



## **SIRIUS MINERALS FINANCE NO.2 LIMITED**

*(a limited company registered in Jersey with registered number 128898)*

### **U.S.\$506,600,000 5 per cent. Guaranteed Convertible Bonds due 2027**

**(to be issued in two separate tranches with the issue of U.S.\$106,600,000 5 per cent. Guaranteed Convertible Bonds due 2027 (the Non-Escrow Bonds) to be consolidated and form a single series with the issue of U.S.\$400,000,000 5 per cent. Guaranteed Convertible Bonds due 2027 (the Escrow Bonds) as further described herein)**

**guaranteed by and convertible into ordinary shares of**

### **SIRIUS MINERALS PLC**

*(incorporated under the Companies Acts 1985 to 2006 and registered in England and Wales with registered number 4948435)*

**Issue price: 100 per cent.**

The U.S.\$506,600,000 5 per cent. Convertible Bonds due 2027 (the **Bonds**) of Sirius Minerals Finance No.2 Limited (the **Issuer**) will be unconditionally and irrevocably guaranteed by Sirius Minerals Plc (the **Guarantor** or the **Company** and, together with its subsidiaries as the context requires, the **Group**). The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts at any time becoming due and payable in respect of the Bonds and the due and punctual performance by the Issuer of all of the Issuer's other obligations in respect of the Bonds (the **Guarantee**). The Bonds will be convertible into redeemable preference shares (the **Preference Shares**) of the Issuer, which will be automatically exchanged into fully paid ordinary shares (the **Ordinary Shares**) of the Guarantor.

The Non-Escrow Bonds and the Escrow Bonds will, save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, be consolidated to form a single series on the date (the **Consolidation Date**) falling no later than five London business days after the earlier of (i) 23 January 2020 and (ii) the date falling 20 London business days after the occurrence of a Stage 2 Debt Event (as defined below).

The Issuer may, at its option, redeem all, but not some only, of the Bonds at the Accreted Principal Amount (as defined in the "*Terms and Conditions of the Non-Escrow Convertible Bonds*") plus accrued interest (i) if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending not more than seven days prior to the giving of the relevant notice shall have equalled or exceeded (A) at any time on or after 13 June 2021 (the **First Call Date**) and up to and excluding 13 June 2023 (the **Second Call Date**), 150 per cent. of the Accreted Principal Amount of a Bond in the principal amount of U.S.\$200,000 or (B) at any time on or after the Second Call Date, 130 per cent. of the Accreted Principal Amount of a Bond in the principal amount of U.S.\$200,000, (ii) at any time if 85 per cent. or more in principal amount of the Bonds originally issued have been converted, redeemed or purchased and cancelled, or (iii) in the event of certain tax changes, all as further described in the "*Terms and Conditions of the Bonds*". In addition, upon the occurrence of (i) a Change of Control or Free Float Event (as further described under "*Terms and Conditions of the Non-Escrow Bonds - Redemption and Purchase - Redemption at the Option of Bondholders upon a Change of Control or Free Float Event*"), the holder of each such Bond may require the Issuer to redeem that Bond, and (ii) in the case of the Escrow Bonds, a Stage 2 Debt Non Occurrence Event (as further described under "*Terms and Conditions of the Escrow Bonds - Redemption and Purchase - Redemption upon a Stage 2 Debt Non-Occurrence Event*"), the Issuer shall automatically redeem each outstanding Bond, unless the relevant Bondholder elects not to have that Bond so redeemed, in each case at the Accreted Principal Amount plus accrued interest. The Bonds mature on 23 May 2027.

This document has been approved by the United Kingdom Financial Conduct Authority, in its capacity as the United Kingdom competent authority (the **FCA**) for the purposes of Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**) and relevant implementing measures in the United Kingdom, as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of the Bonds. Applications have been made for the Bonds to be admitted to listing on the Official List of the FCA (the **Official List**) and to trading on the regulated market of the London Stock Exchange plc (the **London Stock Exchange**). References in this Offering Circular to Bonds being listed (and all related references) shall mean that such Bonds 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 the Markets in Financial Instruments Directive (Directive 2014/65/EU (as amended, **MiFID II**)).

The Escrow Bonds will be represented by a permanent global bond in registered form (the **Escrow Global Bond**), without interest coupons, and the Non-Escrow Bonds will be initially represented by a temporary global bond in registered form (the **Temporary Non-Escrow Global Bond** and together with the Escrow Global Bond, the **Global Bonds**), without interest coupons, each of which will be deposited with a common depository on behalf of Clearstream Banking S.A. (**Clearstream, Luxembourg**) and Euroclear Bank SA/NV (**Euroclear**) on or about 23 May 2019. Interests in the Temporary Non-Escrow Global Bond will be exchangeable for interests in the Escrow Global Bond, upon consolidation of the Escrow Bonds with the Non-Escrow Bonds on, save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds

for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, the Consolidation Date. The Global Bonds will be exchangeable for definitive Bonds in registered form in the denomination of U.S.\$200,000 in the limited circumstances set out in them. See “*Summary of Provisions relating to the Bonds in Global Form*”.

The Bonds, the Guarantee, the Preference Shares, the guarantee by way of deed poll provided by the Guarantor in respect of the Preference Shares and the Ordinary Shares (together the **Securities**) have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States. A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission (the **Commission**) has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Bonds by the Issuer. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that Law. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

**An investment in the Bonds involves certain risks. Prospective investors should have regard to the factors described under the heading “*Risk Factors*” on page 32.**

**Sole Bookrunner**

**J.P. Morgan Cazenove**

The date of this Offering Circular is 21 May 2019

## IMPORTANT INFORMATION

This Offering Circular comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended or superseded and which includes any relevant implementing measure in a relevant Member State of the European Economic Area, the **Prospectus Directive**).

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantor (each 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.

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 should be read and construed on the basis that such documents are incorporated and form part of the Offering Circular.

The information incorporated by reference into this Offering Circular concerning the Guarantor’s ore reserves is extracted or derived from the Competent Person’s Report (**CPR**) of SRK Consulting (UK) Ltd (**SRK**) dated as of the date hereof and set out in Part 18 (Competent Person’s Report) of the Equity Prospectus, which is incorporated by reference herein. SRK is a mining consultancy that provides professional technical services to the mining and minerals sector, encompassing multi-disciplinary technical studies and due diligence for mineral assets. This information has been included herein under the authority of SRK, as experts with respect to the matters covered by the CPR and in giving the CPR.

Its address is 5th Floor, Churchill House, 17 Churchill Way, Cardiff, CF10 2HH, Wales, United Kingdom.

Neither SRK nor its directors, officers or employees have any interest in any assets or share capital of the Guarantor or in the promotion of the Guarantor. Except for the provision of professional services on a fee basis, SRK does not have any commercial arrangement with any other person or company involved in the interests of the Guarantor. Furthermore, SRK is independent of the Guarantor, its Directors, members of senior management and the Guarantor’s other advisers, has no economic or beneficial interest (present or contingent) in the Guarantor or in any of the assets being evaluated, and is not remunerated by way of a fee that is linked to the admission or value of the Guarantor.

SRK (in its capacity as Competent Person) has given and has not withdrawn its written consent to the inclusion in this Offering Circular of its name, the CPR and references to its name and the CPR in the form and context in which they appear. SRK accepts responsibility for the information provided in the CPR. Having taken all reasonable care to ensure that such is the case, SRK declares that the information contained in the CPR which is incorporated by reference into this Offering Circular is, to the best of the knowledge of SRK, in accordance with the facts and contains no omission likely to affect its import. The CPR is included, in the form and context in which it is included, with the consent of SRK who have authorised the contents of that part of this Offering Circular.

Neither the Sole Bookrunner nor the Trustee (as defined below) have independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Bookrunner 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 or the Guarantor in connection with the offering of the Securities. Neither the Sole Bookrunner nor 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 or the Guarantor in connection with the offering of the Securities.

While the Issuer and the Guarantor believe that the third party information included herein is reliable, they have not independently verified such third party information, and none of the Issuer, the Guarantor, the Trustee or the Sole Bookrunner make any representation or warranty as to the accuracy or completeness of such information as set forth in this Offering Circular. The Issuer and the Guarantor confirm that all third party data in this Offering Circular has been accurately reproduced and, so far as it is each aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Offering Circular, the source of such information has been identified.

No person is or has been authorised by the Issuer, the Guarantor, J.P. Morgan Securities plc (the **Sole Bookrunner**) or BNY Mellon Corporate Trustee Services Limited (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 offering of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Sole Bookrunner or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, the Sole Bookrunner or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial and business condition and affairs, and its own independent appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the offering of the Securities

constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Sole Bookrunner or the Trustee to any person to subscribe for or to purchase any Securities.

None of the Issuer, the Guarantor, the Sole Bookrunner or the Trustee makes any representation to any investor in the Securities regarding the legality of its investment under any applicable laws. Any investor in the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Securities shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Sole Bookrunner and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Securities or to advise any investor in the Securities of any information coming to their attention. The Securities have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States. For a further description of certain restrictions on the offering and sale of the Bonds and on distribution of this document, see “*Subscription and Sale*” below.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Securities 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 Securities may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Sole Bookrunner and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that the Securities 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 Guarantor, the Sole Bookrunner or the Trustee which is intended to permit a public offering of the Securities or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required, other than in Jersey. Accordingly, no Securities 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 Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Bonds in the United States, the European Economic Area (including the United Kingdom) and Jersey, see “*Subscription and Sale*”.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, as amended; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Unless otherwise indicated, in this Offering Circular, all references to:

- **pounds sterling** or **£** are to the lawful currency of the United Kingdom;
- **euros** or **€** are to the lawful currency of the European Union (as adopted by certain Member States); and
- **U.S. dollars** or **U.S.\$** are to the lawful currency of the United States.

