



# Man Group plc

*(incorporated with limited liability in England and Wales under registered number 02921462)*

as Issuer

U.S.\$3,000,000,000

Euro Medium Term Note Programme

---

Arranger

**UBS Investment Bank**

Dealers

**BNP PARIBAS**

**HSBC**

**Merrill Lynch International**

**The Royal Bank of Scotland**

**UBS Investment Bank**

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

---

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the Prospectus Directive).

The Issuer (the Responsible Person) accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Under this U.S.\$3,000,000,000 Euro Medium Term Note Programme (the Programme), Man Group plc (the Issuer) may from time to time issue notes (the Notes) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the UK Listing Authority) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the Official List) and to the London Stock Exchange plc (the London Stock Exchange) for such Notes to be admitted to trading on the London Stock Exchange’s Regulated Market.

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

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the Final Terms) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

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

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

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

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or

---

incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

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

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

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

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

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

All references in this document to *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars and all references to *Sterling* and *£* refer to pounds sterling and all references to *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and all references to *Yen* refer to the lawful currency of Japan.

---

# CONTENTS

## Clause

	<b>Page</b>		<b>Page</b>
Overview of the Programme . . . . .	5	Use of Proceeds . . . . .	55
Risk Factors . . . . .	9	Description of the Issuer . . . . .	56
Documents Incorporated by Reference . . . . .	17	Taxation . . . . .	64
Form of the Notes . . . . .	18	Subscription and Sale . . . . .	66
Form of Applicable Final Terms . . . . .	20	General Information . . . . .	68
Terms and Conditions of the Notes . . . . .	30		

---

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

---

## Overview of the Programme

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.*

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

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

**Issuer:** Man Group plc

**Risk Factors:** There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under “*Risk Factors*” and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.

**Description:** Euro Medium Term Note Programme

**Arranger:** UBS Limited

**Dealers:** BNP PARIBAS  
HSBC Bank plc  
Merrill Lynch International  
The Royal Bank of Scotland plc  
UBS Limited

and any other Dealers appointed in accordance with the Programme Agreement.

**Certain Restrictions:** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”).

### **Notes having a maturity of less than one year**

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

**Principal Paying Agent:** HSBC Bank plc

**Programme Size:** Up to U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

## Overview of the Programme

---

<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. In addition, Undated Subordinated Notes may be issued under the Programme which will be undated and, accordingly, have no final maturity. Under current requirements, in the case of Dated Subordinated Notes which qualify as Lower Tier 2 capital in accordance with the requirements of the Financial Services Authority, the minimum maturity will be five years (Lower Tier 2 capital). Any minimum or maximum maturities may be subject to increase or decrease from time to time as a result of changes in applicable legal or regulatory requirements.
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"><li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li><li>(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</li><li>(c) on such other basis as may be agreed between the Issuer and the relevant Dealer.</li></ul> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
<b>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:</b>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be</p>

calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

- Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
- Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
- Redemption:** The applicable Final Terms will indicate either that the relevant Notes (other than Undated Subordinated Notes) cannot be redeemed prior to any stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
- The applicable Final Terms may provide that Notes (other than Undated Subordinated Notes) may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.
- Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, (see “*Certain Restrictions – Notes having a maturity of less than one year*” above).
- Denomination of Notes:** The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see “*Certain Restrictions – Notes having a maturity of less than one year*” above), and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
- Taxation:** All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United Kingdom as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in the circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.
- Negative Pledge:** The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3.
- Cross Default:** The terms of the Senior Notes will contain a cross default provision as further described in Condition 9.
- Status of the Senior Notes:** The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge in Condition 3) unsecured obligations of the Issuer and will rank *pari passu* and without any preference among themselves and (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.



## Overview of the Programme

---

<b>Status of the Dated Subordinated Notes:</b>	The Dated Subordinated Notes will constitute direct and unsecured obligations of the Issuer. The claims of the Trustee and the rights of the holders of the Dated Subordinated Notes will, in the event of the winding-up of the Issuer, be subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer and any amounts paid to the Trustee will be held on trust for distribution in satisfaction of the claims of unsubordinated creditors to the extent (if any) not fully paid and thereafter in or towards payment of the amounts due under the Dated Subordinated Notes and the relative Receipts and Coupons.
<b>Status of the Undated Subordinated Notes:</b>	The Undated Subordinated Notes will constitute unsecured obligations of the Issuer. The claims of the Trustee and the rights of holders of the Undated Subordinated Notes will be subordinated to the claims of Creditors (as defined in Condition 2.3) and payments of principal and interest are conditional upon the Issuer being solvent at the time of payment by the Issuer, and no principal or interest shall be payable in respect of such Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.
<b>Deferral Option:</b>	In the case of Undated Subordinated Notes, the Issuer shall have the right to elect to defer payment of interest on any Interest Payment Date by providing notice of such election to the Noteholders as provided in Condition 4.6.
<b>Rating:</b>	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms.
<b>Listing and admission to trading:</b>	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
<b>Governing Law:</b>	The Notes will be governed by, and construed in accordance with, English law.
<b>Selling Restrictions:</b>	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see " <i>Subscription and Sale</i> ").
<b>United States Selling Restrictions:</b>	Regulation S, Category 2. TEFRA C or D, as specified in the applicable Final Terms.



---

## Risk Factors

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### **Changes in domestic and international market factors that reduce activity levels could significantly harm the Issuer.**

The Issuer generates revenues primarily from management and performance fees it earns from providing access for private and institutional investors worldwide to hedge funds and other alternative instrument strategies. These revenue sources are substantially dependent on the value of funds under management (FuM). The value of FuM is directly affected by domestic and international market factors that are beyond the Issuer's control, including economic, political and market developments; broad trends in industry and finance; changes in levels of trading activity in the broader marketplace; price levels and price volatility in the securities markets; legislative and regulatory changes; actions of competitors; changes in government monetary policies; foreign exchange rates; interest rates; and inflation. As the Issuer's revenue is derived in a significant part from management fees based on the value of FuM, any material decrease in the value of FuM would have a material adverse effect on the Issuer, its financial condition and operating results.

Additionally, market factors may affect the performance of quantitative trading systems that are either operated by or invested in by a fund managed by a member of the Group and thereby diminish the attraction of such quantitative trading systems to investors. Extreme events in the financial markets such as those seen over the last two years may also affect the ability of the Issuer to raise appropriate financing or capital for products managed by the Group, which may result in large demands for liquidity to be met by the Group from its existing committed borrowing facilities and other sources of finance.

#### **The Issuer operates in a highly competitive industry. If the Issuer is unable to compete effectively with its competitors, its business, financial condition or results of operations could be materially adversely affected.**

The asset management industry in which the Issuer is engaged is highly competitive. The Issuer's current competitors typically come from three sectors: independent fund of hedge funds, traditional asset management firms and large banking institutions. Such competitors offer products and services that are similar to, or compete with, those offered by the Issuer.

Competition within the asset management industry could lead to pressure on the Issuer to reduce the fees that it charges its investors for products and services, on which its profit margins and earnings are in part dependent. A failure to compete effectively in the environment described above may result in the loss of existing investors and business, and of opportunities to capture new business, each of which could have a material adverse effect on the Issuer's business, results of operations or financial condition.

It may not be possible for the Issuer to continue to grow its business either through geographic expansion, product expansion, access to new distributors or investment content capacity or otherwise, or to maintain its performance, at historical levels or at currently anticipated levels. Further, implementation of the Issuer's growth strategy may lead to increased costs and lower profitability if growth in revenues is not achieved.

**Increased regulation of the hedge fund industry could have an adverse affect on the Issuer's operations.**

The Issuer, its subsidiaries, affiliates and the funds which they manage may be subject to increasing legislation, regulation, accounting standards and changing interpretations thereof in the various countries in which they operate. From time to time, new laws and regulations are introduced which affect the environment in which the Issuer operates. In particular, as a corollary of the recent interventions by governments in response to global economic conditions, it is widely expected that there will be a substantial increase in government regulation and supervision of the financial services industry, whether on a national or EU wide basis. If enacted, such new regulations could have a material impact on the Issuer and the market in which it operates. The Issuer may face increased compliance and operational costs and increased limitations on its ability to manage its business.

**The Issuer operates in a heavily regulated environment. Any failure to comply with the regulations could subject the Issuer to sanctions or oblige it to change the scope or nature of its operations.**

If the Issuer fails to maintain compliance and reporting systems, or fails to attract and retain personnel who are capable of designing and operating such systems, this will increase the likelihood that the Issuer will breach applicable laws and regulations and expose it to the risk of civil litigation and investigations by regulatory agencies. This could adversely affect the Issuer.

