

## TERMS AND CONDITIONS OF THE BONDS

The issue of the £300,000,000 5.75 per cent. Bonds due 2021 (the “**Bonds**”) was authorised by a resolution of the Board of Directors of PGH Capital Public Limited Company (formerly PGH Capital Limited) (“**PGHC**”) passed on 17 June 2014. The substitution of PGHC as issuer with Phoenix Group Holdings (“**PGH**”) with effect from 20 March 2017 was (save in respect of any further bonds issued pursuant to Condition 20 and forming a single series with the Bonds) authorised by a resolution of the Board of Directors of PGH passed on 11 May 2016. The substitution as issuer of PGH with Phoenix Group Holdings plc with effect from 18 June 2019 (the “**Substitution Date**”) was (save in respect of any further bonds issued pursuant to Condition 20 and forming a single series with the Bonds) authorised by a resolution of the Board of Directors of Phoenix Group Holdings plc ((or any substitute therefor from time to time pursuant to the terms of Condition 15), the “**Issuer**”) passed on 7 February 2019.

A paying agency agreement dated 7 July 2014, as supplemented by the amended and restated agency agreements dated 20 March 2017 and 18 June 2019 (together, the “**Paying Agency Agreement**”), has been entered into in relation to the Bonds between PGH, the Issuer, Citibank, N.A., London Branch as principal paying agent and the other agents named in it. The Bonds have the benefit of a Trust Deed dated 7 July 2014, as amended and restated by the amended and restated trust deeds dated 20 March 2017 and 18 June 2019 (together, the “**Trust Deed**”) between PGH, the Issuer and Citibank, N.A., London Branch (the “**Trustee**”) relating to the Bonds. The principal paying agent, the registrar and any transfer agent for the time being are referred to below respectively as the “**Principal Paying Agent**”, the “**Registrar**” and the “**Transfer Agents**”. The phrase “**Paying Agents**” means the Principal Paying Agent and the paying agents named in the Paying Agency Agreement, which expression includes any other paying agent or paying agents appointed from time to time with respect to the Bonds. “**Agents**” means the Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Bonds. Certain provisions of these Conditions are summaries of the Trust Deed and are subject to its detailed provisions. The Trust Deed includes the form of the Bonds. Copies of the Paying Agency Agreement and the Trust Deed are available for inspection during normal business hours at the specified offices (as defined in the Trust Deed) of each of the Paying Agents, the Registrar and any Transfer Agents. The holders of the Bonds (the “**Bondholders**”) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed applicable to them.

All capitalised terms that are not defined in these terms and conditions (the “**Conditions**”) will have the meanings given to them in the Trust Deed, the absence of any such meaning indicating that such term is not applicable to the Bonds. References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs of these terms and conditions.

### 1 Form, Specified Denomination and Title

The Bonds are issued in registered form, serially numbered and in the denomination of £100,000 and integral multiples of £1,000 in excess thereof (the “**Authorised Denomination**”).

The Bonds are represented by registered certificates (“**Bond Certificates**”) and, save as provided in Condition 3.1 (*Transfer*), each Bond Certificate shall represent the entire holding of Bonds by the same holder. Each Bond Certificate will be serially numbered with an identifying number which will be recorded on the relevant Bond Certificate and in the Register (as defined below).

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar at its Specified Office in accordance with the provisions of the Paying Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as

defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Bond Certificate representing it or the theft or loss of such Bond Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” and “**holder**” means the person in whose name a Bond is registered in the Register (or, in the case of joint holders, the first name thereof).

