Change of Control;
- (B) the Exchange Price immediately prior to the occurrence of the Change of Control and the indicative Change of Control Exchange Price based on such Exchange



Price (but, for the avoidance of doubt, the actual Change of Control Exchange Price applicable to a particular exercise of Conversion Rights will be the Exchange Price as at the relevant Conversion Date adjusted in accordance with Condition 6.3(K);

- (C) the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;
- (D) the last calendar day of the Change of Control Period;
- (E) the Change of Control Put Date; and
- (F) such other information relating to the Change of Control as the Trustee may require.

Neither the Trustee nor the Paying, Transfer and Conversion Agents shall be required to take any steps to monitor or ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

#### 6.15 Cash Alternative Election

- (A) Upon exercise of Conversion Rights the Issuer may make an election (a “**Cash Alternative Election**”) by giving notice (a “**Cash Alternative Election Notice**”) to the relevant Bondholder by not later than the Cash Alternative Election Date to the address (or, if an email address is provided in the relevant Conversion Notice, that email address) specified for that purpose in the relevant Conversion Notice (with a copy to the Principal Paying, Transfer and Conversion Agent) to satisfy the exercise of the Conversion Right in respect of the relevant Bonds by (i) where the Cash Settled Shares are less than the Reference Shares in respect of the relevant exercise of Conversion Rights, delivering such number of Ordinary Shares (if any) as is equal to the Reference Shares minus the Cash Settled Shares and (ii) making payment or procuring payment on its behalf of the Cash Alternative Amount to the relevant Bondholder, together with any other amount payable by the Issuer to such Bondholder pursuant to these Conditions in respect of or relating to the relevant exercise of Conversion Rights.

A Cash Alternative Election Notice shall specify:

- (i) the Exchange Price in effect on the relevant Conversion Date and the number of Reference Shares in respect of such exercise of Conversion Rights;
- (ii) the number of Cash Settled Shares in respect of the relevant exercise of Conversion Rights, and by reference to which the Cash Alternative Amount is to be calculated; and
- (iii) if the number of Cash Settled Shares is less than the number of Reference Shares in respect of the relevant exercise of Conversion Rights, the number of Physically Settled Shares to be issued by the Guarantor to the relevant Bondholder in respect of such exercise.

A Cash Alternative Election shall be irrevocable.

The Issuer shall pay the Cash Alternative Amount, or procure that the Cash Alternative Amount is paid, together with any other amount as aforesaid by not later

than the fifth business day in London following the end of the Cash Alternative Calculation Period by transfer to a sterling account of the payee in accordance with instructions contained in the relevant Conversion Notice.

- (B) If there is a Retroactive Adjustment following the exercise of Conversion Rights by a Bondholder, in circumstances where (x) a Cash Alternative Election is or was made in respect of such exercise and (y) any dealing day comprised in the Cash Alternative Calculation Period in respect of such exercise of Conversion Rights falls on or after the Applicable RA Reference Date, the Issuer shall pay to the relevant Bondholder an additional amount (the “**Additional Cash Alternative Amount**”) calculated by the Calculation Agent and equal to the Market Price of such number of Ordinary Shares (rounded down if necessary to the nearest whole number of Ordinary Shares) (if any) by which the number of Cash Settled Shares would have been increased if the relevant adjustment to the Exchange Price had been made and become effective immediately prior to the relevant Conversion Date (such number of Cash Settled Shares as aforesaid being for this purpose calculated as the product of (x) the Reference Shares determined for this purpose by reference to such deemed Exchange Price as aforesaid and (y) the Cash Settlement Ratio, all as determined in good faith by the Calculation Agent).

The Issuer will pay the Additional Cash Alternative Amount or procure that the Additional Cash Alternative Amount is paid, by not later than the fifth business day in London following the relevant Reference Date by transfer to a sterling account of the payee in accordance with instructions contained in the relevant Conversion Notice.

## 7. **REDEMPTION AND PURCHASE**

### 7.1 **Final Redemption**

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7.2 or 7.3, and may only be redeemed by Bondholders prior to the Final Maturity Date in accordance with Condition 7.5.

### 7.2 **Redemption at the Option of the Issuer**

On giving not less than 30 nor more than 60 calendar days’ notice (an “**Optional Redemption Notice**”) to the Trustee and to the Bondholders in accordance with Condition 17, the Issuer may redeem all but not some only of the Bonds on the date (the “**Optional Redemption Date**”) specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest up to (but excluding) the Optional Redemption Date:

- (A) at any time on or after 5 August 2022 (the “**First Call Date**”), if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending not earlier than seven dealing days prior to the giving of the relevant Optional Redemption Notice, shall have equalled or exceeded £1,300 as verified by the Calculation Agent if so requested by the Issuer and/or Guarantor; or
- (B) at any time if, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