#### **SUITABILITY OF INVESTMENT**

The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

## TABLE OF CONTENTS

|   |     |
|---|-----|
| SUMMARY INFORMATION.....  | 7   |
| RISK FACTORS .....  | 31  |
| DOCUMENTS INCORPORATED BY REFERENCE .....                                 | 35  |
| TERMS AND CONDITIONS OF THE ESCROW BONDS .....                            | 36  |
| TERMS AND CONDITIONS OF THE NON-ESCROW BONDS .....                        | 92  |
| SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM .....    | 92  |
| DESCRIPTION OF THE ISSUER.....  | 97  |
| DESCRIPTION OF THE ISSUER’S SHARE CAPITAL AND THE PREFERENCE SHARES ..... | 99  |
| DESCRIPTION OF THE ORDINARY SHARES .....                                  | 102 |
| USE OF PROCEEDS .....   | 106 |
| TAXATION .....  | 107 |
| SUBSCRIPTION AND SALE .....   | 109 |
| GENERAL INFORMATION.....  | 111 |

## SUMMARY INFORMATION

*Summaries are made of up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities, issuer and guarantor. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities, issuer and guarantor, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”. Words and expressions defined in “Terms and Conditions of the Non-Escrow Bonds” shall have the same meanings in this section.*

| <b>Introduction and warnings</b> |  |   |
|----------------------------------|--|---|
| A.1                              | <b>Introduction</b>  | This summary should be read as an introduction to the Offering Circular. Any decision to invest in the Bonds should be based on consideration of the Offering Circular as a whole, including any documents incorporated by reference, by the prospective investor. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating the Offering Circular before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular or it does not provide, when read together with the other parts of the Offering Circular, key information in order to aid investors when considering whether to invest in such securities. |
| A.2                              | <b>Subsequent resale of securities or final placement of securities through financial intermediaries</b> | Not applicable; the Issuer (as defined herein) is not engaging any financial intermediaries for any resale of securities or final placement of securities after publication of this Offering Circular.  |
| <b>Issuer</b>                    |  |   |
| B.1                              | <b>Legal and commercial name of the issuer</b>   | Sirius Minerals Finance No.2 Limited (the <b>Issuer</b> ).  |
| B.2                              | <b>Domicile/Legal Form/Legislation/Country of incorporation</b>  | The Issuer was incorporated in Jersey (registered number 128898) on 16 April 2019 as a public company limited by shares under the Companies (Jersey) Law 1991, as amended, under the name Sirius Minerals Finance No.2 Limited.   |
| B.5                              | <b>Description of Issuer’s group</b>   | The Issuer is a subsidiary of Sirius Minerals Holdings Limited, which in turn is a wholly-owned subsidiary of the Guarantor. Please refer to Element B.5 in respect of the Guarantor below.   |
| B.9                              | <b>Profit forecast/estimate</b>  | Not applicable; there is no profit forecast or estimate in this Offering Circular.  |
| B.10                             | <b>Audit report – qualifications</b>   | Not applicable; since the date of its incorporation no financial statements of the Issuer have been prepared.   |
| B.12                             | <b>Key Financial Information</b>   | Not applicable; since the date of its incorporation no financial statements of the Issuer have been prepared.   |
| B.13                             | <b>Events impacting the Issuer’s solvency</b>  | Not applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency.   |
| B.14                             | <b>Dependence upon other entities within the Group</b>   | The Issuer is a finance vehicle established by the Guarantor for the purpose of issuing Bonds and on-lending the proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion.  |

|              |  |   |
|--------------|--|---|
| B.15         | <b>The Issuer's Principal Activities</b>                         | The Issuer is a wholly-owned subsidiary of Sirius Minerals Holdings Limited, which in turn is a wholly-owned subsidiary of the Guarantor and its primary purposes are to issue the Bonds and the Preference Shares and to on-lend the net proceeds of Bonds within the Group.   |
| B.16         | <b>Controlling Shareholders</b>                                  | The Issuer is a direct wholly owned subsidiary of Sirius Minerals Holdings Limited, which in turn is a wholly-owned subsidiary of the Guarantor.  |
| B.17         | <b>Ratings assigned to the Issuer or its Debt Securities</b>     | Not applicable; neither the Issuer nor the Bonds are rated at the request or with the co-operation of the Issuer in the rating process.   |
| B.18         | <b>The Guarantee</b>   | The Guarantor has unconditionally and irrevocably guaranteed performance by the Issuer of all its payment and other obligations in respect of the Bonds.  |
| B.19         | <b>Legal and Commercial names of the Guarantors</b>              | Please refer to Element B.1 in respect of the Guarantor below.  |
| B.19         | <b>Domicile/Legal Form/Legislation/ Country of incorporation</b> | Please refer to Element B.2 in respect of the Guarantor below.  |
| B.19         | <b>Description of Guarantor's group</b>                          | Please refer to Element B.5 in respect of the Guarantor below.  |
| B.19         | <b>Profit forecast/estimate</b>                                  | Please refer to Element B.9 in respect of the Guarantor below.  |
| B.19         | <b>Audit report – qualifications</b>                             | Please refer to Element B.10 in respect of the Guarantor below.   |
| B.19         | <b>Key Financial Information</b>                                 | Please refer to Element B.7 in respect of the Guarantor below.  |
| B.19         | <b>Events impacting the Guarantor's solvency</b>                 | Not Applicable; there have been no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.   |
| B.19         | <b>Dependence upon other entities within the Group</b>           | Please refer to Element B.5 in respect of the Guarantor below.  |
| B.19         | <b>The Guarantor's Principal Activities</b>                      | Please refer to Element B.3 in respect of the Guarantor below.  |
| B.19         | <b>Controlling Shareholders</b>                                  | Please refer to Element B.6 in respect of the Guarantor below.  |
| B.19         | <b>Ratings assigned to the Guarantor or its Debt Securities</b>  | Not applicable; the Guarantor is not rated at the request or with the co-operation of the Guarantor in the rating process.  |
| <b>Bonds</b> |  |   |
| C.1          | <b>Description of Type and Class of Securities</b>               | <p>The Bonds are in registered form in principal amounts of U.S.\$200,000 each.</p> <p>Non-Escrow Bonds: From 23 May 2019 (the <b>Closing Date</b>) until the date of consolidation (the <b>Consolidation Date</b>), save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, to form a single series with the Escrow Bonds no later than five London business days after the earlier of (i) 23 January 2020 and (ii) the date falling 20 London business days after the occurrence of a Stage 2 Debt Event (as described below under <i>"The Rights attaching to the Securities, including Ranking and Limitations to those Rights"</i>): ISIN: XS1991118255 / common code: 199111825</p> |



|     |   |  |
|-----|---|--|
|     |   | <p>From the Consolidation Date: ISIN: XS1991116127/ common code: 199111612</p> <p>Escrow Bonds: ISIN: XS1991116127 / common code: 199111612</p>  |
| C.2 | <b>Currency of issue</b>  | U.S. dollars.  |
| C.5 | <b>Restrictions on transfer</b>   | Not applicable; subject to the terms and conditions of the Bonds, there are no restrictions on the free transferability of the Bonds.  |
| C.8 | <b>The Rights attaching to the Securities, including Ranking and Limitations to those Rights:</b> | <p>The Bonds have terms and conditions relating to, among other matters:</p> <p><i>Status</i></p> <p>The Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge and, in respect of the Escrow Bonds, as described in “Escrow and Security” below) unsecured obligations of the Issuer. The Bonds rank <i>pari passu</i> and rateably, without any preference among themselves.</p> <p>By no later than 5 London business days following the date (if any) on which there are no Existing Convertible Bonds (as defined below) remaining outstanding the Escrow Bonds will be secured as described in “Escrow and Security” below.</p> <p><i>Guarantee</i></p> <p>The Guarantor has unconditionally and irrevocably guaranteed the performance by the Issuer of all its payment and other obligations in respect of each Relevant Trust Deed and the Bonds. The obligations of the Guarantor under each Relevant Trust Deed constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge as described below) unsecured obligations of the Guarantor and rank equally with all other present and future unsecured and unsubordinated obligations of the Guarantor but, in the event of a winding-up of the Guarantor, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.</p> <p><i>Negative pledge</i></p> <p>The terms of the Bonds contain a negative pledge provision which requires that none of the Issuer, the Guarantor or the Guarantor’s subsidiaries will create any Security Interest, other than a Permitted Security Interest (which includes, among other things, any Security Interest securing any Project Finance Indebtedness), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without according the Bonds the same security.</p> <p><i>Make Whole Amounts</i></p> <p>The Issuer shall pay a make whole amount (the <b>Make Whole Amount</b>) per Bond in the principal amount of U.S.\$200,000 in respect of any Bonds converted where the relevant Conversion Date falls:</p> <p>(A) prior to an optional redemption notice being given (including where no such optional redemption notice is given), which amount is equal to the sum of the interest amounts that would otherwise have been paid in respect of such Bonds on each Interest Payment Date falling during the period from (but excluding) the relevant Conversion Date to (and including) the relevant Make Whole End Date; or</p> <p>(B) following the giving by Issuer, at its option, of an optional redemption notice in respect of the Bonds, which amount is equal to the sum of: (1) an amount equal to the sum of interest amounts that would otherwise have been paid in respect of the relevant Bonds on each Interest Payment Date (as defined below) during the period from (but excluding) the date the optional redemption notice is given to (and including) the relevant Make Whole End Date; and (2) any accretion to the principal amount that would otherwise have accrued on the relevant Bonds over the period from the date of the optional redemption notice to the relevant Make Whole End Date.</p> |

|  |  |   |
|--|--|---|
|  |  | <p><b>Make Whole End Date</b> means the earlier of:</p> <ul style="list-style-type: none"> <li>i. the Final Maturity Date; and</li> <li>ii. the third anniversary of (x) the relevant Conversion Date (in the case of a conversion in circumstances described in paragraph (A) of the definition of Make Whole Amount) or (y) the date the optional redemption notice is given (in the case of a conversion in circumstances described in paragraph (B) of the definition of Make Whole Amount).</li> </ul> <p><b><i>Escrow and Security</i></b></p> <p>Under the terms and conditions of the Escrow Bonds, an amount equal to the aggregate principal amount of the Escrow Bonds (U.S.\$400 million) will be transferred to an escrow account in the name of, and held by, an escrow agent (the <b>Initial Escrow Account</b>) and may not be withdrawn, other than in the limited circumstances described below, until the earlier of (a) 23 January 2020 and (b) giving of written notice by the Issuer to the escrow agent following the occurrence of a Stage 2 Debt Event. The Initial Escrow Account is not a secured account. However, the amounts standing to the credit of the Initial Escrow Account are held by an independent third party as escrow agent and the escrow agent is only permitted to release amounts from the Initial Escrow Account as described below.</p> <p>If at any time, there are no Existing Convertible Bonds remaining outstanding such that the negative pledge under the Existing Convertible Bonds will cease to apply and which otherwise restricted the creation of security on equivalent terms to the negative pledge for the Escrow Bonds as described above, all amounts standing to the credit of the Initial Escrow Account will be transferred to a secured escrow account of the Issuer held with an escrow agent (the <b>Secured Escrow Account</b>) and will be secured by way of a first fixed charge in favour of the Trustee for the Escrow Bonds for the benefit of the Trustee and the holders of the Escrow Bonds.</p> <p>Upon (i) any early redemption of the Escrow Bonds at the option of the Issuer, in the event (x) 85 per cent. or more of the aggregate principal amount of the Bonds shall have been previously converted, or repurchased and cancelled, or (y) of a change of tax law that has or will oblige the Issuer, or the Guarantor to pay additional amounts in relation to the Bonds, (ii) the exercise of any optional early redemption right by a holder in respect of its Escrow Bonds, (iii) any automatic early redemption of the Escrow Bonds following a Stage 2 Debt Non-Occurrence Event (subject to a holder electing to retain its Bonds), or (iv) the purchase and cancellation of any Escrow Bonds, an amount equal to the aggregate principal amount of such Escrow Bonds that are redeemed or purchased and cancelled shall be released from the Initial Escrow Account (or the Secured Escrow Account, as the case may be) (x) in the case of any early redemption, to the principal paying agent for the Escrow Bonds for onward payment to the relevant holder of such redeemed Escrow Bonds (such payment to discharge, to the extent of such payment, the obligation of the Issuer to pay the redemption monies in respect of such redeemed Escrow Bonds, or (y) in the case of any purchase and cancellation, to the Issuer. In addition, where the payment of any Make Whole Amount is required to be made to the holder of any Escrow Bonds upon their conversion, (i) an amount equal to such Make Whole Amount shall be released from the Initial Escrow Account (or the Secured Escrow Account, as the case may be) to be paid to the relevant holder of the Escrow Bonds so converted (such payment to discharge, to the extent of such payment, the obligation of the Issuer to pay the Make Whole Amount in respect of such Escrow Bonds) and (ii) an amount (if positive) equal to the principal amount of such converted Bonds less such Make Whole Amount shall be released from the Initial Escrow Account (or the Secured Escrow Account, as the case may be) to the Issuer. Upon the occurrence of an event of default in respect of the Escrow Bonds that is continuing and the Trustee giving notice to the Issuer that the Escrow Bonds are due and repayable, all amounts standing to the credit of the Initial Escrow Account (or the Secured Escrow Account, as the case may be) shall be released for transfer to the trustee in respect of the Escrow Bonds for the benefit of the holders of the Escrow Bonds.</p> <p><b>A Stage 2 Debt Event</b> means the completion by the Guarantor and/or a subsidiary of</p> |
|--|--|---|