The requirements imposed by the regulators are not designed to protect shareholders but to ensure the integrity of the financial markets and to protect investors and other third parties who deal with the Issuer. Consequently, these regulations can serve to limit the scope of the Issuer's activities and its flexibility regarding capital structure. Further, any change in such regulations may have a material adverse effect on the ability of the Issuer to carry on its business and pursue its investment strategies or may affect the attraction of alternative investments generally for either private or institutional investors.

**The Issuer is exposed to market risk on proprietary investments in various funds.**

Exposure to market risk on proprietary investments in various fund products includes seed capital provided to a new manager, where the Issuer purchases shares in a fund before selling them to third party investors, typically holding the investment for between six and twelve months. For certain funds, the Issuer will also buy shares from investors between the fund's quarterly dealing dates, and will hold these shares until they can be sold to a third party investor or transferred into another product structure. The exposure to market risk on proprietary investments in various fund products may have a material adverse effect on the Issuer's business or results of operations.

**Investors and counterparties that owe the Issuer money, securities or other assets may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, operational failure, fraud or other reasons.**

Although the direct taking of credit risk in order to earn a return is not a central feature of the Issuer's business, the Issuer is exposed to credit risk in respect of its lending to funds. Although the Issuer regularly reviews its credit exposure, default risk may arise from events or circumstances that are difficult to detect or foresee. The Issuer may be adversely affected in the event of a significant default by its investors and counterparties, or more wide-ranging adverse liquidity or market events.

**Challenges inherent in the asset management business may reduce the value and future expected investment returns of assets under the control of the Issuer.**

Persistent poor performance affecting the alternative investments sector generally or the specific funds managed by the Issuer may inhibit the Issuer's ability to grow its asset management business or to maintain its performance at historical levels or currently anticipated levels.

The Issuer's revenues are predominantly derived from management fees in respect of the total FuM and performance fees payable on the achievement of certain criteria. Persistent poor investment performance affecting one of the alternative investments or a specific fund managed by the Issuer, as has recently been experienced by some of the funds which it manages, could cause investors to withdraw or continue to withdraw assets, and therefore reduce or further reduce the management fees earned by the Issuer, or cause certain prearranged targets on which performance fees are typically payable not to be met, and therefore reduce the performance fee income the Issuer receives. A decline in the value of FuM may also affect the Issuer's ability to market new funds and products to investors, as such marketing may be based upon the value or performance of existing FuM.

**Fluctuations in currency exchange rates could materially affect the Issuer's financial results.**

The Issuer uses US Dollars as its reporting currency. The Issuer's profits before tax are largely denominated in US Dollars and to a lesser extent in other currencies, including Pounds Sterling, Swiss Francs, Australian Dollars, Euros and Yen. As a result, the Issuer's business is subject to the effects of exchange rate fluctuations with respect to any currency conversions and the Issuer's ability to hedge these risks and the cost of such hedging.

**The Issuer may be adversely affected if its reputation is harmed.**

The reputation of the Issuer among many stakeholders – its staff, shareholders, investors in funds, intermediary or intermediaries lenders, regulators, key business partners and the general public – is a key component of its ability to achieve its strategic objectives. The Issuer's ability to attract and retain investors and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails, or appears to fail, to deal with various issues that may give rise to reputational risk, its reputation and, in turn, its business prospects may be harmed.

**The Issuer's future success depends to a significant degree upon its continued ability to attract skilled personnel and to manage its operations.**

The Issuer's future success will depend significantly upon the expertise and continued services of certain key personnel, including its directors, and upon its ability to recruit, retain and motivate such personnel. The Issuer may fail to attract highly skilled employees or may incur increased costs in attracting and retaining such personnel.

The Issuer may fail to provide its employees with adequate training to allow them to fulfil their roles competently and obtain required qualifications. Both external and employee fraud or misconduct is not always possible to deter and the precautions that the Issuer takes to prevent and detect such acts may not be effective in all cases.

The net asset value of the products managed by members of the Group will be based on a valuation, which in some cases may be inaccurate or may contain errors. Valuation errors may have a material adverse effect on the Issuer.

The products managed by members of the Group may invest directly or indirectly into funds managed by external third party managers. Whilst the Group conducts thorough due diligence on such managers, failure to carry out proper due diligence may have a material adverse effect on the Issuer.

The Group may contract with external distributors to market products managed by the Group to investors and/or to the extent permitted by applicable law and regulation market such products directly to investors; however there may be instances when the Group may be at risk of mis-selling claims. Such claims may result in significant losses to the Issuer.

The Issuer may fail to maintain its computer and communications systems and networks properly or to upgrade and expand such systems in response to technological change. Computer and communications systems and facilities failure, capacity constraints, failure of disaster recovery plans, or external factors (including power outages or terrorist action) could limit the Issuer's ability to conduct its operations.

If the Issuer fails to manage its operations effectively as a result of, amongst other things, the matters described above, it could have a material adverse effect on the Issuer.

**The Issuer is exposed to funding risks in relation to the defined benefits under its pension schemes.**

The Issuer operates a defined benefit pension scheme for some UK employees. No new members have been admitted to the scheme since June 1999. Primary liability to fund the scheme rests with the employers that participate in the scheme. Participating employer contributions to the scheme must be agreed with the pension scheme trustees who have control over the investment of the scheme's assets and can alter their investment strategy, potentially exposing the participating employers to additional costs. If agreement cannot be reached, the Pensions Regulator has power to impose a contribution rate on the participating employers. Employer contributions to the scheme will also be affected by factors that affect the funding level of the scheme and make benefits more expensive to provide than anticipated, such as lower investment returns than expected or increasing life expectancy. The trustees or the Pensions Regulator have power to wind up the scheme in certain circumstances, which would result in a statutory debt owing from the participating employers to the scheme

based on the cost of buying out benefits with an insurance company. Further, the Pensions Regulator has power to require funding or funding guarantees for the scheme from persons who are associates of or connected with the participating employers in certain circumstances. As a result, the Issuer is exposed to funding risks in relation to the defined benefits under its pension schemes.

**Changes in tax laws may adversely affect the Issuer's profitability.**

Tax laws, or the interpretation of existing laws, may change in such a way that the Issuer's profitability and financial condition may be adversely affected.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.**

**The Notes may not be a suitable investment for all investors.**

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

**Risks related to the structure of a particular issue of Notes.**

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

*Notes subject to optional redemption by the Issuer*

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

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

## Risk Factors

---

### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

### **Partly-paid Notes.**

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

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



### *Notes issued at a substantial discount or premium*

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

### *The Issuer's obligations under Subordinated Notes are subordinated*

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment (i) (in the case of Dated Subordinated Notes) to the claims of all unsubordinated creditors; and (ii) (in the case of Undated Subordinated Notes) to the claims of all Creditors (as defined in Condition 2.3).

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Payments in respect of the principal of, and interest on, Undated Subordinated Notes will be conditional upon the Issuer being solvent at the time of payment as provided and as more particularly described in Condition 2.3 and the Issuer shall have no liability to pay any such amount to the extent that it is insolvent or would become insolvent as a result of making such payment.

### *Interest Payments under Undated Subordinated Notes may be deferred*

The Issuer may elect to defer any interest payment subject as provided and as more particularly described in Condition 4.6. Where a payment of interest is so deferred, no interest shall accrue on such Arrears of Interest but it may be paid at any time at the option of the Issuer.

Any deferral of interest payments will likely have an adverse effect on the market price of the Undated Subordinated Notes. In addition, as a result of the interest deferral provision of the Undated Subordinated Notes, the market price of the Undated Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

### **Risks related to Notes generally.**

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

#### *Modification, waivers and substitution*

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 14.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria may instead apply a withholding system in relation to such payments deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments

made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

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

### *Notes where denominations involve integral multiples: definitive Notes*

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

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

### **Risks related to the market generally.**

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

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.



## Risk Factors

---

### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

### *Credit ratings may not reflect all risks*

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

### **Legal investment considerations may restrict certain investments.**

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

---

## Documents Incorporated by Reference

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

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2008, as set out in the Issuer's 2008 Annual Report, including the information set out at the following pages in particular:

Balance Sheet .....	Page 86
Income Statement .....	Page 85
Principal Accounting Policies and Notes .....	Pages 89 to 127
Auditors' Report .....	Page 84

- (b) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2009, as set out in the Issuer's 2009 Annual Report, including the information set out at the following pages in particular:

Balance Sheet .....	Page 76
Income Statement .....	Page 75
Principal Accounting Policies and Notes .....	Pages 79 to 116
Auditors' Report .....	Page 74

- (c) the Terms and Conditions of the Notes contained in the previous Offering Circular dated 21 December 2007, pages 29 to 53 (inclusive) prepared by the Issuer in connection with the Programme.

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

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

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London.

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

---

## Form of the Notes

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

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

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

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

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

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer.

For these purposes, **Exchange Event** means that (i) an event of default under Condition 9 in relation to any Note has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee.