## 2 Definitions and Interpretation

### 2.1 Definitions

In these Conditions the following terms have the meaning given to them in this Condition 2:

“**Acquired Debt**” means, with respect to any specified Person, Indebtedness of any other Person existing at the time such other Person is merged, consolidated, amalgamated or otherwise combined with or into or is acquired by or otherwise becomes a Subsidiary of such specified Person, provided that such Indebtedness is not incurred for the purpose of or to facilitate such other Person merging, consolidating, amalgamating or otherwise combining with or into, or being acquired by or otherwise becoming a Subsidiary of, such specified Person;

“**Asset Management Subsidiary**” means any member of the Group from time to time which has, for the time being, a permission under Part IV of FSMA to carry out activities under Chapters V, VI, VII, VIII or XII of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and which is not an Insurance Subsidiary (or where such member of the Group conducts or is intending to conduct business outside the UK, a substantially similar permission, to the extent applicable to such business in the relevant jurisdiction) in respect of (without limitation) investment management, asset management and/or investment advice;

“**Asset Management Subsidiary Asset**” means any asset held or managed by an Asset Management Subsidiary on behalf of any member of the Group or for the benefit of a third party which is not a member of the Group;

“**Business Day**” means a day, other than a Saturday or Sunday, on which banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in both London and, in respect of Condition 3.3 (*Delivery of New Bond Certificates*), the place of the Specified Office of the relevant Transfer Agent or the Registrar (as the case may be);

“**Existing Security Interests**” means any Security Interest existing as at the Issue Date;

“**FSMA**” means the UK Financial Services and Markets Act 2000;

“**general insurance fund**” means, in relation to an Insurance Subsidiary that carries on general insurance business (as defined in the PRA Handbook), the assets held in respect of liabilities of that Insurance Subsidiary’s general insurance business;

“**Group**” means the Issuer and its consolidated subsidiaries taken as a whole;

“**IFRS**” means International Financial Reporting Standards as set-out in the Group’s most recent published financial statements;

“**Indebtedness**” means any indebtedness, in respect of any person for, or in respect of, moneys borrowed or raised including, without limitation and in each case without double counting, (i) any amount raised under any acceptance credit facility, (ii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, (iii) any

amount raised under any other transaction (including any forward sale or purchase agreement and the principal component of all obligations, or liquidation preference, of such Person with respect to any preferred stock or redeemable stock (but excluding, in each case, any accrued dividends)) having the economic effect of a borrowing and treated as such under IFRS, (iv) any finance leases, (v) deferred purchase price or conditional sale obligations, (vi) hedging obligations entered into for speculative purposes (but for the avoidance of doubt, excluding hedging obligations entered into other than for speculative purposes), (vii) guarantees by such Person of the principal component of Indebtedness of other Persons to the extent guaranteed by such Person and (viii) the amount of any liability in respect of any guarantee, security or indemnity for any of the items referred to above, including of other Persons;

“**INSPRU**” means the Prudential Sourcebook for Insurers forming part of the handbook of rules and guidance published by the PRA of the United Kingdom;

“**Insurance Subsidiary**” means any member of the Group from time to time which has, for the time being, a permission under Part IV of FSMA (or where such member of the Group conducts or is intending to conduct business outside the UK, a substantially similar permission, to the extent applicable to such business in the relevant jurisdiction) to effect and/or carry out contracts of insurance or in respect of reinsurance, but excluding, for the avoidance of doubt, Investment Vehicles and Share Scheme Vehicles;

“**Investment Vehicle**” means any entity (whether or not such entity is a body corporate), including compartments thereof, from time to time, in each case provided Investors (as defined below) do not have operational control over the investment activities in respect thereof (save as customarily contained in investment management agreements, mandates or similar arrangements):

- (a) the primary purpose of which is to make investments on behalf of or to raise capital from members of the Group (together, excluding any Asset Management Subsidiary, the “**Investors**”) and/or third party investors to invest in accordance with a defined investment policy (as may be amended from time to time); or
- (b) in which funds from Investors are used to participate in joint ventures; or
- (c) in which funds are invested by any entity described in (a) or (b) above; or
- (d) the primary purpose of which is to act as a general partner, managing limited partner, management company (or other entity with similar purpose) in respect of any entity referred to in paragraphs (a) (b) or (c) above;

“**Issue Date**” means 7 July 2014;

“**Issuer**” means Phoenix Group Holdings plc, a public limited company incorporated in the United Kingdom, whose registered number is 11606773 and whose registered office is at Juxon House, 100 St. Paul’s Churchyard, London EC4M 8BU, United Kingdom (or any substitute therefor from time to time pursuant to the terms of Condition 15 (*Substitution*));