|  |  |  |
|--|--|--|
|  |  | <p>the Guarantor of both (a) the issuance of senior secured guaranteed bonds or another financing raising gross proceeds which are received by the Guarantor or such subsidiary of at least US\$ 500 million and (b) the entry into a revolving credit facility with a committed amount available to the Guarantor or one of its subsidiaries of at least US\$ 2.5 billion provided that, on the date the Stage 2 Debt Event is notified to holders of the Escrow Bonds, the Guarantor or the relevant subsidiary must be in compliance with its covenants under such facility.</p> <p><b>Existing Convertible Bonds</b> means the U.S.\$400 million 8.5 per cent. Guaranteed Convertible Bonds due 2023 (ISIN: XS1515223516) issued by Sirius Minerals Finance Limited, a wholly-owned indirect subsidiary of the Company incorporated in Jersey, on 28 November 2016.</p> <p><b>Conversion</b></p> <p>Subject to and as provided in the terms and conditions of the Bonds, each Bond shall entitle the holder to convert each U.S.\$200,000 principal amount of a Bond into one fully paid Preference Share, with each such Preference Share being issued and allotted at a price equal to the Paid-Up Value. All Preference Shares issued on conversion of the Bonds shall (without any further action being required to be taken by the relevant Bondholder) automatically be transferred on and as at the relevant Conversion Date from the relevant Bondholder to the Guarantor and in consideration therefor the Guarantor shall either issue or transfer and deliver to the relevant Bondholder such number of Ordinary Shares as is determined in good faith by the calculation agent by dividing the aggregate Paid-Up Value in respect of such Preference Shares by the Exchange Price in effect on the relevant Conversion Date (and, where necessary, rounding down to the nearest whole number of Ordinary Shares).</p> <p>The initial exchange price is U.S.\$0.2443 per Ordinary Share, and is subject to the terms and conditions of the Bonds. The Exchange Price will be reset on 25 May 2020 (provided such reset results in an Exchange Price that is lower than such prevailing Exchange Price) by reference to the average market price (being the arithmetic average of the Volume Weighted Average Price of an Ordinary Share in the period of 30 consecutive dealing days immediately preceding the reset date), converted into U.S. dollars at the rate of GBP 0.7676: U.S.\$ 1.00, and an initial conversion premium of 25 per cent. above such average market price.</p> <p>The Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time from 23 May 2019 to the close of business on the date falling 10 days prior to (i) the Final Maturity Date (being 23 May 2027) (both days inclusive) or, if applicable, (ii) up to (and including) the close of business (at the place aforesaid) on the 10th day the date fixed for the earlier redemption of the Bonds.</p> <p>Conversion Rights may not be exercised (i) following the giving of notice by the Trustee pursuant to an event of default (as further described below) occurring and continuing, (ii) in respect of a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to a Change of Control or Free Float Event or (iii) in respect of a Bond which, subject the relevant Bondholder making an election that is Bonds shall not be redeemed, is scheduled to be redeemed pursuant to the occurrence of a Stage 2 Debt Non-Occurrence Event Put Date.</p> <p><b>Taxation</b></p> <p>All payments made by the Issuer or the Guarantor in respect of the Bonds or under the Guarantee will be made without withholding levied by or on behalf of Jersey or the United Kingdom (or any political sub-division or authority thereon having power to tax), unless required to be made by law. In that event, the Issuer or the Guarantor, as applicable, will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been received by them, subject to certain customary exceptions.</p> <p><b>Events of Default</b></p> <p>The terms of the Bonds contain, amongst others, the following events of default:</p> <p>(a) default in payment of any principal or interest due in respect of the Bonds</p> |
|--|--|--|

|     |   |   |
|-----|---|---|
|     |   | <p>and/or failure to deliver Preference Shares and/or Ordinary Shares when required to under the terms and conditions of the Bonds, and which default is continuing for a specified period of time;</p> <p>(b) the Issuer or the Guarantor does not perform or comply with any one or more of its obligations in relation to the Secured Escrow Account;</p> <p>(c) non-performance or non-observance by the Issuer or the Guarantor of any of their respective other obligations under the Bonds, any Relevant Trust Deed or the Deed Poll, and which non-performance or non-observance is continuing for a specified period of time;</p> <p>(d) any other present or future indebtedness (other than Project Finance Indebtedness) of the Issuer, the Guarantor or certain subsidiaries of the Guarantor becomes due and payable prior to its stated maturity by reason of any actual or potential default or any such indebtedness or guarantee thereof is not paid when due, provided that the aggregate amount of the relevant indebtedness or guarantee equals or exceeds £15,000,000 (individually or in aggregate) or its equivalent;</p> <p>(e) events relating to the insolvency or winding up of the Issuer, the Guarantor or certain subsidiaries of the Guarantor;</p> <p>(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the property, assets or revenues of the Issuer, the Guarantor or certain subsidiaries of the Guarantor and is not discharged or stayed within a specified period of time;</p> <p>(g) any security interest over all or any substantial part of the property, assets or revenues of the Issuer, the Guarantor or certain subsidiaries of the Guarantor becomes enforceable and any step is taken to enforce it;</p> <p>(h) the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, save as set out in the terms and conditions of the Bonds;</p> <p>(i) the Issuer ceases to be directly or indirectly wholly owned and controlled by the Guarantor;</p> <p>(j) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, any Relevant Trust Deed or the Deed Poll; and</p> <p>(k) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.</p> <p><b>Meetings</b></p> <p>The terms of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders.</p> <p><b>Governing law</b></p> <p>English law.</p> |
| C.9 | <p><b>The Rights attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders</b></p> | <p><b>Interest</b></p> <p>The Bonds bear interest from (and including) the Closing Date at the rate of 5 per cent. per annum calculated by reference to the principal amount thereof and payable quarterly in arrear in equal instalments on 23 August, 23 November, 23 February and 23 May in each year (each an <b>Interest Payment Date</b>), commencing on 23 August 2019.</p> <p><b>Redemption</b></p> <p>Unless previously purchased and cancelled, redeemed or converted, the Bonds will be redeemed at the Accreted Principal Amount on 23 May 2027.</p> <p>The Issuer may, at its option, redeem all, but not some only, of the Bonds at the Accreted Principal Amount plus accrued interest (i) if the Parity Value on each of at</p>   |

|      |                            |  |
|------|----------------------------|--|
|      |                            | <p>least 20 dealing days in any period of 30 consecutive dealing days ending not more than seven days prior to the giving of the relevant notice shall have equalled or exceeded (A) at any time on or after 13 June 2021 (the <b>First Call Date</b>) and up to and excluding 13 June 2023 (the <b>Second Call Date</b>), 150 per cent. of the Accreted Principal Amount of a Bond in the principal amount of U.S.\$200,000 or (B) at any time on or after the Second Call Date, 130 per cent. of the Accreted Principal Amount of a Bond in the principal amount of U.S.\$200,000, (ii) at any time if 85 per cent. or more in principal amount of the Bonds originally issued have been converted, redeemed or purchased and cancelled, or (iii) in the event of certain tax changes, as further described in the terms and conditions of the Bonds.</p> <p>In addition, upon the occurrence of a Change of Control or Free Float Event, the holder of each Bond may require the Issuer to redeem that Bond at the Accreted Principal Amount plus accrued interest. Upon the occurrence of the Stage 2 Debt Non-Occurrence Event, the Escrow Bonds will be subject to automatic redemption by the Issuer, save that any holder of Escrow Bonds may elect not to have its Escrow Bonds so redeemed by submitting a notice detailing such election.</p> <p>The <b>Accreted Principal Amount</b> in respect of each U.S.\$200,000 in principal amount of Bonds shall mean (i) in the case of a redemption of Bonds on the Final Maturity Date, U.S.\$320,375.69, or (ii) in the case of early redemption, the amount which is determined to be the amount which, together with unpaid accrued interest from the immediately preceding Interest Payment Date or, if none, the Closing Date, and after taking into account any interest paid in respect of such Bonds in preceding periods, represents for the Bondholder on the relevant date for determination of the Accreted Principal Amount a gross yield of 10 per cent. per annum (calculated on a quarterly basis).</p> <p><b>A Stage 2 Debt Non-Occurrence Event</b> shall occur if:</p> <ul style="list-style-type: none"> <li>(i) on or before 31 December 2019, the Guarantor announces by publication through The Regulatory News Service operated by the London Stock Exchange plc (<b>RNS</b>) that it will not, and its subsidiaries will not, proceed with (a) an issuance of senior secured guaranteed bonds or other financing raising net proceeds which are received by the Guarantor or a subsidiary of at least U.S.\$500 million (£384 million) or (b) the entry into a revolving credit facility with a committed amount available to the Guarantor or one of its subsidiaries of at least U.S.\$2.5 billion; or</li> <li>(ii) the Guarantor has not, on or before 31 December 2019, announced by publication through RNS the occurrence of the Stage 2 Debt Event and confirmed the completion of the component transactions thereof.</li> </ul> <p><b>Representative of holders</b></p> <p>The Issuer has appointed BNY Mellon Corporate Trustee Services Limited (the <b>Trustee</b>) to act as trustee for Bondholders. The Trustee may, without the consent of Bondholders, agree to (i) any modification or waiver of any provision of the Bonds, (ii) determine that an event of default or potential event of default shall not be treated as such, (iii) the substitution of any subsidiary of the Guarantor in place of the Issuer or (iv) the substitution of the Issuer in connection with a scheme of arrangement to effect the interposition of a new holding company, in each case, where it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders.</p> |
| C.21 | <b>Listing and Trading</b> | <p>Application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Bonds is expected to be granted on or about 23 May 2019, subject only to the issue of the Global Bonds.</p> <p>The Guarantor will use all reasonable endeavours to ensure that any Ordinary Shares issued or transferred and delivered following conversion of any Bonds will, as soon as is practicable, be admitted to listing and to trading on the London Stock Exchange's Main Market for listed securities or on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in.</p>  |