### 7.3 Redemption for Taxation Reasons

Provided the Bonds have been (even if they no longer remain) listed on a recognised stock exchange, within the meaning of Section 1005 of the Income Tax Act 2007, or admitted to trading on a “multilateral trading facility” operated by an EEA-regulated stock exchange within the meaning of Sections 987 and 1005 of the Income Tax Act 2007, the Issuer may, at any time, having given not less than 30 nor more than 60 calendar days’ notice (a “**Tax Redemption Notice**”) to the Bondholders redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the “**Tax Redemption Date**”) specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest up to (but excluding) the Tax Redemption Date, if (i) the Issuer satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that the Issuer (or, if the guarantee were called, the Guarantor) has or will become obliged to pay additional amounts pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of Jersey or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 18 June 2019, and (ii) such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Bonds or, as the case may be, the Guarantee then due. Prior to the publication of any Tax Redemption Notice, the Issuer shall deliver to the Trustee (a) a certificate signed by two Authorised Signatories of the Issuer and/or the Guarantor, as the case may be, stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer and/or the Guarantor, as the case may be, has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above in which event such certificate shall be conclusive and binding on the Bondholders.

On the Tax Redemption Date the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount, together with accrued but unpaid interest up to (but excluding) the Tax Redemption Date.

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed pursuant to such Tax Redemption Notice and that the provisions of Condition 9 shall not apply in respect of any payment in respect of principal or interest to be made on such Bonds or, as the case may be, under the Guarantee by the Issuer or, as the case may be, the Guarantor which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer or, as the case may be, the Guarantor in respect thereof pursuant to Condition 9 and payment in respect of all amounts of principal and interest on such Bonds or, as the case may be, under the Guarantee shall be made subject to the deduction or withholding of any Jersey or United Kingdom, as the case may be, taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent on or before the day falling ten calendar days prior to the Tax Redemption Date.

References in this Condition 7.3 to Jersey and the United Kingdom shall be deemed also to refer to any jurisdiction in respect of which any undertaking or covenant equivalent to that

in Condition 9 is given pursuant to the Trust Deed, (except that as regards such jurisdiction the words “becomes effective on or after 18 June 2019” in this Condition 7.3 shall be replaced with the words “becomes effective after, and has not been announced on or before, the date on which any undertaking or covenant equivalent to that in Condition 9 was given pursuant to the Trust Deed”) and references in this Condition 7.3 to additional amounts payable under Condition 9 shall be deemed also to refer to additional amounts payable under any such undertaking or covenant.

#### 7.4 **Optional Redemption and Tax Redemption Notices**

The Issuer shall not give an Optional Redemption Notice pursuant to Condition 7.2(B) or a Tax Redemption Notice at any time during a Change of Control Period or an Offer Period or which specifies a date for redemption falling in a Change of Control Period or an Offer Period or the period of 21 calendar days following the end of a Change of Control Period or Offer Period (whether or not the relevant notice was given prior to or during such Change of Control Period or Offer Period), and any such notice shall be invalid and of no effect (whether or not given prior to the relevant Change of Control Period or Offer Period) and the relevant redemption shall not be made.

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date, which shall be a London business day; (ii) the Exchange Price, the aggregate principal amount of the Bonds outstanding and the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice; and (iii) the last day on which Conversion Rights may be exercised by Bondholders.

“**Offer Period**” means the period during which the Guarantor is stated as being in an offer period on the Takeover Panel’s Disclosure Table on the Takeover Panel’s website.

#### 7.5 **Redemption at the Option of Bondholders upon a Change of Control**

Following the occurrence of a Change of Control, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at its principal amount, together with accrued and unpaid interest up to (but excluding) such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Conversion Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Conversion Agent (a “**Change of Control Put Exercise Notice**”), at any time during the Change of Control Period. The “**Change of Control Put Date**” shall be the fourteenth London business day after the expiry of the Change of Control Period.

Payment in respect of any such Bond shall be made by transfer to a sterling account in London as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

#### 7.6 **Purchase**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or the Guarantor or any Subsidiary of the Guarantor may

at any time purchase any Bonds in the open market or otherwise at any price. Such Bonds may be held, resold or reissued or at the option of the Issuer or the Guarantor surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation.

#### 7.7 **Cancellation**

All Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or the Guarantor or any Subsidiary of the Guarantor may be surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation and if so surrendered shall be cancelled.

#### 7.8 **Multiple Notices**

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail.

### 8. **PAYMENTS**

#### 8.1 **Principal and Interest**

Payment of principal and interest in respect of the Bonds will be made to the persons shown in the Register at the close of business on the Record Date.

#### 8.2 **Other amounts**

Payments of all amounts other than as provided in Condition 8.1 will be made as provided in these Conditions.