## Form of the Notes

---

The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

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

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

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

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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

---

# Form of Applicable Final Terms

[Date]

Man Group plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the U.S.\$3,000,000,000  
Euro Medium Term Note Programme

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [original date]. Copies of such Offering Circulars are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: [ ]
2. (a) Series Number: [ ]  
(b) Tranche Number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*

3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
(a) Series: [ ]

## Form of Applicable Final Terms

---

- (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [ ]
- (Note — where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed:*
- “€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000.”)*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €50,000 minimum denomination is not required.)*
- (b) Calculation Amount: [ ]
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Fixed rate — specify date/
- Floating rate — Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]

## Form of Applicable Final Terms

---

12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status: [Senior/[Dated/Undated] Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated]

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear]
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[*specify other*]  
  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
*(Applicable to Notes in definitive form)*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or *specify other*]]
- (f) [Determination Date(s): [ ] in each year  
  
*(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon  
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]]



## Form of Applicable Final Terms

---

- (c) Additional Business Centre(s): [     ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/ *specify other*]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [     ]
- (f) Screen Rate Determination:
- Reference Rate: [     ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [     ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [     ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination:
- Floating Rate Option: [     ]
  - Designated Maturity: [     ]
  - Reset Date: [     ]
- (h) Margin(s): [+/-] [     ] per cent. per annum
- (i) Minimum Rate of Interest: [     ] per cent. per annum
- (j) Maximum Rate of Interest: [     ] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
*Other*]
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [     ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

## Form of Applicable Final Terms

---

- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6.6(c) and 6.11 apply/specify other]
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ specify other]
- (g) Additional Business Centre(s): [ ]
- (h) Minimum Rate of Interest: [ ] per cent. per annum
- (i) Maximum Rate of Interest: [ ] per cent. per annum
- (j) Day Count Fraction: [ ]
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]

## Form of Applicable Final Terms

---

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice period (if other than as set out in the Conditions): [ ]
21. Investor Put: *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) Notice period (if other than as set out in the Conditions): [ ]
22. Final Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix]
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6.6): [[ ] per Calculation Amount/specify other/see Appendix]

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: *[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]\**
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]\**

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]\*

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. \*N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable directly for Definitive Notes.)*

(b) New Global Note: [Yes] [No]

25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(c) and 18(g) relate)*

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]

28. Details relating to Instalment Notes:

(a) Instalment Amount(s): [Not Applicable/give details]

(b) Instalment Date(s): [Not Applicable/give details]

29. Redenomination applicable: Redenomination [not] applicable  
*[(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)]*

30. Consolidation provisions: [Not Applicable/The provisions in Condition 16 apply.]

31. Other final terms: [Not Applicable/give details]

## **DISTRIBUTION**

32. (a) If syndicated, names of Managers: [Not Applicable/give names]

(b) Date of [Subscription] Agreement: [      ]  
*(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).*

**Form of Applicable Final Terms**

---

- (c) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- 33. If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- 34. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
- 35. Additional selling restrictions: [Not Applicable/*give details*]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange’s Regulated Market and admission to the Official List of the UK Listing Authority of the Notes described herein pursuant to the U.S.\$3,000,000,000 Euro Medium Term Note Programme of Man Group plc.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Man Group plc:

By: .....  
*Duly authorised*

PART B – OTHER INFORMATION

**1. LISTING AND ADMISSION TO TRADING**

(i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and admitted to listing on the Official List of the UK Listing Authority with effect from [ ]].

[Not Applicable.]

(ii) Estimate of total expenses related to admission to trading: [ ]

**2. RATINGS**

Ratings: The Notes to be issued have been rated:

[S&P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. — *Amend as appropriate if there are other interests*]

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

[(i) Reasons for the offer: [ ]]

[(ii)] Estimated net proceeds: [ ]]

[(iii)] Estimated total expenses: [ ]]

*(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

**5. YIELD** *(Fixed Rate Notes only)*

Indication of yield: [ ]]

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

**6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*(Index-linked Notes only)*

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

**7. PERFORMANCE OF RATE[S] OF EXCHANGE (Dual Currency Notes only)**

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

**8. OPERATIONAL INFORMATION**

- (i) ISIN Code: [       ]
- (ii) Common Code: [       ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [       ]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]  
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]



---

## Terms and Conditions of the Notes

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Man Group plc (the **Issuer**) constituted by a Trust Deed dated 21 December 2007 made between the Issuer and HSBC Trustee (C.I.) Limited as modified by a First Supplemental Trust Deed dated 16 July 2009 made between (among others) the Issuer and HSBC Corporate Trustee Company (UK) Limited (the **Trustee**, which expression shall include any successor as Trustee) (such Trust Deed as so modified and as further modified and/or supplemented and/or restated from time to time, the **Trust Deed**).

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

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

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 21 December 2007 and made between (among others) the Issuer, the Trustee (following its accession thereto on 16 July 2009), HSBC Bank plc as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**,

## Terms and Conditions of the Notes

---

which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

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

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at 16 July 2009 at 8 Canada Square, London E14 5HQ and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

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

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

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may be a Senior Note, a Dated Subordinated Note or an Undated Subordinated Note, as indicated in the applicable Final Terms.

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount

of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

## **2. STATUS OF THE NOTES**

### **2.1 Status of Senior Notes**

The Senior Notes and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### **2.2 Status of Dated Subordinated Notes**

The Dated Subordinated Notes and any relative Receipts and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

The claims of the Trustee and the rights of holders of Dated Subordinated Notes and any relative Receipts and Coupons against the Issuer to payment of principal and interest in respect of the Dated Subordinated Notes are, in the event of the winding-up of the Issuer, subordinated in right of payment in the manner provided in the Trust Deed to the claims of all unsubordinated creditors of the Issuer. Accordingly, any amounts paid to the Trustee in the winding-up of the Issuer as aforesaid will be held on trust for distribution in satisfaction of the claims of unsubordinated creditors to the extent (if any) not fully paid up and thereafter in or towards payment of the amounts due under the Dated Subordinated Notes and the relative Receipts and Coupons.

The provisions of this Condition 2.2 apply only to the principal and interest in respect of the Dated Subordinated Notes and nothing in this Condition 2.2 or in Condition 9 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

### **2.3 Status of Undated Subordinated Notes**

The Undated Subordinated Notes (together with the Dated Subordinated Notes, the **Subordinated Notes**) and any relative Coupons constitute unsecured and subordinated obligations of the Issuer, conditional as described below and rank *pari passu* without any preference among themselves.

The claims of the Trustee and the rights of holders of Undated Subordinated Notes and any relative Coupons against the Issuer to payment of principal and interest in respect of the Undated Subordinated Notes are subordinated in right of payment in the manner provided in the Trust Deed to the claims of all Creditors (as defined below). Accordingly, amounts due and payable in respect of such principal and interest shall be due and payable only if and to the extent that the Issuer could be considered solvent at the time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if both (i) it is able to pay its debts to Creditors as they fall due and (ii) its Assets exceed its Liabilities to Creditors. For the avoidance of doubt, interest which is unpaid pursuant to this Condition 2.3 shall constitute Arrears of Interest in accordance with Condition 4.6.

A report as to the solvency of the Issuer by two Directors of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors (as defined below) or, if the Issuer is being wound up, its liquidator shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee and the holders of the Undated Subordinated Notes and any relative Coupons as correct and sufficient evidence thereof.

If at any time an order is made or an effective resolution is passed for the winding-up in England of the Issuer (except for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders), there shall be payable by the Issuer in respect of each Undated Subordinated Note (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to the holder thereof if, on the day prior to the commencement of the winding-up and thereafter, such holder were the holder of one of a notional class of preference shares in the capital of the Issuer having a preferential right to a return of assets in the winding-up over the holders of all other classes of issued shares for the time being in the capital of the Issuer on the assumption that such preference share was entitled to receive on a return of assets in such winding-up an amount equal to the principal amount of such Undated Subordinated Note together with Arrears of Interest (as defined in Condition 4.6), if any, and any accrued interest other than Arrears of Interest, as provided in the Trust Deed.

For the purposes of Conditions 2.2 and 2.3:

**Assets** means the non-consolidated gross assets of the Issuer as shown by the then latest published balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as two Directors of the Issuer, the Auditors or the liquidator of the Issuer (as the case may be) may determine to be appropriate;

**Auditors** means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Issuer;

**Creditor** means any creditor of the Issuer (i) who is an unsubordinated creditor of the Issuer or (ii) whose claim is or is expressed to be subordinated to the claim of any unsubordinated creditor of the Issuer but not further or otherwise or (iii) who is a subordinated creditor of the Issuer other than any whose claim ranks or is expressed to rank *pari passu* with or junior to the claims of the holders of any Undated Subordinated Notes; and

**Liabilities** means the non-consolidated gross liabilities of the Issuer as shown and adjusted in like manner as for Assets.