| <b>Risks for Issuer and Bonds</b> |   |  |
|-----------------------------------|---|--|
| D.2                               | <b>Key information on the key risks that are specific to the issuer</b>     | <p>The Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Bonds or under the Guarantee. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified a number of factors which could materially adversely affect their businesses and ability to make payments due, including that the Issuer is dependent on other members of the Group to fulfil its obligations under the Bonds. Please also refer to Element D.1 in respect of the Guarantor below.</p>  |
| D.3                               | <b>Key information on the key risks that are specific to the securities</b> | <p>There are also risks associated with the Bonds, including a range of market risks, as follows:</p> <ul style="list-style-type: none"> <li>(a) No established trading market for the Bonds.</li> <li>(b) Risk of fluctuation in the price of the Ordinary Shares. The market price of the Bonds is expected to be affected by fluctuations in the market price of the Ordinary Shares and it is impossible to predict whether the price of the Ordinary Shares will rise or fall. The issue of Ordinary Shares by the Guarantor or the disposal of Ordinary Shares by substantial shareholders or the perception that such issues or sales may occur may significantly affect the trading price of the Bonds or the Ordinary Shares.</li> <li>(c) Global Bonds held by or on behalf of Euroclear and Clearstream, Luxembourg. A holder of a beneficial interest in the Global Bonds must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds.</li> <li>(d) Meetings of Bondholders, Modification and Waiver and Substitution. The terms and conditions of the Bonds and each Relevant Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally, and which permit defined majorities to bind all Bondholders.</li> <li>(e) Bondholders have limited anti-dilution protection. Events in respect of which no adjustment is made to the Exchange Price pursuant to the terms and conditions of the Bonds may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Bonds.</li> <li>(f) Risks attached to the exercise of Conversion Rights. At any point when the Bonds are outstanding, depending on the performance of the Ordinary Shares, the value of the Ordinary Shares may be substantially lower than when the Bonds were initially purchased.</li> <li>(g) The Bonds may be redeemed prior to maturity. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.</li> <li>(h) Subject to the redemption conditions, the Issuer may be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. 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 Bonds 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.</li> <li>(i) There is a limited period for, and there are costs associated with, the exercise of Conversion Rights.</li> <li>(j) Bondholders have no shareholder rights before conversion.</li> </ul> |

|                  |   |   |
|------------------|---|---|
|                  |   | <p>(k) The security granted pursuant to the terms and conditions of the Escrow Bonds will not be granted directly to the holders of the Escrow Bonds.</p> <p>(k) Exchange rate risks and exchange controls.</p> <p>(l) Interest rate risks.</p> <p>(m) Legal investment consideration may restrict certain investment.</p> <p>(n) The value of the Bonds could be adversely affected by a change in English law or administrative practice.</p> <p>(o) The Guarantor conducts its business through its operating subsidiaries so Bondholders will be effectively subordinated to the claims of creditors of such subsidiaries.</p>  |
| <b>Issuer</b>    |   |   |
| E.4              | <b>Material interests</b>                                       | Not applicable; there are no other interests including conflicting interests that are material to the offering of the Bonds.  |
| E.7              | <b>Estimated expenses charged to the investor by the Issuer</b> | Not applicable; there are no expenses to be charged to investors in the Bonds by the issuer in connection with the offering of the Bonds.   |
| <b>Guarantor</b> |   |   |
| B.1              | <b>Legal and commercial name of the Guarantor</b>               | Sirius Minerals Plc (the <b>Company</b> and, together with its subsidiaries, the <b>Group</b> ).  |
| B.2              | <b>Domicile/Legal Form/Legislation/Country of incorporation</b> | The Company is a public limited company, incorporated in England and Wales with registered number 4948435 and having its registered office in England. The Company operates under the Companies Act 2006, as amended (the <b>Companies Act</b> ).   |
| B.3              | <b>Current operations/Principal activities and markets</b>      | <p>The Company is focused on the development of a polyhalite mine located in North Yorkshire in the United Kingdom (the <b>Project</b>), which the Company believes to be the world's largest known high-grade polyhalite deposit. The Company's polyhalite product, which it markets under the trademarked name POLY4, is a multi-nutrient fertilizer that can be used to achieve balanced fertilization, which is critical to obtaining optimal crop yields and quality.</p> <p>Polyhalite is an evaporite mineral comprising a natural combination of potassium (14 per cent. K<sub>2</sub>O), sulphur (19 per cent. S), magnesium (6 per cent. MgO) and calcium (17 per cent. CaO), with the chemical formula: K<sub>2</sub>SO<sub>4</sub>.MgSO<sub>4</sub>.2CaSO<sub>4</sub>.2H<sub>2</sub>O. In the fertilizer industry, the Company believes polyhalite is an attractive low-chloride alternative to traditional potassium-bearing mineral products, including sulphate of potash (<b>SOP</b>) and sulphate of potash and magnesium (<b>SOPM</b>), because it incorporates not only potassium, but three of the other five key macro-nutrients necessary for plant growth (sulphur, calcium and magnesium).</p> <p>Once developed, the Project is expected to represent the first large-scale polyhalite mine in the world, with total Indicated and Inferred Mineral Resources estimated by SRK of approximately 2.69 billion metric tonnes from only 7 per cent. of the Project area of interest. The Company is expecting to achieve first polyhalite from the mine by the end of 2021 and is initially targeting commercial production capacity of 10 million tonnes per annum (<b>mtpa</b>) from the Project by mid-2024, at which point the Project is expected to be capable of producing up to 7.0 mtpa of granulated POLY4 product at steady state, with the balance as coarse POLY4 product. The Company intends to implement the Project so that production capacity is phased to rapidly increase to 13 mtpa by early 2026 (under existing planning permissions/consents) by incremental addition of mining, granulation and harbour capacities and eventually up to production capacity of 20 mtpa by early 2029, subject to receipt of additional planning permissions/consents and the completion of additional infrastructure.</p> |

|  |  |  |
|--|--|--|
|  |  | <p>Bringing the Project to an initial production capacity of 10 mtpa will involve the construction of an underground mine to enable the extraction of polyhalite, along with the necessary infrastructure both above and below ground that will be required for transportation, processing and distribution. Construction comprises the sinking of two vertical mine shafts to access the polyhalite deposit and building a 37 kilometre-long underground conveyor (<b>Mineral Transport System</b>, or <b>MTS</b>), a processing facility for granulating or chipping the mined material into the final physical form (<b>Materials Handling Facility</b>, or <b>MHF</b>) and a 3.5 kilometre overland elevated conveyor (<b>OLC</b>) to transfer the product from the MHF to the Port Handling Facility (<b>PHF</b>), which receives, stores and screens the final product and transfers it to vessels berthed on the RedCar Bulk Terminal (<b>RBT</b>) Wharf (the <b>RBT Wharf</b>).</p> <p>The Company expects to progress the Project in two primary phases: the initial construction phase, covering the period until production capacity of 10 mtpa is achieved and which is now underway (the <b>Initial Construction Phase</b>), and the expansion phase, covering the period from the end of the Initial Construction Phase until production capacity reaches 20 mtpa (the <b>Expansion Phase</b>). The Initial Construction Phase is intended to achieve first polyhalite from the mine by the end of 2021, production of saleable tonnage by early 2022 and commercial production capacity of 10 mtpa by mid-2024.</p> <p>The schedule for the Initial Construction Phase can be broken down into four key stages: (i) site preparation and pre-sink activities (largely complete); (ii) main shaft sinking activity and tunnelling (ongoing); (iii) construction and development of the MHF and the PHF; and, finally, (iv) first production, shaft bottom fit-out and ramp-up of production, initially to 10 mtpa. Construction activities have commenced at each of the Company's construction sites: the Woodsmith Mine (where the main production and service shafts that will access the polyhalite seam are being constructed), Lockwood Beck (where the intermediate access shaft will be located) and Wilton (where the MHF will be located). At the Woodsmith Mine, diaphragm walling activities are complete, excavation of the main production shaft foreshaft and production shaft winder basement are underway, and the MTS shaft sinking continues to progress. At the Lockwood Beck site, preparatory works for shaft sinking have been completed and shaft sinking activities on the intermediate MTS access shaft have commenced. At Wilton, the MTS portal has been completed and tunnelling activities have commenced. In addition, earthworks are also underway at the MHF. The design of the facilities enables production capacity to reach 13 mtpa by incremental addition of mining, granulation and harbour capacities. A further increase in production capacity to 20 mtpa would be achieved during the Expansion Phase by the expansion of mining, shaft hoisting capacity, the extension of the MTS access shaft from the MTS tunnel level to the polyhalite seam, and expansion of the MHF and the PHF, which would require additional planning permissions/consents.</p> <p>The Company has set a number of objectives as part of its short-term strategy. These include: (i) continued implementation of the Initial Construction Phase; (ii) completion of remaining procurement activities; (iii) expansion of the Company's global sales strategy; and (iv) completion of Stage 2 Financing, which is currently expected to comprise the following components (collectively referred to as the <b>Stage 2 Financing</b>):</p> <ul style="list-style-type: none"> <li>the Firm Placing and Placing and Open Offer to raise gross proceeds of approximately U.S.\$425 million (£327 million), to be received by the Company on Admission (as defined below);</li> <li>the offering of the Bonds in an aggregate principal amount of approximately U.S.\$507 million (£389 million), which will be issued in two separate tranches as follows: <ul style="list-style-type: none"> <li>the Escrow Bonds in an aggregate principal amount of U.S.\$400 million (£307 million), the gross proceeds of which will be transferred into an escrow account and will be released to the Company upon the occurrence of the Stage 2 Debt Event (which is intended to occur no later than the end of September 2019), or in certain other limited circumstances in accordance with the terms and conditions of the Escrow Bonds; and</li> </ul> </li> </ul> |
|--|--|--|



|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"> <li>the Non-Escrow Bonds in an aggregate principal amount of approximately U.S.\$107 million (£82 million), none of the proceeds of which will ultimately be received by the Company but instead will be applied by the Company entirely in purchasing an equivalent aggregate principal amount of Existing Convertible Bonds through the Existing Convertible Bonds Buy-back (as defined below), as described further below; and</li> <li>debt in an aggregate amount of approximately U.S.\$3.0 billion (£2.3 billion), via a combination of (i) senior secured guaranteed bonds in a gross amount of U.S.\$500.0 million (£384 million) (the <b>Initial Bonds</b>) and (ii) a secured revolving credit facility with a maximum commitment of U.S.\$2.5 billion (£1.9 billion), which will reduce as further senior secured guaranteed bonds are issued after the Initial Bonds (the <b>RCF</b>), expected to be issued and utilised (as applicable) by a company to be incorporated in England to act as issuer of the Initial Bonds and as borrower under the RCF (the <b>New Holdco</b>) to be guaranteed by YPL, York Potash Processing &amp; Ports Limited, York Potash Holdings Limited and the Company.</li> </ul> <p>The Initial Bonds and the RCF are collectively referred to as the <b>Stage 2 Debt</b>.</p> <p>On 30 April 2019, the Company, with the assistance of the Sole Bookrunner, commenced a reverse bookbuilding process (the <b>Existing Convertible Bonds Buy-back</b>) with the intention of purchasing any and all of the Existing Convertible Bonds from holders.</p> <p>The Escrow Bonds and the Non-Escrow Bonds will have the same terms in all respects except that the Non-Escrow Bonds will not have the benefit of the escrow or security arrangements that are features of the Escrow Bonds only. The Non-Escrow Bonds will also not be subject to automatic early redemption upon the occurrence of the Stage 2 Debt Non-Occurrence Event, which is also only a feature of the Escrow Convertible Bonds.</p> <p>The Non-Escrow Bonds will consist of Bonds issued in an aggregate principal amount of approximately U.S.\$107 million (£82 million), which equals the aggregate principal amount of Existing Convertible Bonds being purchased by the Company under the Existing Convertible Bonds Buy-back. In respect of any of the Existing Convertible Bonds purchased under the Existing Convertible Bonds Buy-back, the Company will also pay a cash amount representing accrued but unpaid interest on such Existing Convertible Bonds. The Company expects that such cash amount in respect of accrued but unpaid interest will be met from the Company's general funds.</p> <p>The Escrow Bonds, which will be issued in an aggregate principal amount of U.S.\$400 million (£307 million), will be placed with institutional investors who may include holders of Existing Convertible Bonds.</p> <p>The Non-Escrow Bonds and the Escrow Bonds will, save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, be consolidated to form a single series of bonds on the Consolidation Date.</p> <p>The gross proceeds of the Escrow Bonds will be initially transferred to the Initial Escrow Account. If at any time, the entire amount of the Existing Convertible Bonds ceases to be outstanding, all amounts standing to the credit of the Initial Escrow Account will be transferred to the Secured Escrow Account and will be secured by way of a first fixed charge in favour of the trustee for the Escrow Bonds for the benefit of the trustee and the holders of the Escrow Bonds. Amounts standing to the credit of the Initial Escrow Account (or the Secured Escrow Account, as the case may be) may not be released to the Issuer, other than in certain limited circumstances, including the discharge of certain payment obligations in connection with any early redemption, purchase and cancellation and/or an event of default in respect of the Escrow Bonds,</p> |
|--|--|--|