#### 8.3 **Record Date**

“**Record Date**” means the fifth business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

#### 8.4 **Payments**

Each payment in respect of the Bonds pursuant to Conditions 8.1 and 8.2 will be made by transfer to a sterling account maintained by the payee with a bank in London.

#### 8.5 **Payments subject to fiscal laws**

All payments in respect of the Bonds are subject in all cases (i) to any applicable fiscal or other laws and regulations and directives, but without prejudice to Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof (“**FATCA**”) or (without prejudice to Condition 10) any law implementing an intergovernmental approach to FATCA (in each case without prejudice to Condition 9).

#### 8.6 **Delay in payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a London business day.

## 8.7 **Paying, Transfer and Conversion Agents, etc.**

The Issuer and the Guarantor reserve the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or Registrar and appoint additional or other Paying, Transfer and Conversion Agents or another Registrar, provided that the Issuer and the Guarantor will (i) maintain a Principal Paying, Transfer and Conversion Agent, and (ii) maintain a Registrar with a specified office outside the United Kingdom.

Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

The Issuer and the Guarantor reserve the right under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint any additional or other Calculation Agent, provided that the Issuer will use reasonable endeavours to maintain a Calculation Agent which is a financial institution of international repute or a financial adviser with appropriate expertise. If, notwithstanding such reasonable endeavours, the Issuer is unable to maintain such Calculation Agent, the Issuer may itself act as Calculation Agent for the purposes of these Conditions.

## 8.8 **No charges**

Neither the Registrar nor the Paying, Transfer and Conversion Agents shall make or impose on a Bondholder any charge or commission in relation to any payment, exchange, transfer or conversion in respect of the Bonds.

## 8.9 **Fractions**

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

*The Bonds on issue will be represented by a global Bond (the “**Global Bond**”) registered in the name of, and held by a nominee on behalf of, a common depositary for Euroclear Bank S.A./N.V. and/or Clearstream Banking, S.A.. All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.*

## 9. **TAXATION**

All payments made by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Jersey or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law. In the event that any such withholding or deduction is required to be made, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been received by them had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Bond:

- (A) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of

his having some connection with Jersey or, as the case may be, the United Kingdom otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or

- (B) where presentation and surrender of a certificate evidencing a Bond is required pursuant to these Conditions, if the certificate is surrendered more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amount on surrendering the certificate for payment on the last day of such period of 30 days; or
- (C) where such withholding or deduction is imposed pursuant to FATCA.

References in these Conditions to principal and/or interest and/or any other amounts payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

In accordance with Condition 7.3 the provisions of this Condition 9 shall not apply in respect of any payments of principal or interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 7.3.

Where a withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, the exclusion in Condition 9(A) will only apply if the Bonds have been (even if they no longer remain) listed on a recognised stock exchange, within the meaning of Section 1005 of the Income Tax Act 2007, or admitted to trading on a “multilateral trading facility” operated by an EEA-regulated stock exchange within the meaning of Sections 987 and 1005 of the Income Tax Act 2007.

## 10. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall therefore immediately become, due and repayable at their principal amount together with accrued interest (as provided in the Trust Deed):

- (A) either the Issuer or the Guarantor fails to pay when due the principal of or interest on any of the Bonds or any other sum due from it under the Bonds (including any Cash Alternative Amount or Additional Cash Alternative Amount) or to issue or transfer and deliver Preference Shares and/or Ordinary Shares as provided in these Conditions following any exercise of Conversion Rights and such failure continues for a period of 14 days in the case of any payment of interest and for seven days in any other case; or
- (B) either the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed or the Deed Poll and in any such case (except where the same is, in the opinion of the Trustee, incapable of remedy) the same continues for the period of 30 calendar days (or such longer period as the Trustee in its absolute discretion may permit) after notice thereof shall have been given to the Issuer or, as the case may be, the Guarantor by the Trustee; or

- (C) if (i) any Indebtedness for Borrowed Money (as defined below) of the Guarantor or any of the Guarantor's Material Subsidiaries is declared due and repayable prematurely by reason of an event of default (however described); (ii) the Guarantor or any of the Guarantor's Material Subsidiaries fails to make payment in respect of any Indebtedness for Borrowed Money when due within any applicable grace period; (iii) enforcement proceedings are commenced in respect of any security granted by the Guarantor or any of the Guarantor's Material Subsidiaries; or (iv) default is made by the Guarantor or any of the Guarantor's Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that an event described in (i), (ii), (iii) or (iv) shall only constitute an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities and/or amounts secured equals or exceeds an amount in pounds sterling or its equivalent in any other currency or currencies that is equal to 1.5 per cent. of the total gross assets of the Guarantor as shown in the latest audited consolidated financial statements of the Guarantor prepared in accordance with IFRS; or
- (D) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries, save (A) for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of the Guarantor's Material Subsidiaries only, whereby the undertaking and assets of a Material Subsidiary are transferred to or otherwise vested in the Guarantor or any other Subsidiary of the Guarantor, or (B) in the case of the Guarantor's Material Subsidiaries only, for the purpose of a bona fide disposal for full value on an arm's length basis of all or substantially all of the business or operations (including the disposal of shares in a Subsidiary) of a Material Subsidiary where the proceeds of such disposal are used for a Permitted Purpose; or
- (E) if the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (F) if (i) proceedings are initiated against the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or substantially the whole of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) is not discharged within 30 days; or
- (G) if the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation,