*The obligations of the Issuer in respect of the Undated Subordinated Notes are conditional on the Issuer being solvent, within the meaning described in Condition 2.3, at the time of, and immediately after, payment by the Issuer. If the Issuer would not be so solvent, any amounts which might otherwise have been allocated in or towards payment of principal and interest in respect of the Undated Subordinated Notes may be used to absorb losses. In the event of a winding-up of the Issuer each holder of an Undated Subordinated Note will be treated as a holder of one of a notional class of preference shares as described above.*

The provisions of this Condition 2.3 apply only to the principal and interest in respect of the Undated Subordinated Notes and nothing in this Condition 2.3 or in Condition 9 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

### 2.4 Set-Off

Subject to applicable law, no holder of any Subordinated Note or any related Receipt or Coupon may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Dated or Undated Subordinated Notes or any relative Receipts or Coupons and each holder shall, by virtue of being the holder of any Dated or Undated

Subordinated Note or, as the case may be, relative Receipt or Coupon, be deemed to have waived all such rights of such set-off, counterclaim or retention.

### 3. NEGATIVE PLEDGE

This Condition 3 shall apply only to the Senior Notes and references to **Notes** and **Noteholders** shall be construed accordingly.

So long as any Note remains outstanding (as defined in the Trust Deed) the Issuer shall not and shall procure that no Principal Subsidiary (as defined in Condition 9) shall create or permit to subsist any mortgage, lien, pledge or other charge (**Security**) upon any part of their respective undertakings or assets, present or future, (including uncalled capital) as security for any Obligation (as defined below) and the Issuer shall not permit any Principal Subsidiary to give any guarantee of or indemnity in respect of any Obligation without in each case at the same time according to the Trustee and the Noteholders a *pari passu* and rateable interest in the same security and/or guarantee and/or indemnity or such other security and/or guarantee and/or indemnity or other arrangement (whether or not including the granting of security and/or a guarantee and/or an indemnity) as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall have been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders provided that any Principal Subsidiary (as defined in Condition 9) acquired after the Issue Date (as defined in the applicable Final Terms) may have outstanding Security with respect to an Obligation of such Principal Subsidiary (without the obligation to secure the Notes as aforesaid) so long as:

- (i) either such Security was outstanding on the date on which such Principal Subsidiary became a Principal Subsidiary and was not created in contemplation of such Principal Subsidiary becoming a Principal Subsidiary or such Security was created in substitution for or to replace either such outstanding Security or any such substituted or replacement security; and
- (ii) the principal amount of the Obligation secured is not increased after the date such Principal Subsidiary became a Principal Subsidiary.

For the purpose of this Condition, **Obligation** means:

- (A) any present or future indebtedness of the Issuer or a Principal Subsidiary having a stated maturity of not less than one year and represented by bonds, notes, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, dealt in on a stock exchange or other securities market and which either (a) is denominated or contains a right or requirement for any payment in respect thereof to be made in any currency other than U.S. dollars, or (b) is initially offered or distributed, directly or indirectly, primarily to persons resident outside the United Kingdom; and
- (B) any guarantee of any such indebtedness as is referred to in (A) above.

### 4. INTEREST

#### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (subject in the case of Undated Subordinated Notes to the provisions of Condition 4.6).

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

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



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

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

As used in this Condition:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

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

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

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

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

### 4.2 Interest on Floating Rate Notes and Index Linked Interest Notes

#### (a) Interest Payment Dates

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

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

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

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

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007 (the **TARGET2 System**) is open.

(b) **Rate of Interest**

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

(i) **ISDA Determination for Floating Rate Notes**

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

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

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

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

(ii) **Screen Rate Determination for Floating Rate Notes**

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

(A) the offered quotation; or

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

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

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

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.



(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

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

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

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

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

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

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

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

In this Condition:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D<sub>2</sub> will be 30.

(e) **Notification of Rate of Interest and Interest Amounts**

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) **Determination or Calculation by Trustee**

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

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent or, if applicable, the Calculation Agent or Trustee, shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **4.3 Interest on Dual Currency Interest Notes**

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

### **4.4 Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

### **4.5 Accrual of interest**

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

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

### 4.6 Interest on Undated Subordinated Notes

In the case of Undated Subordinated Notes, on any Interest Payment Date there may be paid (if the Issuer so decides and gives not less than seven days' notice of such decision to the holders in accordance with Condition 13) the interest accrued in the Interest Period which ends on that Interest Payment Date, but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. Any interest not so paid on an Interest Payment Date together with any other interest not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute **Arrears of Interest**. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part (any such part being the whole of the interest accrued during any Interest Period or Periods) at any time upon the expiration of not less than seven days' notice to such effect given to the Noteholders in accordance with Condition 13 but so that in the case of payment of only part of the Arrears of Interest the interest accrued during any Interest Period shall not be paid prior to that accrued during an earlier Interest Period. All Arrears of Interest in respect of the Undated Subordinated Notes outstanding shall (subject to Condition 2.3) become due in full on the earliest of (i) the date upon which a dividend or distribution is next declared or paid on any class of share capital of the Issuer or any other capital of the Issuer ranking junior to the Undated Subordinated Notes, (ii) the date set for any redemption pursuant to Condition 6.3 or 6.4 or (iii) the commencement of the winding-up of the Issuer (except for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders).

Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged (subject to Condition 2.3) to do so upon the expiry of such notice. So long as, and to the extent that, the same have not become due and payable, Arrears of Interest shall not bear interest. All references in these conditions to interest on Undated Subordinated Notes shall, unless the context otherwise requires, include Arrears of Interest.

## 5. PAYMENTS

### 5.1 Method of payment

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

### 5.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

### **5.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

### **5.4 General provisions applicable to payments**

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

## Terms and Conditions of the Notes

---

the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

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

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

### 5.5 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

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

### 5.6 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.



Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

### **6. REDEMPTION AND PURCHASE**

#### **6.1 Redemption at maturity**

The provisions of this Condition 6.1 shall have effect in relation to any Series of Notes other than Undated Subordinated Notes.

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

#### **6.2 No Fixed Maturity**

The provisions of this Condition 6.2 shall have effect in relation to any Series of Undated Subordinated Notes.

The Notes are undated and, accordingly, have no final maturity date and may not be repaid except in accordance with this Condition 6 and Condition 2.3.

#### **6.3 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due); or
- (b) in the case of Undated Subordinated Notes, any payment of interest in respect of Undated Subordinated Notes would be treated as a "distribution" within the meaning of the Tax Acts (as defined in section 831 of the Income and Corporation Taxes Act 1988).

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment or, as the case may be, that any payment of interest in respect of Undated Subordinated Notes would be treated as a "distribution" and the Trustee shall be entitled to accept the certificate and the opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 6.3 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.



### 6.4 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date and, in the case of Undated Subordinated Notes, all Arrears of Interest, provided that Dated Subordinated Notes may only be redeemed before the fifth anniversary of their Issue Date pursuant to Condition 6.13. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

### 6.5 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note (other than an Undated Subordinated Note) giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date, provided that Dated Subordinated Notes may only be redeemed after the fifth anniversary of their Issue Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

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

**6.6 Early Redemption Amounts**

For the purpose of Condition 6.4 above and Conditions 9.1 and 9.4, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

<sup>y</sup> is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

In the case of Undated Subordinated Notes the Early Redemption Amount will include all Arrears of Interest (if any).

**6.7 Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6.6.

**6.8 Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

**6.9 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Any Notes so purchased may, at the option of the Issuer, be surrendered to a Paying Agent for cancellation.

**6.10 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled, and any Notes purchased and surrendered to a Paying Agent for cancellation pursuant to Condition 6.9 above, shall (together with all unmatured Receipts, Coupons and Talons cancelled therewith) be forwarded to the Agent and cannot be reissued or resold.

**6.11 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.3, 6.4 or 6.5 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6 above as though the references

## Terms and Conditions of the Notes

---

therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

### **6.12 Restriction on Optional Redemption and Purchases**

Undated Subordinated Notes may only be redeemed and the Issuer or any of its Subsidiaries may only purchase or procure others to purchase for its account any such Notes provided that such redemption or purchase is made in accordance with the provisions of Condition 2.3.

*In the case of any Dated Subordinated Note or Undated Subordinated Note, under the practice of the FSA prevailing as at 16 July 2009, no repayment prior to the scheduled maturity date can be made by the Issuer unless, at least one month before it becomes committed to the repayment, the Issuer has given the FSA notice in writing (in the form required by the FSA) of the proposed repayment, detailing how, following such repayment, it will (1) continue to meet its capital resources requirement and (2) have sufficient overall financial resources including capital resources and liquidity resources, which are adequate, both as to amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due.*

### **6.13 Redemption of Dated Subordinated Notes prior to fifth anniversary of issue**

Dated Subordinated Notes may be redeemed by the Issuer pursuant to this Condition 6 prior to the fifth anniversary of the Issue Date provided that:

- (a) the Issuer has notified the Financial Services Authority (the FSA) of its intention to do so at least one month (or such other period, longer or shorter, as the FSA may then require or accept) prior to the date scheduled for redemption and no objection thereto has been raised by the FSA or (if required) the FSA has provided its consent thereto;
- (b) both at the time when the notice of redemption is given and immediately following such redemption, the Issuer is or will be (as the case may be) in compliance with the regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the FSA and applicable to the Issuer (except to the extent that the FSA no longer so requires); and
- (c) the Issuer has delivered to the Trustee a certificate signed by two directors of the Issuer to the effect that the provisions of (a) and (b) above have been or (as the case may be) will be satisfied.