“**Material Subsidiary**” means:

- (a) Phoenix Life Limited, Phoenix Life Assurance Limited, Pearl Group Management Services Limited and Pearl Group Services Limited; and
- (b) at any time a direct or indirect Subsidiary of the Issuer which has total income representing 5 per cent. or more of the consolidated total net income of the Group or total assets representing 5 per cent. or more of the consolidated total net assets of the Group, in each case calculated on a

consolidated basis in accordance with the then most recent audited consolidated financial statements of the Issuer,

unless in each case such Person has transferred all or substantially all of its assets to another Person pursuant to an insurance business transfer scheme made under Part VII of FSMA. If a Person becomes a member of the Group after the end of the financial period to which the most recent published consolidated financial statements of the Group relate, those financial statements shall be adjusted as if that Person had been shown in them by reference to its then latest audited financial statements and until published consolidated financial statements of the Group for the financial period in which the acquisition is made have been published. For the purpose of this definition, a certificate of two directors of the Issuer (whether or not addressed to the Trustee) 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 Material Subsidiary may be relied upon by the Trustee without liability to any person and 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;

**“non-profit fund”** means a long-term insurance fund (as defined in the PRA Handbook) which is not a with-profits fund;

**“Non-recourse Borrowings”** means:

any Indebtedness for moneys borrowed to finance the ownership, acquisition, development and/or operation of an asset (including in respect of value in force, embedded value or analogous financings) in respect of which the person or persons to whom any such indebtedness for moneys borrowed is or may be owed by the relevant borrower has or have no recourse whatsoever to the Issuer or any Material Subsidiary of the Issuer for the repayment thereof other than:

- (a) recourse to such borrower for amounts limited to the cash flow or net cash flow from such asset; and/or
- (b) recourse to such borrower for the purpose only of enabling amounts to be claimed in respect of such indebtedness for borrowed money in an enforcement of any encumbrance given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure indebtedness for moneys borrowed, provided that (i) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on such enforcement, and (ii) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness for moneys borrowed, to commence proceedings for the winding-up or dissolution of the borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the borrower or any of its assets (save for the assets the subject of such encumbrance); and/or
- (c) recourse to such borrower generally, or directly or indirectly to the Issuer or any of its Material Subsidiaries, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof) by the person against whom such recourse is available;

**“ordinary course of business”** includes, without limitation:

- (a) in respect of an Insurance Subsidiary:
  - (i) inwards or outwards insurance or reinsurance business carried out by such Insurance Subsidiary;
  - (ii) inwards or outwards transfers of insurance policies undertaken by such Insurance Subsidiary under Part VII of FSMA or any successor legislation thereto;
  - (iii) stock lending transactions undertaken by or on behalf of such Insurance Subsidiary;
  - (iv) investment business undertaken by or on behalf of such Insurance Subsidiary; and
  - (v) any other activities carried out in accordance with INSPRU 1.5.13;
- (b) in respect of an Asset Management Subsidiary, carrying out asset management activities, investment management activities and/or providing investment advice, and ancillary activities related thereto;
- (c) in respect of members of the Group which are not an Asset Management Subsidiary or an Insurance Subsidiary, carrying out financial investment activities, treasury activities (such as buying and selling securities and other investments, non-speculative hedging activity and related credit support activities, but for the avoidance of doubt excluding the issuance of Indebtedness) and/or service company activities;

**“Permitted Security Interest”** means any Security Interest (as defined herein):

- (a) arising by operation of law;
- (b) arising in connection with Non-recourse Borrowings;
- (c) arising in connection with Indebtedness issued, incurred or subsisting between members of the Group;
- (d) arising in respect of deferred payment terms which are paid within six months;
- (e) arising in the ordinary course of business of or on behalf of an Insurance Subsidiary or an Asset Management Subsidiary or by or on behalf of, or in respect of any Policyholder Asset or any Asset Management Subsidiary Asset;
- (f) arising in connection with any pension scheme relating to employees or other staff of any member of the Group;
- (g) under any retention of title arrangements and rights of set-off arising in the ordinary course of the business of the relevant member of the Group with suppliers of goods to any member of the Group;
- (h) under any netting or set-off arrangement or credit support arrangements entered into under any hedging or derivative transaction and not for speculative purposes;
- (i) under any netting or set-off arrangement entered into by a member of the Group in the ordinary course of the Group’s banking arrangements;