insolvency, composition, reorganisation (save (A) for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of the Guarantor's Material Subsidiaries, whereby the undertaking and assets of a Material Subsidiary are transferred to or otherwise vested in the Guarantor or any other Subsidiary of the Guarantor, or (B) in the case of the Guarantor's Material Subsidiaries only, for the purpose of a bona fide disposal for full value on an arm's length basis of all or substantially all of the business or operations (including the disposal of shares in a Subsidiary) of a Material Subsidiary where the proceeds of such disposal are used for a Permitted Purpose) or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

- (H) any action, condition or thing (including the obtaining or effecting of any necessary consent approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, the Trust Deed and/or the Deed Poll (as applicable), (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Deed Poll, admissible in evidence in the courts of England, is not taken, fulfilled or done; or
- (I) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Trust Deed or the Deed Poll; or
- (J) the Issuer ceases to be a wholly-owned Subsidiary of the Guarantor excluding for such purposes any Preference Shares held at any moment by a Bondholder following exercise of a Conversion Right; or
- (K) the Guarantee or the Deed Poll is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (L) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that in the case of an event falling within paragraph (B) or (I) and, solely in so far as the relevant event relates to a Material Subsidiary, paragraph (D), (E), (F) or (G), the Trustee shall have certified in writing to the Issuer and the Guarantor that in its opinion such event is materially prejudicial to the interests of the Bondholders (such certification with respect to an Event of Default is referred to herein as "**Trustee Certification**").

In this Condition 10, "**Material Subsidiary**" means, at any time, any Subsidiary of the Guarantor:

- (A) whose:
  - (1) aggregate interest and dividend income and rental, finance lease, fee and other operating income represent not less than ten per cent. of the aggregate interest and dividend income and rental, finance lease, fee and other operating income of the consolidated financial position of the Group; or
  - (2) total assets represent not less than ten per cent. of the total assets of the Group,

calculated respectively by reference to the most recent annual audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary of the Guarantor, or, where a Subsidiary of the Guarantor is not otherwise required to produce audited financial statements, the latest finalised financial statements, of the relevant Subsidiary of the Guarantor and the then latest audited consolidated financial statements of the Guarantor, provided that, in the case of a Subsidiary of the Guarantor acquired or disposed of after the end of the financial period to which the then latest audited consolidated financial statements of the Guarantor relate, for the purpose of applying each of the foregoing tests, the reference to the Guarantor's latest audited consolidated financial statements shall, until consolidated financial statements for the financial period in which the acquisition or disposal is made have been published, be deemed to be a reference to such financial statements as if such Subsidiary of the Guarantor had been shown or excluded therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Guarantor; or

- (B) to which is transferred the whole or substantially all of the business, undertaking and assets of another Subsidiary of the Guarantor which, immediately prior to such transfer, is a Material Subsidiary, whereupon (A) the transferor Material Subsidiary shall immediately upon such transfer cease to be a Material Subsidiary and (B) the transferee Subsidiary of the Guarantor shall immediately upon such transfer become a Material Subsidiary, provided that such transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this sub-paragraph (B) on the date on which the consolidated financial statements of the Guarantor for the financial period in which such transfer is made are published, but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after such date by virtue of the provisions of subparagraph (A) above.

The Trustee shall be entitled to call for and rely upon a certificate of any two Authorised Signatories of the Guarantor stating that a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary without liability to any person and without further enquiry or evidence and which certificate shall, in the absence of manifest error, be conclusive and binding on all parties.

**"Permitted Purpose"** means, (A) to purchase or permanently prepay or redeem (i) the Bonds or (ii) any Indebtedness for Borrowed Money that is secured by a lien or other security on the assets or property subject to any disposal or (B) to acquire other assets that are used or useful in (i) any business, services or activities engaged in by the Guarantor or any of its Material Subsidiaries on the Issue Date, and (ii) any business, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof, provided that nothing herein shall prevent the Guarantor from paying dividends to its shareholders in the ordinary course out of the profits received in respect of a disposal referred to in Conditions 10(D) and 10(G), which shall be deemed to be a Permitted Purpose for the purpose of this definition.