## **7. TAXATION**

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

- (a) presented for payment in the United Kingdom; or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for

payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5); or

- (d) where such withholding or deduction is made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union other than the United Kingdom; or
- (f) unless it is proved, to the satisfaction of the Paying Agent to whom the same is presented, that the holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities.

As used in these Conditions, the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

### 8. PRESCRIPTION

Subject, in relation to any Series of Undated Subordinated Notes, to the provisions of Condition 4.6, the Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

### 9. EVENTS OF DEFAULT AND ENFORCEMENT

#### 9.1 Events of Default relating to Senior Notes

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

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of the Issuer's Principal Subsidiaries is declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of the Issuer's Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or any of the Issuer's Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and

steps are taken to enforce the same; or (iv) default is made by the Issuer or any of the Issuer's Principal 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 in each case as extended by any applicable grace period (other than, in each of the scenarios listed in (i) to (iv) (inclusive) of this Condition 9.1(c), any Indebtedness for Borrowed Money which becomes prematurely due and payable or is placed on demand as a result of an event of illegality (howsoever described) under the document relating to that Indebtedness for Borrowed Money provided that such Indebtedness for Borrowed Money is paid in full within five Business Days of becoming due and payable or a demand for payment being made after such Indebtedness for Borrowed Money is placed on demand) and provided further that the amount of Indebtedness for Borrowed Money referred to in (i) and/or (ii) and/or (iii) and/or (iv) above individually or in the aggregate exceeds U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or

- (d) if any order is made by any competent court or resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, save, in the case of a Principal Subsidiary only, for the purposes of a solvent reorganisation, reconstruction or amalgamation; or
- (e) if the Issuer or any of its Principal Subsidiaries ceases to carry on the whole or a substantial part of its business, save, in the case of a Principal Subsidiary only, for the purposes of a solvent reorganisation, reconstruction or amalgamation, or the Issuer or any of its Principal Subsidiaries stops payment of, or is unable to, or admits inability to, pay, all of its debts (or any class of its debts) as they fall due, or is deemed unable to pay all of its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer or any of its Principal 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 or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part 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 a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged or stayed within 60 days; or
- (g) if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation unless this is done in connection with a merger, or other form of combination with another company and in the case of the Issuer only such company assumes all obligations contracted by the Issuer 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).

### 9.2 Enforcement of Senior Notes

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

No holder of Senior Notes, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.



### 9.3 Definitions

For the purposes of the Conditions:

**Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit but excluding any indebtedness owed by one member of the Group to another member of the Group;

**Principal Subsidiary** means any Subsidiary whose net assets (based on the unaudited financial information used by the Issuer for the purpose of producing the Issuer's most recent published audited consolidated balance sheet) represent at least 10 per cent. of the Issuer's consolidated net assets (as shown by the Issuer's most recent published audited consolidated balance sheet) or, in the case of a Subsidiary acquired after the Issuer's most recent published audited consolidated balance sheet, any Subsidiary whose net assets would have represented at least 10 per cent. of the Issuer's consolidated net assets had they been included in the Issuer's consolidated balance sheet at that time.

A report by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

**Subsidiary** means any company which is for the time being a subsidiary (within the meaning of Section 736 of the Companies Act 1985 of Great Britain).

### 9.4 Events of Default relating only to Dated Subordinated Notes

In the case of Dated Subordinated Notes, the Trustee at its discretion may, and if so requested in writing by the holders of at least one fifth of the nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount, together with accrued interest (if any) as provided in the Trust Deed if any of the following events shall occur and be continuing:

- (a) default is made for a period of seven or more days in the payment of any principal due in respect of the Notes or any of them or 14 or more days in the payment of any interest due in respect of the Notes or any of them; or
- (b) the winding-up or dissolution of the Issuer is commenced (other than a winding-up or dissolution which has been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders).

If the Notes become immediately due and repayable, the Trustee may, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer in England (but not elsewhere) and prove in such winding-up, provided that no repayment of principal in respect of the Notes may be made by the Issuer pursuant to this Condition, nor will the Trustee accept the same, otherwise than during or after a winding-up or dissolution of the Issuer.

### 9.5 Events of Default relating only to Undated Subordinated Notes

In the case of Undated Subordinated Notes, if the Issuer shall not make any payment of principal in respect of the Notes for a period of seven days or more after the due date for the same or shall not make payment of interest for a period of 14 days or more after a compulsory Interest Payment Date or any other date upon which the payment of interest is compulsory, the Trustee may institute proceedings in England (but not elsewhere) for the winding-up of the Issuer and prove in such winding-up.

For the avoidance of doubt, no payment shall be due if the Issuer does not make such payment as a result of the provisions of Condition 2.3 and no payment of interest shall be due if the Issuer has exercised its right to defer such payment of interest as described in Condition 4.6.

### 9.6 Enforcement relating only to Subordinated Notes

Without prejudice to the rights in Conditions 9.4 and 9.5 above, the Trustee may, at its discretion, and without further notice, institute such proceedings (other than proceedings for the winding-up of the Issuer) against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed, the Subordinated Notes, the Receipts or the Coupons (other than any obligations for the payment of any principal or interest in respect of the Subordinated Notes or the Receipts or the Coupons), provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal in respect of the Notes sooner than the same would otherwise be payable by it.

The Trustee shall not be bound to take any of the actions referred to above to enforce the obligations of the Issuer under the Trust Deed and the Subordinated Notes, Receipts and Coupons or any other action under the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one-fifth in aggregate nominal amount of the Notes outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No holder of Subordinated Notes or any relative Receiptholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable period of time and such failure is continuing, in which case the Noteholder, Receiptholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No holder of Subordinated Notes or any relative Receiptholder or Couponholder shall be entitled to institute proceedings for the winding-up of the Issuer, or to prove in any winding-up of the Issuer, unless the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so within a reasonable period of time or, being able to prove in any winding-up of the Issuer, fails to do so within a reasonable period of time, in which event any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding-up in England (but not elsewhere) of the Issuer and/or prove in any winding-up of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of the Subordinated Notes, Receipts and Coupons held by him. No remedy against the Issuer, other than the institution of proceedings for the winding-up in England of the Issuer or the proving or claiming in the winding-up of the Issuer, shall be available to the Trustee or the Noteholders, Receiptholders, or Couponholders for the recovery of amounts owing in respect of the Subordinated Notes, Receipts or Coupons or under the Trust Deed.

## 10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

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

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and



- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the United Kingdom.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

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

### **12. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

### **13. NOTICES**

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

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

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

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

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes

so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Notes for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution of the Noteholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

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

*N.B. In relation to the Dated Subordinated Notes and Undated Subordinated Notes, where the FSA requires it no modification, waiver, determination or substitution will be made to the Conditions unless at least one month before the modification, waiver, determination or substitution is to take effect, the Issuer has given the FSA notice in writing (in the form required by the FSA) of the proposed modification, waiver, determination or substitution and the FSA has not objected to such modification, waiver, determination or substitution.*

### **15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER**

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

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

### **16. FURTHER ISSUES**

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

### **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

### **18. GOVERNING LAW**

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

---

## Use of Proceeds

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

---

## Description of the Issuer

Man Group plc (the **Issuer**) formerly known as E D & F Man Group plc was incorporated in England and Wales under the Companies Act 1985 (as amended) (the **Act**) on 22 April 1994 as a company limited by shares under the name E D & F Man Group Limited, with registered number 2921462. On 5 September 1994 E D & F Man Group Limited was re-registered under the Act as a public company limited by shares of indefinite duration and in the same year was floated on the London Stock Exchange. On 29 September 2000, the name of E D & F Man Group plc was changed to that of Man Group plc. The Issuer's registered office and principal place of business is at Sugar Quay, Lower Thames Street, London EC3R 6DU (telephone +44 20 7144 1000). The Issuer is the parent company of the Man group of companies (the **Group**).