|     |   |  |
|-----|---|--|
|     |   | <p>until the earlier of (a) the occurrence of the Stage 2 Debt Event (which is intended to occur no later than the end of September 2019) and (b) 23 January 2020, and then only to the extent the Escrow Bonds have not been otherwise redeemed prior to such date.</p> <p>On 30 April 2019, the Company entered into an engagement letter with J.P. Morgan Securities LLC (<b>J.P. Morgan Securities</b>) in respect of the Initial Bonds (the <b>Initial Bond Engagement Letter</b>), pursuant to which, the Company has agreed to engage J.P. Morgan Securities (acting directly or through its affiliates) to act as initial purchaser of the Initial Bonds on a best efforts basis, as well as for future bond issuances to refinance or replace amounts drawn under the RCF. In those circumstances, J.P. Morgan Securities would endeavour to procure purchasers for the full U.S.\$500 million of Initial Bonds currently contemplated as part of the Stage 2 Debt, but would not be under any obligation to acquire any Initial Bonds for which it cannot procure purchasers. As a result, the Company does not have any certainty that it will receive the full U.S.\$500.0 million of gross proceeds of the Initial Bonds. The Board currently expects that, subject to prevailing market conditions, the Initial Bonds will be issued by no later than the end of September 2019.</p> <p>On 30 April 2019, the Company entered into a commitment letter in respect of the RCF (the <b>Commitment Letter</b>). Under the Commitment Letter, J.P. Morgan Chase Bank, N.A., London Branch (the <b>RCF Lender</b>) has committed to provide an RCF of up to U.S.\$2.5 billion, subject to certain conditions precedent. The commitments provided under the Commitment Letter terminates on 30 October 2019 if the conditions thereto have not been satisfied. The RCF is expected to be syndicated to other lenders by the RCF Lender, as sole lead arranger. Drawdown under the RCF is conditional upon, among other things, the issuance of the full amount of the Initial Bonds.</p> <p>Availability of funds under each component of the Stage 2 Debt is conditional upon admission of the New Ordinary Shares to be issued pursuant to the Firm Placing and Placing and Open Offer to trading on the premium listing segment of the Official List and to the London Stock Exchange's Main Market for listed securities (the <b>Admission</b>), issuance of the Bonds, upon the other component of the Stage 2 Debt being available, and upon certain other conditions being met.</p> <p>The Company's sales and marketing strategy is based on a direct customer sales model in which POLY4 will be sold primarily directly to blenders and distributors, who then on-sell to both wholesale and retail distribution channels. The focus is to maximise the reach of POLY4, take advantage of the customers' distribution networks and benefit from the customers' logistics capabilities. In addition, sales teams will provide both commercial and agronomic support on a regional basis, which adds another level of interaction between the Company and its global customer base.</p> <p>The Company, through its subsidiary York Potash Limited (<b>YPL</b>), has to date signed a number of (a) binding take-or-pay offtake agreements, which obligate customers to buy a minimum amount of POLY4 once commercial production begins and pay a given price and (b) other forms of supply and distribution arrangements, which give the Company the right to terminate the agreement upon failure by the purchaser to take agreed amounts (together, the <b>Offtake Agreements</b>). Each Offtake Agreement is negotiated individually, with varying lengths, prices, renewal periods and grounds for termination. Future offtake agreements entered into by the Company may also differ from its existing arrangements in certain respects, including with respect to specific take-or-pay provisions. As of the date of the Equity Prospectus, the Company, through its subsidiary YPL, has entered into Offtake Agreements totalling 10.7 mtpa at their respective peak-year volumes with customer options to take an additional 1.4 mtpa in the aggregate.</p> <p>The <b>Equity Prospectus</b> means the prospectus dated 1 May 2019 prepared by the Company in connection with the Firm Placing and Placing and Open Offer.</p> |
| B.4 | <b>Significant recent trends affecting the Group and the industry in which it</b> | <p>Global fertilizer demand is driven primarily by food, feed and fuel demand (which in turn are driven by, among other factors, population growth, reduction in arable land per capita, dietary changes, especially in the developing world, and increased biofuel consumption). Fertilizers are one of the fundamental means of improving agricultural</p>   |

|   | <p><b>operates</b></p>                         | <p>yields and addressing the forecasted future imbalance between food demand and supply.</p> <p>Population growth is a key driver of fertilizer demand. As the world’s population grows, urbanises and industrialises, farm land per capita decreases and more food production is required from each acre of farm land, which in turn requires more plant nutrients. According to the Food and Agriculture Organisation of the United Nations (FAO), arable land in 2010 was estimated to be approximately 2,100 square metres per person, and this is expected to decrease to approximately 1,800 square metres per person by 2050. As a result of the limited ability to expand the existing stock of arable land, it is expected that it will be necessary to improve crop yields to meet anticipated future demand for food. This is expected to increase demand for fertilizers, according to the FAO.</p> <p>In addition, sustained economic growth in emerging markets is increasing food and feed demand as well as fertilizer demand. According to the FAO, due to the growth in GDP and income, populations in emerging markets are shifting to more protein-rich diets, leading to increasing grain consumption as animal feed. The production of meat requires a significant amount of grain to be fed to farm animals.</p> <p>Furthermore, with increasing legislation on alternatives to fossil fuels, according to the U.S. Energy Information Administration, biofuel production has increased substantially in recent years. This trend is significantly affecting the agricultural industry, resulting in an increase in demand for grain crops and a consequent increase in demand for fertilizers.</p> <p>Polyhalite is expected to be increasingly used as a source of potassium in fertilizer as it also provides other important nutrients and has low chloride content. According to CRU Strategies (CRU), a fertilizer industry consultancy, polyhalite’s characteristics as a multi-nutrient, low-chloride potassium fertilizer suggest that it has the potential to be used as a substitute for other existing fertilizers such as potassium-based fertilizers (SOP, SOPM and muriate of potash (MOP)), sulphur-based fertilizers (ammonium sulphate and single superphosphate) and magnesium-based fertilizers (kieserite), which offers a large potential contestable market. According to CRU, the total market for these potentially contestable fertilizers is expected to increase from 400 mtpa in 2020 to 440 mtpa in 2025 in polyhalite equivalent terms (representing the amount of polyhalite which would be necessary to fulfil the potassium, sulphur and magnesium nutrient demand currently sourced from the existing potential substitution fertilizer products), although polyhalite’s multi-nutrient composition means it may not always serve as a direct substitute for each of the other products. Because low-chloride fertilizers such as SOP are more effective for chloride-sensitive crops, they are priced at a premium over MOP. The Company expects that once polyhalite-based products are well established in the market, they will also attract a price premium. In addition, polyhalite is simpler and less expensive to produce than naturally occurring SOP, chemically produced SOP and SOPM.</p> |                           |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
|---|--|--|---------------------------|--|--|---------------------------|---------------------------|----|-----|---------------------|---|----|-----|---------------------|---------------------------------|----|-----|-----------------|--|----|-----|-----------------|---------------------------------|--------|-----|-------------|---------------------------------|----|-----|---------|
| B.5   | <p><b>Description of Guarantor’s group</b></p> | <p>The Company is the holding company of the Group. The Company’s various assets are held through a number of subsidiaries. The Company’s principal subsidiaries and subsidiary undertakings are:</p> <table><tr><th><i>Name</i></th><th><i>Country of incorporation/<br/>residence</i></th><th><i>Proportion of capital held<br/>(percentage)</i></th><th><i>Principal Activity</i></th></tr><tr><td>York Potash Limited .....</td><td>UK</td><td>100</td><td>Project Development</td></tr><tr><td>York Potash Processing &amp; Ports Limited.....</td><td>UK</td><td>100</td><td>Project Development</td></tr><tr><td>York Potash Holdings Limited...</td><td>UK</td><td>100</td><td>Holding Company</td></tr><tr><td>Sirius Minerals Holdings Limited .....</td><td>UK</td><td>100</td><td>Holding Company</td></tr><tr><td>Sirius Minerals Finance Limited</td><td>Jersey</td><td>100</td><td>Fundraising</td></tr><tr><td>Sirius Exploration Limited.....</td><td>UK</td><td>100</td><td>Dormant</td></tr></table>  | <i>Name</i>               | <i>Country of incorporation/<br/>residence</i> | <i>Proportion of capital held<br/>(percentage)</i> | <i>Principal Activity</i> | York Potash Limited ..... | UK | 100 | Project Development | York Potash Processing & Ports Limited..... | UK | 100 | Project Development | York Potash Holdings Limited... | UK | 100 | Holding Company | Sirius Minerals Holdings Limited ..... | UK | 100 | Holding Company | Sirius Minerals Finance Limited | Jersey | 100 | Fundraising | Sirius Exploration Limited..... | UK | 100 | Dormant |
| <i>Name</i>                                 | <i>Country of incorporation/<br/>residence</i> | <i>Proportion of capital held<br/>(percentage)</i>   | <i>Principal Activity</i> |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
| York Potash Limited .....                   | UK   | 100  | Project Development       |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
| York Potash Processing & Ports Limited..... | UK   | 100  | Project Development       |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
| York Potash Holdings Limited...             | UK   | 100  | Holding Company           |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
| Sirius Minerals Holdings Limited .....      | UK   | 100  | Holding Company           |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
| Sirius Minerals Finance Limited             | Jersey   | 100  | Fundraising               |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |
| Sirius Exploration Limited.....             | UK   | 100  | Dormant                   |  |  |                           |                           |    |     |                     |   |    |     |                     |                                 |    |     |                 |  |    |     |                 |                                 |        |     |             |                                 |    |     |         |