For the purposes of this Condition 10, **"Indebtedness for Borrowed Money"** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money, including without limitation, any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

## 11. **UNDERTAKINGS**

### 11.1 **Deed Poll**

Whilst any Conversion Right remains exercisable, the Guarantor will, save with the approval of an Extraordinary Resolution or the prior written approval of the Trustee where, in the

Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval or, in the case of a modification to the Deed Poll, unless the modification is approved by an Extraordinary Resolution or approved by the Trustee as provided in Condition 14.2, perform all of its obligations under, and not make any amendment to, the Deed Poll.

## 11.2 Undertakings of the Guarantor

Whilst any Conversion Right remains exercisable, the Guarantor will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval:

- (A) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
- (1) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Ordinary Shares and the issue to Shareholders of an equal number of Ordinary Shares by way of capitalisation of profits or reserves; or
  - (2) pursuant to a Newco Scheme; or
  - (3) by the issue of fully paid Ordinary Shares or other Securities to Shareholders and other holders of shares in the capital of the Guarantor which by their terms entitle the holders thereof to receive Ordinary Shares or other shares or Securities on a capitalisation of profits or reserves; or
  - (4) by the issue of Ordinary Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a Dividend in cash; or
  - (5) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Guarantor which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
  - (6) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office or any consultant or former consultant of the Guarantor or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives (or, in the case of an issue or payment up of Securities in connection with a Change of Control, will give) rise (or would, but for the provisions of these Conditions relating to roundings, minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price or is (or, in the case of any issue or payment up of Securities in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made;

- (B) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11.2(B) shall prevent:

- (1) the issue of any equity share capital to employees (including directors holding or formerly holding executive or non- executive office or the personal service company of any such person) whether of the Guarantor or any of the Guarantor's Subsidiaries or associated companies by virtue of their office or employment or any consultant of the Guarantor or any of the Guarantor's Subsidiaries or associated companies pursuant to any scheme or plan approved by the Guarantor or which is established pursuant to such a scheme or plan which is or has been so approved; or
- (2) any consolidation, reclassification or subdivision of the Ordinary Shares; or
- (3) any modification of such rights which is not, in the opinion of an Independent Adviser, acting in good faith, materially prejudicial to the interests of the holders of the Bonds upon which opinion the Trustee shall be entitled to rely absolutely without liability to any person; or
- (4) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments or, where comprising Ordinary Shares, the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Exchange Price; or
- (5) without prejudice to any rule of law or legislation (including regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act or any other provision of that or any other legislation), the conversion of Ordinary Shares into, or the issue of any Ordinary Shares in, uncertificated form (or the conversion of Ordinary Shares in uncertificated form to certificated form) or the amendment of the Articles of Association of the Guarantor to enable title to Securities (including Ordinary Shares) to be evidenced and transferred without a written instrument or any other alteration to the Articles of Association of the Guarantor made in connection with the matters described in this Condition 11.2(B) or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
- (6) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Guarantor or Issuer shall have instructed an Independent Adviser to determine in good faith what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such Independent Adviser shall have determined in good faith either that no adjustment is required or that an adjustment resulting in a decrease in the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or
- (7) any alteration to the Articles of Association of the Guarantor made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or

- (8) without prejudice to Condition 7.5, the amendment of the Articles of Association of the Guarantor following a Change of Control to ensure that any Bondholder exercising its Conversion Right where the Conversion Date falls on or after the occurrence of a Change of Control will receive the same consideration in respect of any Ordinary Shares required to be issued or transferred and delivered to it in exchange for Preference Shares issued to such Bondholder in respect of such exercise as it would have received in respect of such Ordinary Shares had such Ordinary Shares been entitled to participate in the relevant Scheme of Arrangement or tendered in the relevant offer (a “**Change of Control Conversion Right Amendment**”);
- (C) except as part of any employee, director or executive share or option or incentive scheme, procure that no Securities (whether issued by the Guarantor or any Subsidiary of the Guarantor or procured by the Guarantor or any Subsidiary of the Guarantor to be issued or issued by any other person pursuant to any arrangement with the Guarantor or any Subsidiary of the Guarantor) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of any such issue or grant unless the same gives rise (or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (D) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, following the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid in exchange for Preference Shares pursuant to these Conditions;
- (E) not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
- (1) pursuant to the terms of issue of the relevant share capital; or
  - (2) by means of a purchase or redemption of share capital of the Guarantor to the extent permitted by applicable law; or
  - (3) as permitted by Section 610 (2) and (3) of the Companies Act; or
  - (4) where the reduction does not involve any distribution of assets to Shareholders; or
  - (5) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed; or
  - (6) by way of a reduction of its share premium account to facilitate the writing off of goodwill arising on consolidation which requires the confirmation of the High Court and which does not involve the return, either directly or indirectly, of an amount standing to the credit of the share premium account of the Guarantor and in respect of which the Guarantor shall have tendered to the High Court such undertaking as it may require prohibiting, so long as any of the Bonds remains outstanding, the distribution (except by way of capitalisation issue) of any reserve which may arise in the books of the Guarantor as a result of such reduction; or