Prior to 19 July 2007, the Issuer operated two principal divisions: Asset Management and Brokerage. After conducting a review of its business in conjunction with its financial advisers, the Issuer's board of directors concluded that both the Asset Management and Brokerage businesses would be better positioned to maximise future returns and growth opportunities by pursuing independent strategies. On 9 July 2007, shareholders approved the disposal, by way of an initial public offering and listing on the New York Stock Exchange, of at least a majority interest in MF Global Ltd. (the Brokerage division known as Man Financial). On 19 July 2007, the Issuer announced that the initial public offering of 97.4 million shares of MF Global Ltd. had been priced at U.S.\$30 per share, raising total gross proceeds of U.S.\$2.9 billion. The initial public offering completed on 24 July 2007. Following the approval of shareholders on 23 November 2007, the Issuer returned £1.30 billion (being the pounds sterling equivalent of U.S.\$2.7 billion of the net proceeds of approximately U.S.\$2.75 billion of the initial public offering) to shareholders in cash by way of a B and C share arrangement in accordance with the circular to shareholders dated 22 October 2007 and such distribution had a corresponding impact on the Issuer's balance sheet. At 31 March 2009, the Issuer continued to hold a minority interest of 18.6 per cent in MF Global Ltd. which the Issuer may dispose of at a later date.

The Issuer is now a global leader in alternative investments, delivering a comprehensive range of innovative, guaranteed and open-ended products and tailor-made solutions to private and institutional investors. The Issuer's investment products are designed to offer performance across market cycles and are designed and structured internally and through partnerships with other financial institutions. The Issuer has a powerful worldwide distribution network and an investment management track record dating back more than 20 years. The Issuer's funds under management as at 31 March 2009 were U.S.\$46.8 billion.

The Issuer has around 1,700 permanent employees worldwide, with the bulk of the staff being located in London, Switzerland, Chicago, and Dublin and the remainder operating from various regional centres including, Dubai, Hong Kong, Miami, Montevideo, New York, Rotterdam, Singapore, Sydney, Tokyo and Toronto.

The Issuer derives its revenues principally from management fees and performance fees. The year to 31 March 2009 (the Issuer's most recent financial year-end) saw extraordinary turmoil in financial markets globally. Severe market dislocations, sharp falls in asset prices, the absence of liquidity and a loss of confidence in counterparties all combined to stress business models throughout the financial services world. The Issuer's business was not immune to these stresses and as a result the Issuer's funds under management fell by around a third to be U.S.\$46.8 billion as at 31 March 2009. Despite this, the Issuer remained very profitable, with profit before tax and adjusting items of U.S.\$1.2 billion for the year ended 31 March 2009.

Since the end of March 2009, institutional investor sales have remained muted and redemptions, as announced in March 2009, continued into April 2009. The Issuer's recent private investor product offerings have focussed on liquid strategies in both guaranteed and non-guaranteed formats, with conservative and sustainable leverage. Private investor demand has been strong, with sales since the end of March 2009 totalling U.S.\$2.6 billion. The Issuer's funds under management as at 26 May 2009 were estimated to be U.S.\$44 billion.

The Issuer believes that this is a period of significant opportunity in the hedge fund industry and the Issuer has addressed its cost base and has made a number of substantial changes to the business to reinforce its competitive advantage and address future investor requirements and evolving markets.

## Description of the Issuer

---

The Issuer has demonstrated a history of strong cash flow generation and at 31 March 2009 had a regulatory capital surplus of U.S.\$1.7 billion, cash of U.S.\$2.4 billion and an undrawn committed syndicated bank facility of U.S.\$2.4 billion (U.S.\$0.5 billion maturing in June 2012 and U.S.\$1.9 billion maturing in June 2013).

### The Issuer's two principal business units

The Issuer's business is driven by its ability to structure products using its two principal business units. These comprise its single manager, AHL, and the multi-manager investment management business, Man Investments. Through these units the Issuer offers investors access to hundreds of products across a variety of alternative investment styles and strategies.

#### *AHL*

AHL, founded in 1987, is a world leading quantitative investment manager specialising in systematic trading. The Issuer's commitment to research has been the key factor contributing to its success, with AHL's flagship Diversified programme returning 33.2% in the 2008 calendar year and 18.9% p.a. since inception (26 March 1996) to 31 March 2009. As at 31 March 2009 AHL's funds under management totalled U.S.\$20.4 billion, making AHL one of the largest quantitative investment managers in the world.

The investment strategy employed by AHL is 100% systematic, using heavily researched trading systems to identify and profit from trends and other inefficiencies across a highly diversified portfolio of futures and other financial instruments. Diversification is central to AHL's approach, with systems analysing over 250 financial, currency and commodity markets daily across 36 global exchanges. New markets are continuously being researched in order to further diversify AHL's programmes. Markets that have been added in the recent past include credit derivatives, interest rate swaps and exchange traded funds. Trades are executed around-the-clock in either London or the new execution desk in Hong Kong.

Opened in April 2009, the Hong Kong desk enhances AHL's execution capabilities by providing a secondary trading hub outside the UK. The new desk enables AHL to better leverage local broker relationships in South East Asia and also expand into new asset classes in this region of rapidly growing economic importance. The opening of the desk runs in parallel to the continuous research and development of AHL's electronic trading capabilities, where a great deal of development is being conducted from the Man Research Laboratory in Oxford.

The Man Research Laboratory (MRL) opened at the same time as the Oxford-Man Institute of Quantitative Finance (OMI) in September 2007. OMI, funded solely by the Issuer, aims to be the world's leading institute for academic research into quantitative finance with a particular focus on alternative investments. In contrast to this, MRL undertakes commercial research into quantitative finance for the benefit of the Issuer but shares the same premises as OMI, and is unique in the sense that no other finance company in the world has its own embedded research laboratory located within Oxford University. This close interaction means that AHL's researchers are exposed to the latest academic research through regular seminars and informal discussions. Since its launch, MRL has grown to include ten full time and visiting AHL researchers. High performance computing, trading model research and electronic trade execution are among areas currently being researched at the laboratory. A number of MRL initiatives have already been implemented within AHL's mainstream investment management activities and have thus enhanced client investments.

The new Hong Kong office and the expansion of the Man Research Laboratory underscore the Issuer's continuing commitment to invest in the future of AHL. An additional 33 people were hired in 2008 as well as a further 10 in the first quarter of 2009. The majority of these new hires are researchers dedicated to the development of trading strategies, as well as the application of more advanced risk management systems and electronic execution technologies.

AHL recognises the importance of corporate governance and in 2008 became a founding signatory to the Hedge Fund Standards Board (HFSB) best practice standards. The industry recognised code consists of 25 standards divided into five categories, including disclosure, valuation, risk management, fund governance and shareholder conduct.



## Description of the Issuer

---

### *Man Investments*

As markets have changed, so have investor requirements for hedge fund investing. Performance continues to be an absolute requirement and the hedge fund value proposition remains compelling, but transparency, governance and risk management are now, more than ever, at the top of investors' agendas.

Reflecting these changing investor requirements, in March 2009 the Issuer announced the launch of a new hedge fund management business called Man Investments. The business will be an amalgamation of the Issuer's previous in-house fund of fund investment managers, RMF, Glenwood and Man Global Strategies. The new business builds the strengths of RMF's infrastructure and disciplined investment process, Glenwood's bottom-up manager selection philosophy and Man Global Strategies' managed account expertise, creating a new, strong, comprehensive and integrated structure, underpinned by the Issuer's capital strength, global distribution capabilities and structuring expertise. The new business provides flexible and transparent access to the full spectrum of hedge fund investing for both institutional and private investors, from fund of fund portfolios to customised solutions and single manager access. It has been carefully designed to meet current industry concerns head-on as well as prepare for the investor preferences of the future. As at 31 March 2009 Man Investments' funds under management totalled U.S.\$26.4 billion.

Man Investments has a deep pool of seasoned investment expertise, with an average of 16 years' industry experience across the senior management team. Global coverage combined with local market intelligence, with key centres in the UK, US, Switzerland and Asia.

In bringing together the best investment management talent and processes from across the Issuer's fund of fund businesses, it has taken advantage of the opportunity to focus, refine and simplify. The Issuer has distilled the strongest elements of sourcing, due diligence, portfolio and risk management in a way which has preserved geographic reach and depth and continuity for existing mandates, but eliminated duplication and improved coordination in a new single entity. The Issuer would expect there to be some relatively modest savings through 2009/10, but importantly it may have refined the Issuer's ability to convert promising content into attractive product swiftly and efficiently, which may contribute positively to margins over time.

The new business will target the use of managed accounts delivering enhanced control of liquidity, transparency and risk management. Incorporated will be strong checks and controls on manager due diligence, monitoring and portfolio performance.

### **Distribution of the Issuer's products**

The Issuer has a powerful distribution capability in both the private investor and institutional marketplaces.

A distribution network of around 2,000 global and regional distributors service mostly the high net worth private client market, marketing major structured product launches on a regular basis each year. The Issuer continues to develop relationships with long-term distribution partners, including offering private label products often with characteristics designed for a specific regional or investor profile. Its sales force has some 300 employees.