|   |   |   |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
|---|---|---|--|--|--|-------------|-----------------------------|----|-------------------|-------------|----------------------|-------------------------|------------|---------------------------|----------------------|-----------|------|---------------------------|-----------------------|------|-------------------|------------------|---|---------------------|---------|------------------|---|---------|------|------------------|---|-------|--------------------|------------------|------|------------------|--------|------|-------------------|---|------|--|----------------------------|--|--|--------------------------------------|--|--|--|-------------|--|--|--|--|---|-------------|-----|-------------|-----|
|   |   | <table><tr><td>Sirius Resources Limited .....</td><td>UK</td><td>100</td><td>Dormant</td></tr><tr><td>Sirius Potash Limited .....</td><td>UK</td><td>100</td><td>Dormant</td></tr><tr><td>SACH 1 Limited .....</td><td>UK</td><td>100</td><td>Intercompany<br/>Financing</td></tr><tr><td>SACH 2 Limited .....</td><td>UK</td><td>100</td><td>Intercompany<br/>Financing</td></tr><tr><td>Dakota Salts LLC.....</td><td>U.S.</td><td>100</td><td>Employee Payroll</td></tr><tr><td>Sirius Minerals (Singapore) Pte<br/>Limited.....</td><td>Singapore</td><td>100</td><td>Employee Payroll</td></tr><tr><td>Auspotash Corporation Limited<sup>(1)</sup><br/>.....</td><td>Canada</td><td>100</td><td>Dormant</td></tr><tr><td>Sirius Minerals India Private<br/>Limited.....</td><td>India</td><td>100</td><td>Employee Payroll</td></tr></table> <p><b>Note:</b><br/>(1) As at 31 December 2015, this entity has ceased operations.</p>  | Sirius Resources Limited .....           | UK   | 100  | Dormant     | Sirius Potash Limited ..... | UK | 100               | Dormant     | SACH 1 Limited ..... | UK                      | 100        | Intercompany<br>Financing | SACH 2 Limited ..... | UK        | 100  | Intercompany<br>Financing | Dakota Salts LLC..... | U.S. | 100               | Employee Payroll | Sirius Minerals (Singapore) Pte<br>Limited..... | Singapore           | 100     | Employee Payroll | Auspotash Corporation Limited <sup>(1)</sup><br>..... | Canada  | 100  | Dormant          | Sirius Minerals India Private<br>Limited..... | India | 100                | Employee Payroll |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Sirius Resources Limited .....                        | UK  | 100   | Dormant                                  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Sirius Potash Limited .....                           | UK  | 100   | Dormant                                  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| SACH 1 Limited .....                                  | UK  | 100   | Intercompany<br>Financing                |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| SACH 2 Limited .....                                  | UK  | 100   | Intercompany<br>Financing                |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Dakota Salts LLC.....                                 | U.S.  | 100   | Employee Payroll                         |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Sirius Minerals (Singapore) Pte<br>Limited.....       | Singapore   | 100   | Employee Payroll                         |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Auspotash Corporation Limited <sup>(1)</sup><br>..... | Canada  | 100   | Dormant                                  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Sirius Minerals India Private<br>Limited.....         | India   | 100   | Employee Payroll                         |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| B.6   | <b>Notifiable interests<br/>in the Ordinary<br/>Shares, different<br/>voting rights and<br/>controlling<br/>interests</b> | <p>As at 29 April 2019, the interests (including beneficial interests) of the Directors and Senior Management (as well as their immediate families) in the share capital of the Company and the interests of persons connected (within the meaning of section 252 of the Companies Act) with the relevant Director or member of Senior Management, the existence of which was known to or could, with reasonable due diligence, be ascertained by the relevant Director or member of Senior Management, are as follows:</p> <table><tr><td></td><td><i>Number of<br/>Ordinary<br/>Shares<sup>(1)</sup></i></td><td><i>Percentage of<br/>Ordinary<br/>Shares</i></td></tr><tr><td><i>Name</i></td><td></td><td></td></tr><tr><td>Chris Fraser.....</td><td>123,747,368</td><td>2.58</td></tr><tr><td>Russell Scrimshaw .....</td><td>43,523,979</td><td>0.91</td></tr><tr><td>J.T. Starzecki.....</td><td>1,333,713</td><td>0.03</td></tr><tr><td>Thomas Staley.....</td><td>1,135,525</td><td>0.02</td></tr><tr><td>Simon Carter.....</td><td>1,060,000</td><td>0.02</td></tr><tr><td>Nicholas King .....</td><td>935,491</td><td>0.02</td></tr><tr><td>Keith Clarke CBE .....</td><td>852,207</td><td>0.02</td></tr><tr><td>Jane Lodge .....</td><td>386,953</td><td>0.01</td></tr><tr><td>Noel Harwerth.....</td><td>92,255</td><td>0.00</td></tr><tr><td>Lord Hutton.....</td><td>30,856</td><td>0.00</td></tr><tr><td>Louise Hardy.....</td><td>0</td><td>0.00</td></tr></table> <p><b>Note:</b><br/>(1) Ordinary Shares outstanding as at 29 April 2019.</p> <p>As at 29 April 2019, insofar as it is known to the Company by virtue of the notifications made pursuant to the Companies Act and/or Chapter 5 of the Disclosure Guidance and Transparency Rules, the name of each person (other than a Director) who directly or indirectly is interested in voting rights representing 3 per cent. or more of the total voting rights in respect of the Company’s issued share capital, and the amount of such person’s holding, is as follows:</p> <table><tr><td></td><td><i>As at 29 April 2019</i></td><td><i>Immediately following the<br/>Firm Placing and Placing<br/>and Open Offer<sup>(1)</sup></i></td></tr><tr><td></td><td><i>Number of Ordinary<br/>Shares</i></td><td><i>Percentage<br/>of Ordinary<br/>Shares</i></td><td><i>Number of<br/>Ordinary<br/>Shares</i></td><td><i>Percentage<br/>of Ordinary<br/>Shares</i></td></tr><tr><td><i>Name</i></td><td></td><td></td><td></td><td></td></tr><tr><td>Capital Research<br/>and Management<br/>Company .....</td><td>146,562,793</td><td>3.1</td><td>414,614,738</td><td>5.9</td></tr></table> |  | <i>Number of<br/>Ordinary<br/>Shares<sup>(1)</sup></i> | <i>Percentage of<br/>Ordinary<br/>Shares</i> | <i>Name</i> |                             |    | Chris Fraser..... | 123,747,368 | 2.58                 | Russell Scrimshaw ..... | 43,523,979 | 0.91                      | J.T. Starzecki.....  | 1,333,713 | 0.03 | Thomas Staley.....        | 1,135,525             | 0.02 | Simon Carter..... | 1,060,000        | 0.02  | Nicholas King ..... | 935,491 | 0.02             | Keith Clarke CBE .....                                | 852,207 | 0.02 | Jane Lodge ..... | 386,953                                       | 0.01  | Noel Harwerth..... | 92,255           | 0.00 | Lord Hutton..... | 30,856 | 0.00 | Louise Hardy..... | 0 | 0.00 |  | <i>As at 29 April 2019</i> | <i>Immediately following the<br/>Firm Placing and Placing<br/>and Open Offer<sup>(1)</sup></i> |  | <i>Number of Ordinary<br/>Shares</i> | <i>Percentage<br/>of Ordinary<br/>Shares</i> | <i>Number of<br/>Ordinary<br/>Shares</i> | <i>Percentage<br/>of Ordinary<br/>Shares</i> | <i>Name</i> |  |  |  |  | Capital Research<br>and Management<br>Company ..... | 146,562,793 | 3.1 | 414,614,738 | 5.9 |
|   | <i>Number of<br/>Ordinary<br/>Shares<sup>(1)</sup></i>  | <i>Percentage of<br/>Ordinary<br/>Shares</i>  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| <i>Name</i>   |   |   |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Chris Fraser.....                                     | 123,747,368   | 2.58  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Russell Scrimshaw .....                               | 43,523,979  | 0.91  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| J.T. Starzecki.....                                   | 1,333,713   | 0.03  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Thomas Staley.....                                    | 1,135,525   | 0.02  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Simon Carter.....                                     | 1,060,000   | 0.02  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Nicholas King .....                                   | 935,491   | 0.02  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Keith Clarke CBE .....                                | 852,207   | 0.02  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Jane Lodge .....                                      | 386,953   | 0.01  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Noel Harwerth.....                                    | 92,255  | 0.00  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Lord Hutton.....                                      | 30,856  | 0.00  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Louise Hardy.....                                     | 0   | 0.00  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
|   | <i>As at 29 April 2019</i>  | <i>Immediately following the<br/>Firm Placing and Placing<br/>and Open Offer<sup>(1)</sup></i>  |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
|   | <i>Number of Ordinary<br/>Shares</i>  | <i>Percentage<br/>of Ordinary<br/>Shares</i>  | <i>Number of<br/>Ordinary<br/>Shares</i> | <i>Percentage<br/>of Ordinary<br/>Shares</i>           |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| <i>Name</i>   |   |   |  |  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |
| Capital Research<br>and Management<br>Company .....   | 146,562,793   | 3.1   | 414,614,738                              | 5.9  |  |             |                             |    |                   |             |                      |                         |            |                           |                      |           |      |                           |                       |      |                   |                  |   |                     |         |                  |   |         |      |                  |   |       |                    |                  |      |                  |        |      |                   |   |      |  |                            |  |  |                                      |  |  |  |             |  |  |  |  |   |             |     |             |     |