- (7) to create distributable reserves (to which, in respect of any such creation of distributable reserves by the Guarantor, the Trustee will be deemed to have irrevocably given its consent (without being required to take any action or any liability in respect thereof) prior to such creation of distributable reserves occurring and, to the extent that express consent is required, the Bondholders authorise and direct the Trustee to give its consent (without any liability for so doing) to such creation of distributable reserves); or
- (8) as provided in paragraph 11.2(A)(1) of this Condition 11; or
- (9) pursuant to a Newco Scheme; or
- (10) by way of transfer to reserves as permitted under applicable law; or
- (11) where the reduction is permitted by applicable law and the Trustee is advised in writing by an Independent Adviser, acting as an expert and in good faith, that the interests of the Bondholders will not be materially prejudiced by such reduction; or
- (12) where the reduction is permitted by applicable law and results (or, in the case of a reduction in connection with a Change of Control, will result) in (or would, but for the provisions of these Conditions relating to roundings or the carry forward of adjustments, result in) an adjustment to the Exchange Price or is (or, in the case of a reduction in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made,

provided that, without prejudice to the other provisions of these Conditions, the Guarantor may exercise such rights as it may from time to time be entitled pursuant to applicable law to purchase, redeem or buy back its Ordinary Shares and any depositary or other receipts or certificates representing Ordinary Shares without the consent of Bondholders;

- (F) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associates (as defined in Section 988(1) of the Companies Act or any modification or re-enactment thereof) of the offeror) to acquire the whole or any part of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme), give notice in writing of such offer or scheme to the Trustee and the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Guarantor, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of Conversion Rights and the exchange of Preference Shares pursuant to these Conditions and/or to the holders of the Bonds (which like offer or scheme in respect of such Bondholders shall entitle any such Bondholders to receive the same type and amount of consideration it would have received had it held the number of Ordinary Shares to which such Bondholder would be entitled assuming he were to exercise his Conversion Rights in the relevant Change of Control Period);

- (G) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that (to the satisfaction of the Trustee) immediately after completion of the Scheme of Arrangement:
- at its option, either (a) Newco is substituted under the Bonds and the Trust Deed and the Deed Poll as principal obligor in place of the Issuer (with the Guarantor providing a guarantee) subject to and as provided in the Trust Deed; or (b):
- (1) Newco becomes a guarantor under the Bonds and the Trust Deed and the Deed Poll (jointly and severally with the Guarantor); and
  - (2) such amendments are made to these Conditions, the Trust Deed and the Deed Poll as are necessary in, the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged (whether by the exchange for preference shares or otherwise) for ordinary shares or units or the equivalent in Newco mutatis mutandis in accordance with and subject to these Conditions, and the Trust Deed and the Conditions provide at least the same powers, protections, rights and benefits to the Trustee and the Bondholders following the implementation of such Scheme of Arrangement as they provided to the Trustee and the Bondholders prior to the implementation of the Scheme of Arrangement, mutatis mutandis;
  - (3) the ordinary shares or units or equivalent of Newco are (A) admitted to the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange's EEA Regulated Market or (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market.
- (H) use all reasonable endeavours to ensure that the Ordinary Shares issued on exchange of Preference Shares pursuant to these Conditions will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in (but so that this undertaking shall not be considered as being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Guarantor) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Guarantor as a result of the Change of Control, a de-listing of the Ordinary Shares);
- (I) use all reasonable endeavours to ensure, at its own cost, that its issued and outstanding Ordinary Shares are (A) admitted to the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange's EEA Regulated Market or (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market (but so that this undertaking shall not be considered as being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Guarantor) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Guarantor as a result of the Change of Control, a de-listing of the Ordinary Shares);
- (J) at all times keep available for issue free from pre-emptive rights out of its unissued capital a sufficient number of Ordinary Shares to enable the Preference Shares to be issued on exercise of Conversion Rights to be exchanged for Ordinary Shares, and all other rights of subscription and exchange for Ordinary Shares, to be satisfied in full at the current subscription prices or exchange prices;

- (K) in accordance with its obligations under the Deed Poll, undertake to procure the performance by the Issuer of all the Issuer's obligations with respect to the Preference Shares; and
- (L) be the beneficial owner of all of the ordinary share capital of the Issuer (excluding for such purposes any Preference Shares held at any moment by a Bondholder following exercise of a Conversion Right).