Institutional investors, such as pension funds, insurance companies or banking institutions, are typically accessed through direct relationships and are coordinated through dedicated relationship managers. There is a core institutional team that covers both Europe and North America. In addition, regional offices in Japan, Hong Kong, the Middle East and Australia have dedicated staff to service local institutional investors.

The Issuer has continued to invest in its distribution network and intermediary relationships. In November 2008 it opened a Dutch office to enhance its presence in the Netherlands and additional offices for specific markets in Europe and Asia are under active consideration.

The Issuer has widened its distribution relationships in Japan, alongside its existing strong alliances there. A considerable amount of planning, preparation and careful product analysis over the course of last year resulted in the launch of a publicly distributed managed futures product which raised almost U.S.\$1 billion of new investor money after 31 March 2009. The Issuer has also committed time and effort to relationships in longer term prospects, most notably in China.



## Description of the Issuer

---

### Regulation

The Issuer is subject to minimum capital requirements set by various regulators of its worldwide businesses. The Financial Services Authority (the FSA) supervises the Issuer on a consolidated basis and, every six months, the Issuer submits returns to the FSA on its capital adequacy. Various subsidiaries are directly regulated by the FSA or supervisors in other countries, which set and monitor their capital adequacy. As at 31 March 2009, the Issuer had excess regulatory capital of approximately U.S.\$1.7 billion.

### Memorandum of Association

The Memorandum of Association of the Issuer provides that the principal object of the Issuer is, *inter alia*, to carry on business as a holding company. The further objects for which the Issuer is established include the carrying on of business as a general commercial company. The objects of the Issuer are set out in full on page 4 of its Memorandum of Association.

### Directors and their Interests

The Directors of the Issuer are as follows:

<b>Director</b>	<b>Office</b>
Jon Aisbitt	Non-executive Chairman, Chairman of Nomination Committee
Peter Clarke	Group Chief Executive
Kevin Hayes	Finance Director and Company Secretary
Alison Carnwath	Senior independent non-executive director
Phillip Colebatch	Independent non-executive director, and Chairman of the Remuneration Committee
Dugald Eadie	Independent non-executive director, Chairman of the Audit and Risk Committee
Patrick O'Sullivan	Independent non-executive director

The business address of all the Directors is Sugar Quay, Lower Thames Street, London EC3R 6DU. None of the Directors has any conflicts of interest between their duties to the Issuer and their private interests and/or other interests, nor do they engage in any principal activities outside the Issuer, which may be significant with respect to the Issuer in the context of this Programme.

In addition, on 29 June 2009, the Issuer announced the appointment of Ruud Hendriks and Frédéric Jolly as independent non-executive directors, effective 1 August 2009.

### Audit and Risk Committee

The composition of the audit and risk committee is:

Dugald Eadie (Chairman)  
Alison Carnwath  
Phillip Colebatch  
Patrick O'Sullivan.

### Principal Offices

The Issuer has the following principal offices:

#### *United Kingdom*

Sugar Quay, Lower Thames Street, London EC3R 6DU

#### *Switzerland*

Etzelstrasse 27, CH-8808 Pfäffikon SZ,  
Huobstrasse 16 and 3, CH-8808 Pfäffikon SZ

## Description of the Issuer

---

### Major Shareholders

As at 21 May 2009 the following exercisable voting interests in the ordinary share capital of the Issuer, disclosable under the Disclosure and Transparency Rules of the Financial Services Authority, had been notified to the Issuer being that of AXA S.A. (9.03 per cent.), Legal & General Group Plc (6.28 per cent.), FMR LLC (4.99 per cent), Baillie Gifford & Co (4.98 per cent.) and BlackRock Inc. (4.95 per cent.).

### Share Capital

The authorised and issued and fully paid up share capital of the Issuer as at 30 April 2009 is set out in the table below:

	Authorised No. of Shares	Nominal Value	Issued and fully paid No. of Shares	Nominal Value
Ordinary Shares of 33/7 U.S. cents each . . . . .	2,362,500,000	U.S.\$81,000,000	1,708,059,673	U.S.\$58,562,045.93
Deferred Dollar Shares of 0.001 U.S. cent each . . . . .	1,961,000,000	U.S.\$19,610	1,961,000,000	U.S.\$19,610
Deferred Shares of £1 each . . . . .	50,000	£50,000	50,000	£50,000

There has been no material change in the share capital of the Issuer since 30 April 2009.

### Summary Consolidated Financial Information of the Issuer

The following tables set out in summary form the Issuer's consolidated income statement, balance sheet and cash flow statement for each of the years ended 31 March 2008 and 31 March 2009 and each of the six month periods ended 30 September 2007 and 30 September 2008. The information has been extracted from the Issuer's audited consolidated financial statements for the financial year ended 31 March 2009.

The financial statements of the Issuer were prepared in accordance with IFRS as adopted by the European Union. The annual audited consolidated financial statements and notes thereto have been audited by PricewaterhouseCoopers LLP, independent auditors. PricewaterhouseCoopers LLP is a firm of chartered accountants and registered auditors.

## Description of the Issuer

### Income Statement

	Year to 31 March 2009	Year to 31 March 2008	Half year to 30 Sept 2008	Half Year to 30 Sept 2007
	\$m	\$m	\$m	\$m
Revenue:				
Performance fees . . . . .	627	1,192	236	297
Management and other fees . . . . .	1,861	2,030	1,084	965
	<u>2,488</u>	<u>3,222</u>	<u>1,320</u>	<u>1,262</u>
Gains/(losses) on investments at fair value . . . . .	(260)	(51)	(63)	13
Sales commissions . . . . .	(411)	(391)	(204)	(187)
Accelerated amortisation of MGS sales commissions . . . . .	(107)	–	(107)	–
Total sales commissions . . . . .	(518)	(391)	(311)	(187)
Compensation . . . . .	(463)	(639)	(273)	(279)
Restructuring . . . . .	(37)	–	–	–
Total compensation costs . . . . .	(500)	(639)	(273)	(279)
Other costs . . . . .	(275)	(238)	(131)	(99)
Share of after tax profit of associates and joint ventures . . . . .	144	86	62	57
Gain on disposal of 50% of subsidiary . . . . .	48	–	48	–
Impairment of Ore Hill investments and goodwill . . . . .	(299)	–	(50)	–
Loss arising from residual interest in brokerage assets . . . . .	(105)	–	–	–
Finance income . . . . .	58	145	38	84
Finance expense . . . . .	(38)	(55)	(18)	(31)
Net finance income . . . . .	20	90	20	53
<b>Profit before tax from continuing operations</b> . . . . .	743	2,079	622	820
Taxation . . . . .	(240)	(362)	(115)	(148)
<b>Profit after tax from continuing operations</b> . . . . .	503	1,717	507	672
Discontinued operations – brokerage . . . . .	–	1,753	–	1,799
<b>Profit for the year</b> . . . . .	503	3,470	507	2,471
<b>Attributable to:</b>				
Equity holders of the Company . . . . .	503	3,471	507	2,473
Equity minority interests . . . . .	–	(1)	–	(2)
	<u>503</u>	<u>3,470</u>	<u>507</u>	<u>2,471</u>
<b>Earnings per share</b>				
<b>From continuing operations</b>				
Basic (cents) . . . . .	28.7	92.8	29.2	35.1
Diluted (cents) . . . . .	28.4	90.2	28.8	34.1
<b>From continuing and discontinued operations</b>				
Basic (cents) . . . . .	28.7	187.7	29.2	129.2
Diluted (cents) . . . . .	28.4	182.0	28.8	124.6
<b>Memo:</b>				
Dividends paid in the period . . . . .	\$718m	\$578m	\$423m	\$250m
Dividends paid in respect of capital securities . . . . .	\$25m	–	\$8m	–

## Description of the Issuer

### Balance Sheet

	At 31 March 2009 \$m	At 31 March 2008 \$m	At 30 Sept 2008 \$m	At 30 Sept 2007 \$m
<b>ASSETS</b>				
Cash and cash equivalents .....	2,361	1,876	1,678	4,255
Trade and other receivables .....	413	773	697	840
Investments in fund products .....	1,091	1,648	1,871	1,607
Other investments .....	184	322	147	772
Deferred tax .....	–	22	–	17
Investments in associates and joint ventures .....	317	267	563	269
Other intangible assets .....	366	463	386	465
Goodwill .....	774	813	798	810
Property, plant and equipment .....	64	52	61	48
<b>Total assets</b> .....	<u>5,570</u>	<u>6,236</u>	<u>6,201</u>	<u>9,083</u>
<b>LIABILITIES</b>				
Trade and other payables .....	462	746	501	583
Current tax liabilities .....	246	353	215	316
Borrowings .....	643	402	943	986
Pension obligations .....	13	24	21	25
Deferred tax .....	14	–	22	–
<b>Total liabilities</b> .....	<u>1,378</u>	<u>1,525</u>	<u>1,702</u>	<u>1,910</u>
<b>NET ASSETS</b> .....	<u>4,192</u>	<u>4,711</u>	<u>4,499</u>	<u>7,173</u>
<b>EQUITY</b>				
Capital and reserves attributable to shareholders .....	4,191	4,710	4,498	7,173
Equity minority interests .....	1	1	1	–
<b>Total equity</b> .....	<u>4,192</u>	<u>4,711</u>	<u>4,499</u>	<u>7,173</u>