- (j) over or affecting any asset acquired by a member of the Group which is incurred under arrangements in existence at the date of acquisition, but only for a period of six months from the completion of the acquisition and provided that:
  - (i) such security was not incurred or created in contemplation of the acquisition of that asset; and
  - (ii) the principal amount secured by such security has not been increased in contemplation of, or since the date of, the acquisition of that asset;
- (k) securing Acquired Debt, provided such Security Interest(s) over such Acquired Debt is released within six months of being acquired; or
- (l) securing Indebtedness the principal amount of which (when aggregated with the principal amount of any other Indebtedness which has the benefit of such Security Interests given by any member of the Group other than any permitted under paragraphs (a) to (k) above) does not at any time exceed £20,000,000 (or its equivalent in another currency or currencies);

“**Person**” means any individual, corporation, company, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or other entity;

“**Policyholder Asset**” means any asset held by or on behalf of any Insurance Subsidiary in respect of a with-profits fund, a non-profit fund or a general insurance fund;

“**PRA**” means the Prudential Regulation Authority, as referred to in section 2A of FSMA or any successor thereof;

“**PRA Handbook**” means the rules made by the PRA under FSMA and any associated materials adopted by the PRA, each as amended from time to time;

“**Relevant Jurisdiction**” means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Bonds;

“**Share Scheme Vehicles**” means any entity established for the purpose of, or which becomes primarily involved in, share incentive schemes (as structured from time to time) relating to employees or other staff of any member of the Group;

“**Signing Date**” means 3 July 2014;

“**Subsidiary**” means any corporation, association, partnership, joint venture, limited liability company or other business entity of which more than 50 per cent. of the total voting power of shares or other interests (including partnership and joint venture interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary refers to a Subsidiary of the Issuer and, for the purposes of these Conditions, Share Scheme Vehicles and Investment Vehicles shall not at any time constitute Subsidiaries of the Issuer; and

“**with-profits fund**” means, in relation to an Insurance Subsidiary that carries on with-profits insurance business (as defined in the PRA Handbook), the assets held to cover that Insurance

Subsidiary's liabilities in respect of its with-profits insurance business and any surplus assets attributable to that business.

## **2.2 Interpretation**

References in these Conditions to any item included in the most recent published financial statements of the Group or most recent management accounts of the Group shall be deemed to refer to any item that might replace such item referred to in these Conditions from time to time, adjusted as necessary. Any reference in these Conditions to any legislation or regulation shall be to such legislation or regulation as amended, supplemented or replaced from time to time.

## **3 Transfers of Bonds**

### **3.1 *Transfer***

One or more Bonds may, subject to the terms of the Paying Agency Agreement and to Conditions 3.4 (*Transfer or Exercise Free of Charge*), 3.5 (*Closed Periods*) and 3.6 (*Authorised Holdings*), be transferred in whole or in part upon the surrender (at the Specified Office of the Registrar or any Transfer Agent) of the Bond Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Bond Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Bonds represented by one Bond Certificate, a new Bond Certificate shall be issued to the transferee in respect of the part transferred and a further new Bond Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a Person who is already a holder of Bonds, a new Bond Certificate representing the enlarged holding shall only be issued against surrender of the Bond Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Paying Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Principal Paying Agent. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request. A Bond may be registered only in the name of, and transferred only to, a named Person or Persons. No transfer of a Bond will be valid unless and until entered on the Register.

### **3.2 *Exercise of Put Option in respect of Bonds***

*This Condition is intentionally left blank.*

### **3.3 *Delivery of New Bond Certificates***

Each new Bond Certificate to be issued pursuant to Condition 3.1 (*Transfer*) shall be available for delivery within three Business Days of receipt of a duly completed form of transfer and surrender of the existing Bond Certificate(s). Delivery of the new Bond Certificate(s) shall be made at the Specified Office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Bond Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk and at the expense of the holder entitled to the new Bond Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify.