### 11.3 Undertakings of the Issuer and the Guarantor

Whilst any Bond remains outstanding, the Issuer will, and the Guarantor will procure that the Issuer will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval:

- (A) comply with the obligations assumed by it under the Articles of the Issuer and not make any amendment to the Articles of the Issuer which would vary, abrogate or modify the rights appertaining to the Preference Shares;
- (B) by no later than the Issue Date, (i) procure that a copy of these Conditions (including a legend regarding the intended target market for the Bonds) is published on the Guarantor's website and (ii) thereafter maintain the availability of these Conditions (as the same may be amended in accordance with their terms) on such website;
- (C) make or cause to be made an application for the Bonds to be listed on a recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007, or admitted to trading on a "multilateral trading facility" operated by an EEA-regulated stock exchange within the meaning of Sections 987 and 1005 of the Income Tax Act 2007 (the "**Admission**") before 15 January 2020 and to use all reasonable endeavours to maintain such Admission for so long as any of the Bonds remain outstanding provided that if the Issuer or the Guarantor determines in good faith that it can no longer comply with its requirements for such Admission, having used such endeavours, or if the maintenance of such Admission is unduly onerous, the Issuer and the Guarantor shall use all reasonable endeavours to obtain and maintain an admission to trading on such other recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007, or a "multilateral trading facility" operated by an EEA-regulated stock exchange within the meaning of Sections 987 and 1005 of the Income Tax Act 2007 as the Issuer may decide.
- (D) at all times, keep available for issue, free from pre-emptive rights out of its authorised but unissued capital, such number of Preference Shares as would enable all the unexercised Conversion Rights and any other rights of conversion into, subscription for and exchange into Preference Shares to be satisfied in full;
- (E) not issue any other share capital, excluding Founders' Shares (as defined in the Articles of the Issuer), with rights which are more favourable than the rights attaching to the Preference Shares in respect of dividends or payment of the Paid-up Value thereof or on a return of capital or otherwise;
- (F) not cause the Paid-up Value of the Preference Shares to be altered (whether by consolidation or sub-division of the Preference Shares or otherwise); and
- (G) not alter those provisions of the Trust Deed which are expressed to be binding only as between the Issuer and the Guarantor and not directly enforceable by Bondholders,



provided that the creation or issue of any class of share capital ranking junior to or *pari passu* with the Preference Shares as respects rights to dividends and to payment of the paid-up value thereof on a return of capital or otherwise shall be deemed not to be a variation, abrogation or modification of the rights appertaining to the Preference Shares.

The Issuer and the Guarantor have each undertaken in the Trust Deed to deliver to the Trustee annually and otherwise on request of the Trustee a certificate signed by two of their respective directors as to there not having occurred an Event of Default or Potential Event of Default (as defined in the Trust Deed) since the date of the last such certificate or, if such event has occurred, as to the details of such event. The Trustee will be entitled to rely without liability on such certificate and shall not be obliged to independently monitor compliance by the Issuer or the Guarantor with the undertakings set forth in this Condition 11, nor be liable to any person for not so doing.

## 12. **PRESCRIPTION**

Claims against the Issuer and the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within ten years following the due date for payment thereof.

## 13. **REPLACEMENT OF BONDS**

If any Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying, Transfer and Conversion Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer and the Guarantor may require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

## 14. **MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER, SUBSTITUTION**

### 14.1 **Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification, abrogation, variation or compromise of any of these Conditions or any provisions of the Trust Deed or the Deed Poll or the Articles of the Issuer (in the case of the Articles of the Issuer, which would vary, abrogate or modify the rights appertaining to the Preference Shares). Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than ten per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date or the First Call Date (other than deferring the First Call Date) or the dates on which interest is payable in respect of the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Conditions 7.2, 7.3 or 7.5, (iii) to reduce or cancel the principal amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the basis for calculating the interest payable in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights or the rights of Bondholders to

receive Ordinary Shares on exchange of the Preference Shares issued on the exercise of Conversion Rights pursuant to these Conditions, (other than pursuant to or as a result of any amendments to these Conditions, the Trust Deed, the Deed Poll or the Articles of the Issuer made pursuant to and in accordance with the provisions of Condition 11.2(G) following (or as part of) a Newco Scheme (“**Newco Scheme Modification**”) and other than a reduction to the Exchange Price or an increase in the number of Preference Shares to be issued to Bondholders on exercise of Conversion Rights), (vi) to increase the Exchange Price (other than in accordance with these Conditions or pursuant to a Newco Scheme Modification) or to reduce the number of Preference Shares to be issued to Bondholders on exercise of Conversion Rights, (vii) to change the currency of the Bonds or any payment in respect of the Bonds, (viii) to change the governing law of the Bonds, the Trust Deed, the Deed Poll, the Agency Agreement or the Calculation Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14.3), (ix) to modify the Articles of the Issuer so as to vary, abrogate or modify the rights appertaining to the Preference Shares or (x) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed by the Bondholders shall be binding on all of the Bondholders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held by or on behalf of the holder(s) of not less than 75 per cent. of the persons eligible to vote at such meeting, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds for the time being outstanding or (iii) consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holder(s) of not less than 75 per cent. in principal amount of the Bonds for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Bondholders. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the Bondholders.