|  |   | <div>Jupiter Asset Management Limited.....</div> <div>(1) Assuming that (i) all of the New Ordinary Shares in relation to the Firm Placing and Placing and Open Offer are issued, (ii) no further Ordinary Shares are issued as a result of the exercise of any options under the Share Plans between the date of this Offering Circular and Admission or conversion of the Existing Convertible Bonds, and (iii) all of the Shareholders listed in the table above take up their Open Offer Entitlements in full and no Ordinary Shares are clawed back to satisfy valid applications under the Open Offer</div> <div>The Shareholders detailed in the above table do not have different voting rights from those of other Shareholders.</div> <div>As at 29 April 2019, the Company was not aware (i) of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control or ownership over the Company, or (ii) of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.</div>  | 307,701,931   | 6.4                                 | 501,688,382                         | 7.2   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
|--|---|--|---|-------------------------------------|-------------------------------------|---|--|--|-----------|--|--|--|-------------|--|---------------|---|---|---|----------------------|--------|--------|--------|--|-------|---|---|----------------------|--------|--------|--------|---------------------------------|------|--------|-------|----------------------------|--------|--------|--------|----------------|-----|-----|-----|-----------------------------------|--------|--------|--------|--|-------------------------------------|-------------------------------------|-------------------------------------|--|--|-----------|------------|--|--|-------------|--|--------|--|--|--|--------------------|--|--|--|-------------------------|------|------|-------|-------------------------------------|-------|-------|-----|---------------------------------|------|---|---|
| B.7  | Selected historical key financial information | <div>The tables below summarise certain key financial information relating to the Group for the periods indicated. The consolidated financial information of the Group has been extracted without material adjustment from the Group’s audited consolidated financial statements as at and for the years ended 31 December 2018, 31 December 2017 and 31 December 2016, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (together, the <b>Historical Financial Information</b>).</div> <div>Consolidated Statement of Comprehensive Income</div> <table><tr><th></th><th>For the year ended 31 December 2018</th><th>For the year ended 31 December 2017</th><th>For the year ended 31 December 2016 (restated) <sup>(1)</sup></th></tr><tr><td></td><td></td><td>(audited)</td><td></td></tr><tr><td></td><td></td><td>(£ million)</td><td></td></tr><tr><td>Revenue .....</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Operating Costs.....</td><td>(23.6)</td><td>(24.0)</td><td>(16.9)</td></tr><tr><td>Loss from equity accounted investments .....</td><td>(0.6)</td><td>—</td><td>—</td></tr><tr><td>Operating Loss .....</td><td>(24.2)</td><td>(24.0)</td><td>(16.9)</td></tr><tr><td>Net Finance Income/(Costs).....</td><td>10.7</td><td>(55.3)</td><td>(6.6)</td></tr><tr><td>Loss Before Taxation .....</td><td>(13.5)</td><td>(79.3)</td><td>(23.5)</td></tr><tr><td>Taxation .....</td><td>1.0</td><td>0.4</td><td>0.5</td></tr><tr><td>Loss for the Financial Year .....</td><td>(12.5)</td><td>(78.9)</td><td>(23.0)</td></tr></table> <div>Note</div> <div>(1) The Group’s consolidated statement of comprehensive income for the financial year ended 31 December 2016 was presented on a restated basis in the 2017 consolidated financial statements with the operating costs and net finance income/(costs) being restated following a change in accounting policy with effect from 1 January 2017 for foreign exchange revaluation gains and losses in relation to cash, restricted cash and bank deposits.</div> <div>Consolidated Statement of Financial Position</div> <table><tr><th></th><th>For the year ended 31 December 2018</th><th>For the year ended 31 December 2017</th><th>For the year ended 31 December 2016</th></tr><tr><td></td><td></td><td>(audited)</td><td>(restated)</td></tr><tr><td></td><td></td><td>(£ million)</td><td></td></tr><tr><td>ASSETS</td><td></td><td></td><td></td></tr><tr><td>Non-Current Assets</td><td></td><td></td><td></td></tr><tr><td>Intangible Assets .....</td><td>24.8</td><td>14.7</td><td>150.2</td></tr><tr><td>Property, Plant and Equipment .....</td><td>668.8</td><td>306.6</td><td>6.1</td></tr><tr><td>Investments in Associates .....</td><td>25.6</td><td>—</td><td>—</td></tr></table> |   | For the year ended 31 December 2018 | For the year ended 31 December 2017 | For the year ended 31 December 2016 (restated) <sup>(1)</sup> |  |  | (audited) |  |  |  | (£ million) |  | Revenue ..... | — | — | — | Operating Costs..... | (23.6) | (24.0) | (16.9) | Loss from equity accounted investments ..... | (0.6) | — | — | Operating Loss ..... | (24.2) | (24.0) | (16.9) | Net Finance Income/(Costs)..... | 10.7 | (55.3) | (6.6) | Loss Before Taxation ..... | (13.5) | (79.3) | (23.5) | Taxation ..... | 1.0 | 0.4 | 0.5 | Loss for the Financial Year ..... | (12.5) | (78.9) | (23.0) |  | For the year ended 31 December 2018 | For the year ended 31 December 2017 | For the year ended 31 December 2016 |  |  | (audited) | (restated) |  |  | (£ million) |  | ASSETS |  |  |  | Non-Current Assets |  |  |  | Intangible Assets ..... | 24.8 | 14.7 | 150.2 | Property, Plant and Equipment ..... | 668.8 | 306.6 | 6.1 | Investments in Associates ..... | 25.6 | — | — |
|  | For the year ended 31 December 2018           | For the year ended 31 December 2017  | For the year ended 31 December 2016 (restated) <sup>(1)</sup> |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
|  |   | (audited)  |   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
|  |   | (£ million)  |   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Revenue .....                                | —   | —  | —   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Operating Costs.....                         | (23.6)  | (24.0)   | (16.9)  |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Loss from equity accounted investments ..... | (0.6)   | —  | —   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Operating Loss .....                         | (24.2)  | (24.0)   | (16.9)  |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Net Finance Income/(Costs).....              | 10.7  | (55.3)   | (6.6)   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Loss Before Taxation .....                   | (13.5)  | (79.3)   | (23.5)  |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Taxation .....                               | 1.0   | 0.4  | 0.5   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Loss for the Financial Year .....            | (12.5)  | (78.9)   | (23.0)  |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
|  | For the year ended 31 December 2018           | For the year ended 31 December 2017  | For the year ended 31 December 2016                           |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
|  |   | (audited)  | (restated)  |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
|  |   | (£ million)  |   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| ASSETS                                       |   |  |   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Non-Current Assets                           |   |  |   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Intangible Assets .....                      | 24.8  | 14.7   | 150.2   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Property, Plant and Equipment .....          | 668.8   | 306.6  | 6.1   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |
| Investments in Associates .....              | 25.6  | —  | —   |                                     |                                     |   |  |  |           |  |  |  |             |  |               |   |   |   |                      |        |        |        |  |       |   |   |                      |        |        |        |                                 |      |        |       |                            |        |        |        |                |     |     |     |                                   |        |        |        |  |                                     |                                     |                                     |  |  |           |            |  |  |             |  |        |  |  |  |                    |  |  |  |                         |      |      |       |                                     |       |       |     |                                 |      |   |   |

|   |   |   |   |
|---|---|---|---|
| Restricted Cash .....   | 43.7  | 54.3  | 55.3  |
| <b>Total Non-Current Assets.....</b>                                    | <b>762.9</b>                                      | <b>375.6</b>                                      | <b>211.6</b>                                      |
| <u>Current Assets</u>   |   |   |   |
| Derivative Financial Instrument.....                                    | —   | —   | 1.0   |
| Restricted Cash .....   | 16.6  | 20.2  | 27.7  |
| Other Receivables .....   | 20.8  | 7.1   | 0.8   |
| Bank deposits .....   | —   | 158.5   | 322.2   |
| Cash and Cash Equivalents .....   | 230.1   | 235.5   | 260.2   |
| <b>Total Current Assets .....</b>                                       | <b>267.5</b>                                      | <b>421.3</b>                                      | <b>611.9</b>                                      |
| <b>TOTAL ASSETS.....</b>  | <b>1,030.4</b>                                    | <b>796.9</b>                                      | <b>823.5</b>                                      |
| <b>EQUITY AND LIABILITIES</b>   |   |   |   |
| <u>Equity</u>   |   |   |   |
| Share Capital.....  | 12.0  | 11.2  | 10.4  |
| Share Premium Account .....   | 789.0   | 695.3   | 590.7   |
| Share-based Payment Reserve .....                                       | 6.5   | 6.1   | 6.1   |
| Other Reserves .....  | (5.3)   | 0.4   | 1.3   |
| Accumulated Losses .....  | (227.6)   | (207.9)   | (112.2)   |
| <b>Total Equity .....</b>   | <b>574.6</b>                                      | <b>505.1</b>                                      | <b>496.3</b>                                      |
| <u>Non-Current Liabilities</u>  |   |   |   |
| Provisions .....  | 5.1   | 2.8   | —   |
| Royalty Financing.....  | 208.5   | —   | —   |
| <b>Total Non-Current Liabilities .....</b>                              | <b>213.6</b>                                      | <b>2.8</b>  | <b>—</b>  |
| <u>Current Liabilities</u>  |   |   |   |
| Convertible Loan .....  | 196.2   | 249.3   | 321.4   |
| Derivative Financial Instrument.....                                    | 2.5   | 10.0  | —   |
| Trade and Other Payables .....  | 43.5  | 29.7  | 5.8   |
| <b>Total Current Liabilities.....</b>                                   | <b>242.2</b>                                      | <b>289.0</b>                                      | <b>327.2</b>                                      |
| <b>TOTAL LIABILITIES .....</b>  | <b>455.8</b>                                      | <b>291.8</b>                                      | <b>327.2</b>                                      |
| <b>TOTAL EQUITY AND LIABILITIES ....</b>                                | <b>1,030.4</b>                                    | <b>796.9</b>                                      | <b>823.5</b>                                      |
| <b>Consolidated Statement of Cash Flows</b>                             |   |   |   |
|   | <b>For the<br/>year<br/>ended 31<br/>December</b> | <b>For the<br/>year<br/>ended 31<br/>December</b> | <b>For the<br/>year<br/>ended 31<br/>December</b> |
|   | <b>2018</b>                                       | <b>2017</b>                                       | <b>2016</b>                                       |
|   |   | <i>(audited)</i>                                  | <i>(restated)</i>                                 |
|   |   | <i>(£ million)</i>                                | <i>(1)</i>  |
| <b>Net Cash Used in Operating Activities .....</b>                      | <b>(22.5)</b>                                     | <b>(22.5)</b>                                     | <b>(15.9)</b>                                     |
| <u>Cash Flow from Investing Activities</u>                              |   |   |   |
| Purchase of Intangible Assets .....                                     | (9.4)   | (6.7)   | (12.1)  |
| Purchase of Property, Plant and Equipment .....                         | (322.9)   | (111.5)   | (4.3)   |
| Redemption of Bank Deposits .....                                       | 180.8   | 241.2   | —   |
| Purchase of Bank Deposits.....  | (21.8)  | (87.6)  | (320.2)   |
| Interest Received.....  | 3.4   | 3.6   | 0.4   |
| <b>Net Cash (Used in)/Generated from<br/>Investing Activities .....</b> | <b>(169.9)</b>                                    | <b>39.0</b>                                       | <b>(336.2)</b>                                    |
| <u>Cash Flow from Financing Activities</u>                              |   |   |   |
| Proceeds from Royalty Financing .....                                   | 190.1   | —   | —   |
| Purchase of Restricted Cash.....  | (9.1)   | (36.4)  | (81.6)  |
| Redemption of Restricted Cash.....                                      | 24.1  | 39.0  | —   |
| Interest Paid .....   | (19.5)  | (33.0)  | —   |
| Repayment of Borrowings .....   | —   | —   | (0.7)   |
| Proceeds from Issue of Ordinary Shares ...                              | 0.6   | —   | 371.5   |
| Share Issue Costs .....   | —   | (0.9)   | (18.4)  |
| Proceeds from Convertible Loans.....                                    | —   | —   | 319.9   |
| Convertible Loan Issue Costs.....                                       | —   | (2.4)   | (9.2)   |
| Debt Issuance Costs .....   | (4.3)   | —   | —   |