### **3.4 *Transfer or Exercise Free of Charge***

Bond Certificates on transfer shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but subject to (i) the payment of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require), (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application, and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

### **3.5 *Closed Periods***

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on the due date for redemption of that Bond, (ii) during the period of 15 days prior to any date on which Bonds may be called for redemption by the Issuer at its option pursuant to Condition 8.2 (*Issuer tax call*), or (iii) during the period of seven days ending on (and including) any Record Date (as defined herein).

### **3.6 *Authorised Holdings***

No Bond may be transferred or redeemed unless each of (i) the principal amount of Bonds transferred or redeemed and (ii) (where not all of the Bonds held by a holder are being transferred or redeemed) the principal amount of the balance of the Bonds not transferred or redeemed is at least £100,000.

## **4 Status of the Bonds**

The Bonds constitute (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 6 (*Negative Pledge*), at all times rank at least *pari passu* with all its other present and future unsecured and unsubordinated obligations.

## **5 Guarantee**

*This Condition is intentionally left blank.*

## **6 Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not directly or indirectly create or have outstanding any mortgage, charge, lien, pledge, encumbrance or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (each a “**Security Interest**”), other than a Permitted Security Interest, upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) (other than assets representing some or all of the fund or funds maintained by the Issuer in respect any contract of insurance (as defined in the FSMA 2000 (Regulated Activities) Order 2001) or to manage, make or realise investments in the ordinary course of business) to secure any Relevant Indebtedness or any guarantee or indemnity by the Issuer in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the obligations of the Issuer under the Bonds and the Trust Deed (i) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee or (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided in respect of such obligations either (A) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

## 7 Interest

The Bonds bear interest from the Issue Date at the rate of 5.75 per cent. per annum, (the “**Rate of Interest**”) payable annually in arrear in equal instalments of £57.50 per Calculation Amount on 7 July in each year commencing 7 July 2015 (each, an “**Interest Payment Date**”), subject as provided in Condition 9 (*Payments*).

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the relevant Bond Certificate representing such Bond thereof, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after the Principal Paying Agent has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment) in accordance with Condition 21 (*Notices*).

Where interest is to be calculated in respect of a period which is shorter than a Regular Period, the interest payable in respect of each Bond shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the actual number of days in the Calculation Period, divided by the product of (1) the actual number of days in the Regular Period during which it falls and (2) the number of such Regular Periods in any year and rounding the resulting figure to the nearest penny (half a penny being rounded upwards) and multiplying such rounded figure by a fraction equal to the principal amount of such Bond divided by the Calculation Amount.

Where interest is to be calculated in respect of a period which is longer than one Regular Period, the interest payable in respect of each Bond shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the sum of: (x) the actual number of days in the Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of such Regular Periods in any year; and (y) the number of days in the Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of such Regular Periods in any year and rounding the resulting figure to the nearest penny (half a penny being rounded upwards) and multiplying such rounded figure by a fraction equal to the principal amount of such Bond divided by the Calculation Amount.

For the purposes of this Condition 7:

“**Calculation Amount**” means £1,000;

“**Calculation Period**” any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Regular Period); and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

## 8 Redemption and Purchase

### 8.1 *Final Redemption*

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 7 July 2021. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 8 and as provided in Condition 9 (*Payments*).

## **8.2 Issuer tax call**

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective on or after the Signing Date on the next Interest Payment Date, the Issuer will be required to pay additional amounts as provided or referred to in Condition 10 (*Taxation*); and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Trustee and the Bondholders in accordance with Condition 21 (*Notices*) (which notice shall state that the provisions of this Condition 8.2 are satisfied and shall be irrevocable), redeem all the Bonds, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, 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 Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept, without further enquiry and without liability to any person, the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

## **8.3 Rating Change of Control Put Option**

*This Condition is intentionally left blank.*

## **8.4 Purchase**

The Issuer and each of its Subsidiaries from time to time may at any time purchase or procure others to purchase for its own account Bonds in the open market or otherwise at any price. The Bonds so purchased may be held or resold (provided that such resale is outside the United States and is otherwise in compliance with all applicable laws) or surrendered for cancellation at the option of the Issuer or otherwise as the case may be in compliance with Condition 8.5 below (*Cancellation*). The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 16.1 (*Meetings of Bondholders*).