## Description of the Issuer

### Cash Flow

	Year to 31 March 2009	Year to 31 March 2008	Six months to 30 Sept 2008	Six months to 30 Sept 2007
	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities – continuing operations</b>				
Cash generated from operations	1,968	2,725	394	1,168
Interest paid	(40)	(32)	(12)	(32)
Income tax paid	(312)	(324)	(219)	(142)
	<u>1,616</u>	<u>2,369</u>	<u>163</u>	<u>994</u>
<b>Cash flows from operating activities – discontinued operations</b>	–	(522)	–	(522)
<b>Cash flows from operating activities – total Group</b>	<u>1,616</u>	<u>1,847</u>	<u>163</u>	<u>472</u>
<b>Cash flows from investing activities – continuing operations</b>				
Acquisition of subsidiaries and joint ventures, net of cash acquired	(245)	(18)	(250)	(15)
Purchase of property, plant and equipment	(38)	(21)	(18)	(10)
Purchase of intangible assets	(250)	(243)	(135)	(133)
Purchase of other investments	(172)	(221)	(19)	(17)
Purchase of additional interests in joint ventures and associates	(17)	–	(7)	–
Proceeds from sale of other investments	41	25	34	10
Proceeds less costs from sale of Brokerage	–	2,734	–	2,698
Cash disposed on the IPO of Brokerage	–	(1,373)	–	(1,373)
Net proceeds from sale of Brokerage, net of cash disposed	–	1,361	–	1,325
Interest received	60	146	35	62
Dividends received from associates and other investments	141	78	20	48
Proceeds from sale of associate	25	–	–	–
	<u>(455)</u>	<u>1,107</u>	<u>(340)</u>	<u>1,270</u>
<b>Cash flows from investing activities – discontinued operations</b>	–	44	–	44
<b>Cash flows from investing activities – total Group</b>	<u>(455)</u>	<u>1,151</u>	<u>(340)</u>	<u>1,314</u>
<b>Cash flows from financing activities – continuing operations</b>				
Proceeds from issue of ordinary shares	53	75	52	72
Proceeds from issue of capital securities, net of issue costs	293	–	293	–
Purchase of treasury shares	(280)	(520)	(268)	(520)
Purchase of own shares by ESOP trust	(218)	(145)	(222)	(124)
Disposal of own shares by ESOP trust	47	48	73	40
Proceeds from borrowings net of issue costs	242	–	550	500
Repayment of borrowings	–	(758)	–	(760)
Return of net proceeds from sale of Brokerage	(67)	(2,667)	(67)	–
Dividends paid to Company shareholders	(718)	(578)	(423)	(250)
Dividend payments in respect of capital securities	(25)	–	(8)	–
Dividends paid to minority interests	(1)	–	–	–
	<u>(674)</u>	<u>(4,545)</u>	<u>(20)</u>	<u>(1,042)</u>
<b>Cash flows from financing activities – total Group</b>	<u>(674)</u>	<u>(4,545)</u>	<u>(20)</u>	<u>(1,042)</u>
<b>Net increase/(decrease) in cash and bank overdrafts</b>	487	(1,547)	(197)	744
Cash and bank overdrafts at the beginning of the year	1,873	3,420	1,873	3,420
<b>Cash and bank overdrafts at the end of the year – total Group</b>	<u>2,360</u>	<u>1,873</u>	<u>1,676</u>	<u>4,164</u>

---

# Taxation

## **UK Taxation**

The following applies only to persons who are absolute beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom at the date hereof relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

## **Interest on the Notes**

Notes which carry a right to interest will constitute "quoted Eurobonds" within the meaning of Section 987 of the Income Tax Act 2007 (the Act) as long as they are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. In the case of Notes to be traded on the London Stock Exchange, which is a recognised stock exchange, the Notes will be treated as "listed" on a recognised stock exchange if the Notes are admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange. Notes to be traded on a recognised stock exchange outside the United Kingdom will be treated as "listed" on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area States, in a country outside the United Kingdom in which there is a recognised stock exchange. Whilst the Notes are and continue to be quoted Eurobonds payments of interest on the Notes may be made without deduction or withholding for or on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days from the date of issue and the Notes are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

In cases falling outside of the exemptions described above, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double tax treaty or to any other exemption which may apply.

## **Other Rules Relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined below.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above and reporting requirements as outlined below.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.



4. The references to “interest” in this section “UK Taxation” mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

### Provision of Information

Noteholders should note that, in certain circumstances, H.M. Revenue & Customs (HMRC) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to a Noteholder (or to any person acting on their behalf) or receives interest for the benefit of a Noteholder. HMRC may also, in certain circumstances, obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to, or receives such amounts for the benefit of, another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2010. Such information may include the name and address of the beneficial owner of the amount payable on redemption. These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom tax purposes. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

### EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria may instead apply a withholding system in relation to such payments deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission’s advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

---

## Subscription and Sale

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 21 December 2007, agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe for Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **United States**

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

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

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

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

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

### **Public Offer Selling Restriction under the Prospectus Directive**

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

- (a) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

## Subscription and Sale

---

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **Selling Restrictions addressing additional United Kingdom Securities Laws**

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

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

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the FIEL) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

### **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it subscribes for, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the subscription for, or offer, sale or delivery by it of, Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such subscriptions, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

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

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

---

## General Information

### Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 6 November 2007 and a resolution of a Committee of the Board of Directors dated 20 December 2007.

### Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market. The listing of the Programme in respect of Notes is expected to be granted on or before 20 July 2009.

### Documents Available

Copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in London:

- (a) The memorandum and articles of association of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 March 2008 and 31 March 2009;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith;
- (d) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Offering Circular;
- (f) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the London Stock Exchange's Regulated Market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### Clearing Systems

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

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1 855 Luxembourg.

## General Information

---

### Conditions for determining price

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

### Significant or Material Change

There has been no significant change in the financial or trading position of the Group since 31 March 2009 and there has been no material adverse change in the financial position or prospects of the Group since 31 March 2009.

### Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

### Auditors

The auditors of the Issuer are PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors of Hays Galleria, 1 Hays Lane, London SE1 2RD, who have audited the Issuer's accounts, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for each of the two financial years ended on 31 March 2009. The auditors of the Issuer have no material interest in the Issuer.

### Continuing Role of Original Trustee

Pursuant to the First Supplemental Trust Deed dated 16 July 2009 (the **Effective Date**), the Issuer has agreed with HSBC Trustee (C.I.) Limited (the **Original Trustee**) and HSBC Corporate Trustee Company (UK) Limited (the **New Trustee**) that the New Trustee will (and the Original Trustee will not) act as trustee under the Trust Deed (as defined under "*Terms and Conditions of the Notes*") with regard to any Notes issued under the Programme on or after the Effective Date, except as described in the following sentence. For the avoidance of doubt, the Original Trustee (having its registered office, at the date of this Offering Circular, at 1 Grenville Street, St. Helier, Jersey JE4 9PF) will continue to act as trustee with regard to any Series of Notes issued under the Programme before the Effective Date and any Notes issued on or after the Effective Date so as to be consolidated and form a single Series with any Series of Notes issued before the Effective Date. All references in this Offering Circular, the Trust Deed and the Agency Agreement (as defined under "*Terms and Conditions of the Notes*") to the "Trustee" should be read accordingly.

### Post-issuance information

Unless specified in the applicable Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Note.

### Dealers transacting with the Issuer

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

---

**ISSUER**

Man Group plc  
Sugar Quay  
Lower Thames Street  
London EC3R 6DU

**TRUSTEE**

HSBC Corporate Trustee Company (UK) Limited  
8 Canada Square  
London E14 5HQ

**PRINCIPAL PAYING AGENT**

HSBC Bank plc  
8 Canada Square  
London EC14 5HQ

**PAYING AGENT**

Dexia Banque Internationale à Luxembourg  
69 route d'Esch  
L-2953 Luxembourg

**LEGAL ADVISERS**

*To the Dealers and the Trustee*  
**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

*To the Issuer*  
**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ

**AUDITORS**

PricewaterhouseCoopers LLP  
Hays Galleria  
1 Hays Lane  
London SE1 2RD

**DEALERS**

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA

**Merrill Lynch International**  
Merrill Lynch Financial Centre  
2 King Edward Street  
London EC1A 1HQ

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR

**UBS Limited**  
1 Finsbury Avenue  
EC2M 2PP