No consent or approval of Bondholders shall be required in connection with any Newco Scheme Modification.

## 14.2 **Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, the Deed Poll or the Articles of the Issuer which in the Trustee’s opinion is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, the Deed Poll or the Articles of the Issuer (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, the Deed Poll or the Articles of the Issuer which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders, determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders are not materially prejudiced thereby. Any such modification, authorisation, waiver or determination

shall be binding on the Bondholders and, if the Trustee so requires, shall be notified to the Bondholders promptly in accordance with Condition 17.

#### 14.3 **Substitution**

The Trustee shall, without the consent of the Bondholders, agree to any substitution as provided in, and for the purposes of, Condition 11.2(G) following (or as part of) a Newco Scheme as more particularly described in the Trust Deed. In addition, the Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Bondholders, to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Guarantor subject to (a) the obligations of the Guarantor under the Trust Deed applying mutatis mutandis to the Bonds and under the Deed Poll applying mutatis mutandis to the preference shares in the capital of the substituted company, and (b) the Bonds continuing to be convertible mutatis mutandis as provided in these Conditions, into preference shares in the capital of the substituted company with like rights, mutatis mutandis, to the Preference Shares and to such preference shares being immediately exchangeable for cash and/or Ordinary Shares mutatis mutandis as provided in these Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee is satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed are complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified to the Bondholders promptly in accordance with Condition 17.

#### 14.4 **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders, except to the extent already provided for in these Conditions or the Trust Deed.

#### 15. **ENFORCEMENT**

The Trustee may at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Deed Poll and the Bonds, but it shall not be bound to take any such proceedings or any other action or step in relation to the Trust Deed, the Deed Poll or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

16. **THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including:

- (A) provisions relieving it from taking actions, steps or proceedings unless indemnified and/or secured and/or prefunded to its satisfaction; and
- (B) provisions limiting or excluding its liability in certain circumstances.

The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Guarantor without accounting for any profit. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or opinion or any advice of the Calculation Agent, any accountants, financial advisers or financial institution or other expert (including, without limitation, an Independent Adviser), whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee and the Bondholders in the absence of manifest error.

17. **NOTICES**

All notices regarding the Bonds will be valid if published through the electronic communication system of Bloomberg. The Issuer shall also ensure that all notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such notice. If publication as provided above is not practicable, notice will be given by publication in a newspaper of general circulation in London (which is expected to be the Financial Times) or in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

The Issuer (failing which, the Guarantor) shall send a copy of all notices given by it to Bondholders pursuant to these Conditions simultaneously to the Calculation Agent.

All notices required to be given to the Calculation Agent pursuant to these Conditions will be sent by electronic communication to [calculation.agent@conv-ex.com](mailto:calculation.agent@conv-ex.com).

All notices required to be given to the Issuer or the Guarantor shall be provided to:

Primary Health Properties PLC  
c/o Nexus Management Services Limited  
4th Floor, Greener House  
66-68 Haymarket

London SW1Y 4RF  
United Kingdom

Tel No.: +44 (0) 20 7451 7050  
Email: [cosec@phpgroup.co.uk](mailto:cosec@phpgroup.co.uk)  
Attention: Company Secretary

*So long as the Bonds are represented by a Global Bond registered in the name of a nominee on behalf of, and held by a common depositary for, Euroclear or Clearstream Luxembourg notices to Bondholders shall in addition be given by the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as the case may be, for transmission to the relevant accountholders, and such notice shall be deemed given on the day the relevant notice is so provided to Euroclear and/or Clearstream, Luxembourg.*

18. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and the first date on which conversion rights may be exercised and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue. Any further notes, bonds or debentures forming a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds or debentures may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds or debentures of other series in certain circumstances where the Trustee so decides.

19. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

20. **GOVERNING LAW AND JURISDICTION**

20.1 **Governing Law**

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

20.2 **Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement, the Deed Poll, the Calculation Agency Agreement or the Bonds (and any non-contractual obligations arising out of or in connection with them) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Agency Agreement, the Deed Poll, the Calculation Agency Agreement or the Bonds may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts and have waived any objection to legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds (“**Proceedings**”) in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and

shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### 20.3 **Agent for Service of Process**

The Issuer has irrevocably appointed the Guarantor at its registered office for the time being, currently at 5<sup>th</sup> Floor, Greener House, 66-68 Haymarket, London SW1Y 4RF as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

### **PRINCIPAL PAYING, TRANSFER AND CONVERSION AGENT**

The Bank of New York Mellon, London Branch

One Canada Square  
Canary Wharf  
London E14 5AL

### **REGISTRAR**

The Bank of New York Mellon SA/NV, Luxembourg Branch

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2-4 rue Eugène Ruppert  
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