## **8.5 Cancellation**

All Bond Certificates representing Bonds purchased by or on behalf of the Issuer which are surrendered for cancellation to the Registrar shall be cancelled forthwith upon surrender thereof. Any Bond Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

# **9 Payments**

## **9.1 Principal**

Payments of principal shall be made by a cheque in pounds sterling drawn on, or, upon application by a Bondholder to the Specified Office of the Principal Paying Agent not later than the fifteenth day

before the due date for any such payment, by transfer to a pounds sterling account (or other account to which pounds sterling may be credited or transferred) maintained by the payee with, a bank in London and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Bond Certificates at the Specified Office of any Paying Agent.

## **9.2 Interest**

Payments of interest shall be made by a cheque in pounds sterling drawn on, or upon application by a Bondholder to the Specified Office of the Principal Agent not later than the Record Date, by transfer to a pounds sterling account (or other account to which pounds sterling may be credited or transferred) maintained by the payee with, a bank in London and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Bond Certificates at the Specified Office of any Paying Agent.

## **9.3 Payments subject to fiscal laws**

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

## **9.4 Payments on business days**

Where payment is to be made by transfer to a pounds sterling account (or other account to which pounds sterling may be credited or transferred), payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment (or, if the due date is not a business day, the next succeeding business day) and the day on which the relevant Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment (or, if the due date is not a business day, the next succeeding business day). A Bondholder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 9 arriving after the due date for payment or being lost in the mail. In this Condition 9.4, “**business day**” means:

- (a) in the case of payment by transfer to a pounds sterling account (or other account to which pounds sterling may be credited or transferred) as referred to above, any day on which banks are open for general business (including dealings in foreign exchange and foreign currencies) in London; and
- (b) in the case of surrender (or, in the case of part payment only, endorsement) of a Bond Certificate, any day on which banks are open for general business (including dealings in foreign exchange and foreign currencies) in the place in which the Bond Certificate is surrendered (or, as the case may be, endorsed).

## **9.5 Partial payments**

If a Paying Agent makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon

presentation of a Bond Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Bond Certificate.

#### **9.6 Record date**

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the opening of business in the place of the Specified Office of the Registrar on the fifteenth day before the due date for such payment (the “**Record Date**”). Where payment in respect of a Bond is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

### **10 Taxation**

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) **Other connection:** held by a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Bond; or
- (b) **Surrender more than 30 days after the Relevant Date:** where presentation is required, presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Bond Certificate representing such Bond for payment on the last day of such period of 30 days; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be 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
- (d) **Payment by another Paying Agent:** where (in the case of a payment of principal or interest on redemption) the relevant Bond Certificate is surrendered for payment by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by surrendering the relevant Bond Certificate to another Paying Agent in an EU member state.

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Bond Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

### **11 Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified, prefunded and/or provided with security to its satisfaction) (but, in the case of the occurrence of any of the events described in subparagraphs (g) to (h) 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 Bondholders), give notice to the Issuer that the Bonds are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, if any of the following events shall occur and be continuing (“**Events of Default**”):

- (a) **Non-Payment:** default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or
- (b) **Breach of Other Obligation:** the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) **Cross-Default:** (i) any Indebtedness, other than Indebtedness issued, incurred or subsisting between members of the Group, of the Issuer or any Material Subsidiary becomes due and payable and is accelerated prior to the stated maturity thereof by reason of any actual or potential event of default or the like (however described); (ii) the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness, other than Indebtedness issued, incurred or subsisting between members of the Group, on the due date for payment as extended by any originally applicable grace period; (iii) any mortgage, charge, pledge, lien or other encumbrance created or assumed by the Issuer or any Material Subsidiary for any Indebtedness, other than Indebtedness issued, incurred or subsisting between members of the Group, becomes enforceable and any step is taken to enforce the same; unless the aggregate amount of Indebtedness from time to time outstanding relating to all or any of the above events is less than £50,000,000 (or the equivalent in any other currency); or
- (d) **Winding-Up:** any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any Material Subsidiary, save (i) for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution or (ii) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; or
- (e) **Cessation of business:** the Issuer or the Group ceases or threatens to cease to carry on all or, in the opinion of the Trustee, substantially all of its business, save for the purposes of an amalgamation, merger, consolidation, transfer, reorganisation or restructuring whilst solvent (on terms approved in writing by the Trustee or by an Extraordinary Resolution); or
- (f) **Insolvency:** (i) the Issuer or any Material Subsidiary stops or is unable to pay its debts (or any class of its debts) as they fall due, or suspends or threatens to stop payment of its debts, or (ii) proceedings are initiated against the Issuer or any Material Subsidiary 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, examiner, administrator or other similar official, or an administrative or other receiver, manager, examiner, administrator or other similar official is appointed, in relation to the Issuer, or any Material Subsidiary, as the case may be, in relation to all or, in the opinion of the Trustee, substantially all of the undertakings or assets of any of them or an encumbrancer takes possession of all or, in the opinion of the Trustee, substantially all 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 all or, in the opinion of the Trustee, substantially all of the undertaking or assets of any of them, and (iii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, is not discharged within 30

days, save in each case for the purposes of or pursuant to an amalgamation, reorganisation or restructuring of the Issuer or any Material Subsidiary, as the case may be, whilst solvent; or

- (g) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (h) **Analogous Events:** any event occurs which, under the laws of any relevant jurisdiction, has or may have an analogous effect to any of the events referred to in subparagraphs (d) and (f) above.

## 12 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 13 Replacement of Bond Certificates

If any Bond Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, stock exchange regulations or other relevant regulatory authority regulations, at the Specified Office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Bond Certificates must be surrendered before replacements will be issued.

## 14 Paying Agents

In acting under the Paying Agency Agreement and in connection with the Bonds, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Agent and to appoint a successor registrar, principal paying agent and additional or successor paying agents and transfer agents; provided, however, that the Issuer shall at all times maintain a principal paying agent and a registrar, a paying agent in an EU member state that will not be obliged to withhold or deduct tax 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 and such other agents as may be required by any stock exchange on which the Bonds may be listed, in each case, as approved by the Trustee.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Bondholders in accordance with Condition 21 (*Notices*).

## **15 Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of certain other entities in place of the Issuer, or any previous substituted company, as principal debtor under the Trust Deed and the Bonds. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change or the substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

## **16 Meetings of Bondholders and Modification**

### **16.1 Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer, the Trustee (subject to its being indemnified and/or secured and/or pre-funded to its satisfaction) or Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or any interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

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

### **16.2 Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or the Conditions or determine that an Event of Default or Potential Event of Default will not be treated as such, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 16, provided that in the opinion of the Trustee the interests of the Bondholders will not be materially prejudiced thereby. Any

such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable.

## **17 Enforcement**

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Bonds, but it need not take any such steps, actions or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-fifth in principal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **18 Non-petition**

*The Condition is intentionally left blank.*

## **19 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

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

## **20 Further Issues**

The Issuer may from time to time without the consent of the Bondholders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds). References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

## **21 Notices**

Notices to the Bondholders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of

mailing. Notices to Bondholders will be valid if published, for so long as the Bonds are admitted to trading on the London Stock Exchange plc and the rules of such exchange so require, via a regulatory news service. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

## **22 Contracts (Rights of Third Parties) Act 1999**

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

## **23 Governing Law and Jurisdiction**

### **23.1 *Governing Law***

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

### **23.2 *Jurisdiction***

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with any Bonds (“**Proceedings**”) may be brought in such courts. The Issuer has irrevocably submitted to the jurisdiction of such courts.