|  |  |  |  |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
|--|--|--|--|--|--|--|----------------------------------|--------------|---------------|--------------|---|--------|--------|-------|---|-------|-------|------|--|-----|-------|-----|--|--------------|--------------|--------------|
|  |  | <table><tr><td><b>Net Cash Generated /(Used in)from</b></td><td></td><td></td><td></td></tr><tr><td><b>Financing Activities.....</b></td><td><b>181.9</b></td><td><b>(33.7)</b></td><td><b>581.4</b></td></tr><tr><td>Net (Decrease)/Increase in Cash and Cash Equivalents.....</td><td>(10.5)</td><td>(17.2)</td><td>229.4</td></tr><tr><td>Cash and Cash Equivalents at Beginning of the Year.....</td><td>235.5</td><td>260.1</td><td>29.1</td></tr><tr><td>Gain/(loss) from foreign exchange.....</td><td>5.1</td><td>(7.4)</td><td>1.6</td></tr><tr><td><b>Cash and Cash Equivalents at the End of the Year.....</b></td><td><b>230.1</b></td><td><b>235.5</b></td><td><b>260.1</b></td></tr></table> <p>Note</p> <p>(1) The Group’s consolidated statement of cash flows for the financial year ended 31 December 2016 was presented on a restated basis in the 2017 consolidated financial statements with the cash flow used in operating activities being restated following a change in accounting policy with effect from 1 January 2017 for foreign exchange revaluation gains and losses in relation to cash, restricted cash and bank deposits.</p> <p>Set out below are details of the operating results of the Group for the years ended 31 December 2018, 31 December 2017 and 31 December 2016.</p> <p>Over the periods under review, the Group has not recognised any revenue. The Company will not recognise any revenue until first commercial production from the Project has commenced. The Group’s operating costs were £23.6 million, £24.0 million and £16.9 million in the years ended 31 December 2018, 31 December 2017 and 31 December 2016, respectively. Operating costs were largely attributable to general corporate overheads as well as to the level of professional and legal fees incurred by the Company in 2018 to assist with its negotiation of the Stage 2 Financing (as defined herein). Net finance income/(costs), primarily attributable to fair valuation movements in the embedded derivative associated with the <b>Existing Convertible Bonds</b> and the embedded derivative associated with the contemplated subscription for 200,076,829 Ordinary Shares in the Company in return for U.S.\$50 million under the Royalty Financing Agreement between the Company and Hancock British Holdings Ltd (<b>Hancock</b>) (the <b>Equity Purchase Price</b>), constituted net finance income of £10.7 million in the year ended 31 December 2018, and net finance costs of £55.3 million and £6.6 million in the years ended 31 December 2017 and 31 December 2016, respectively. The Group has not paid taxes over the periods under review, instead benefitting from research and development tax credits from the UK government. Therefore, the Group has had net tax credits of £1.0 million, £0.4 million and £0.5 million in the years ended 31 December 2018, 31 December 2017 and 31 December 2016, respectively.</p> <p>Save as described above, there has been no significant change in the Group’s financial condition and operating results during the years ended 31 December 2018, 31 December 2017 and 31 December 2016.</p> <p>There has been no significant change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest audited consolidated financial statements of the Group were prepared.</p> | <b>Net Cash Generated /(Used in)from</b> |  |  |  | <b>Financing Activities.....</b> | <b>181.9</b> | <b>(33.7)</b> | <b>581.4</b> | Net (Decrease)/Increase in Cash and Cash Equivalents..... | (10.5) | (17.2) | 229.4 | Cash and Cash Equivalents at Beginning of the Year..... | 235.5 | 260.1 | 29.1 | Gain/(loss) from foreign exchange..... | 5.1 | (7.4) | 1.6 | <b>Cash and Cash Equivalents at the End of the Year.....</b> | <b>230.1</b> | <b>235.5</b> | <b>260.1</b> |
| <b>Net Cash Generated /(Used in)from</b>                     |  |  |  |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| <b>Financing Activities.....</b>                             | <b>181.9</b>                           | <b>(33.7)</b>  | <b>581.4</b>                             |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| Net (Decrease)/Increase in Cash and Cash Equivalents.....    | (10.5)                                 | (17.2)   | 229.4                                    |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| Cash and Cash Equivalents at Beginning of the Year.....      | 235.5                                  | 260.1  | 29.1                                     |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| Gain/(loss) from foreign exchange.....                       | 5.1                                    | (7.4)  | 1.6                                      |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| <b>Cash and Cash Equivalents at the End of the Year.....</b> | <b>230.1</b>                           | <b>235.5</b>   | <b>260.1</b>                             |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| B.8  | <b>Pro forma financial information</b> | Not applicable; there is no pro forma financial information in this Offering Circular.   |  |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| B.9  | <b>Profit forecast/estimate</b>        | Not applicable; there is no profit forecast or estimate in this Offering Circular.   |  |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| B.10   | <b>Audit report – qualifications</b>   | Not applicable; there are no qualifications in the auditor’s reports on the historical financial information of the Group. However, the unqualified opinion for the financial statements as at the year ended 31 December 2018 includes an emphasis of matter paragraph, in which the Company’s auditors noted the existence of uncertainty which may cast significant doubt over the Company’s ability to continue as a going concern.  |  |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |
| B.11   | <b>Working Capital</b>                 | <p>In the opinion of the Company, taking into account available cash balances and the net proceeds of the Firm Placing and Placing and Open Offer, the Group does not have sufficient working capital for its present requirements, that is, for at least twelve months following the date of this Offering Circular.</p> <p>The Company is of the opinion that, taking into account its existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer, the Group</p>   |  |  |  |  |                                  |              |               |              |   |        |        |       |   |       |       |      |  |     |       |     |  |              |              |              |

|  |  |  |
|--|--|--|
|  |  | <p>will have sufficient working capital for its requirements to the end of September 2019. As the Company has no immediate sources of revenue and requires investment throughout the Initial Construction Phase of the Project, it will require approximately an additional £215 million to make up the shortfall required for the Company to have sufficient working capital for at least twelve months from the date of this Offering Circular. After that date, the Company would require additional financing of approximately U.S.\$3.1 billion to fund the construction of the Project during the remainder of the Initial Construction Phase.</p> <p>The Firm Placing and Placing and Open Offer is expected to raise gross proceeds of approximately US\$425 million (£327 million) (or approximately US\$405 million (£311 million) net of fees and expenses). Excluding the proceeds of the Non-Escrow Bonds, which will be applied by the Company entirely in purchasing an equivalent aggregate principal amount of Existing Convertible Bonds through the Existing Convertible Bonds Buy-back, the offering of the Bonds is expected to raise gross proceeds of approximately U.S.\$400 million (£307 million) (or approximately US\$385 million (£295 million) net of fees and expenses). As of the date of this Offering Circular, the Company has entered into the Initial Bond Engagement Letter with respect to the Initial Bonds and the Commitment Letter with respect to the RCF for a total of U.S.\$3.0 billion in respect of the Stage 2 Debt. The Board currently expects that, subject to prevailing market conditions, the Initial Bonds will be issued by no later than the end of September 2019. The Board further expects that, subject to prevailing market conditions and upon successful achievement of the conditions precedent under the Commitment Letter, initial drawdown under the RCF will occur no later than June 2021.</p> <p>Other than in certain limited circumstances, the amount held in escrow in respect of the Escrow Bonds will only be released to the Company upon the occurrence of the Stage 2 Debt Event. Moreover, even if the Stage 2 Debt Event does occur, drawdowns under the RCF will be subject to conditions precedent, including (i) issuance of the Bonds and of the full amount of the Initial Bonds, (ii) entry into certain agreements for or exercise of rights in relation to procurement and access relating to the project and amendments to clarify certain specific areas in some of the Offtake Agreements, (iii) entry into intercreditor arrangements, including an intercreditor agreement with Hancock, and (iv) drawdown of the Equity Purchase Price under the Royalty Financing, not all of which are under the control of the Company. After the initial drawdown, subsequent drawdowns upon the RCF will be subject to customary conditions precedent, including the absence of default events and compliance with financial covenants. As of the date of this Offering Circular, although the Company is confident that it will be able to meet the conditions to the initial and on-going availability of funding under the RCF (including the issuance of the full amount of the Initial Bonds), such conditions must be met to the satisfaction of, or waived by, the lenders under the RCF and therefore there can be no assurance that all such conditions will be satisfied on a timely basis, or at all. If any single condition precedent is not satisfied or, where feasible, waived, drawdown of the RCF, which is expected to be drawn down in tranches, cannot take place and the Company (itself or through its subsidiaries) may be unable to replace those amounts with alternative sources of funding on commercially attractive terms, or at all.</p> <p>In circumstances where the Firm Placing and Placing and Open Offer have been completed, but the Stage 2 Debt Event has not occurred by the end of September 2019, the amount held in escrow in respect of the Escrow Bonds will not be available to the Company at that date and the Company will have no available cash to deploy into the Project beyond that date and, as a result, it will be required to cease all discretionary spending and simultaneously consider all options available to it. Unless the Company was able to secure alternative funding (if any such alternative funding were available to the Company, which it may not be) or a merger or acquisition transaction involving the Company by the end of September 2019, the Company would cease to operate as a going concern and the Board would be required to place the Company into administration or liquidation, which could result in Shareholders losing part of or all of their investment in the Company. There can be no assurance, however, that the Company would be successful in securing any such alternative funding or completing any merger or acquisition transaction on commercially acceptable terms, or at all, and the Company is not confident either could</p> |
|--|--|--|



|                            |  |  |
|----------------------------|--|--|
|                            |  | be achieved.   |
| <b>Ordinary Shares</b>     |  |  |
| C.1                        | <b>Description of the Ordinary Shares</b>  | When admitted to trading, the Ordinary Shares to be issued or transferred and delivered upon conversion of any Bonds will be registered with ISIN number GB00B0DG3H29 (the same ISIN code as is applicable to the existing Ordinary Shares).   |
| C.2                        | <b>Currency of issue</b>   | Pounds sterling.   |
| C.3                        | <b>Issued share capital</b>  | As at 29 April 2019, the Company had in issue 4,797,057,259 fully paid Ordinary Shares and the nominal value of the issued share capital of the Company amounted to £11,992,643.   |
| C.4                        | <b>Rights attaching to the securities</b>  | The Ordinary Shares will, on Admission, be issued credited as fully paid and will rank equally with the Existing Ordinary Shares in all respects with each other and will rank in full for all dividends and other distributions thereafter declared, made or paid in respect of the share capital of the Company.   |
| C.5                        | <b>Restrictions on transfer</b>  | The Ordinary Shares and the Existing Ordinary Shares are freely transferable and there are no restrictions on transfer set out in the constitutional documents of the Company.   |
| C.6                        | <b>Admission to trading</b>  | Applications will be made for the Ordinary Shares in the Company to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities as soon as practicable following conversion of the relevant Bonds. The London Stock Exchange's Main Market for listed securities is a regulated market.  |
| C.7                        | <b>Dividend policy</b>   | The Company has never declared or paid any cash dividends on its shares. The Company intends to retain future earnings, if any, to finance the operation of its business and does not anticipate paying any cash dividends in the foreseeable future until the Project is operational and generating cash, when the dividend policy will be reviewed in line with then-existing financing commitments. Any future determination related to the Company's dividend policy will be made at the discretion of the Directors after considering its financial condition, results of operations, capital requirements, business prospects and other factors the Directors deem relevant, and subject to the restrictions contained in any future financing instruments.  |
| <b>Risks for Guarantor</b> |  |  |
| D.1                        | <b>Key information on the key risks that are specific to the Guarantor or its industry</b> | <p>The Project is currently in the development phase and is not yet generating any production or revenues as of the date of this Offering Circular. To reach targeted production milestones, the Project requires additional funding. Total Project capital expenditures over the Initial Construction Phase are estimated at U.S.\$3.9 billion, of which U.S.\$1.0 billion was funded by a total of approximately U.S.\$1.2 billion in financing (including financing costs), consisting of the proceeds of the 2016 Firm Placing and Placing and Open Offer, the issue of the Existing Convertible Bonds and the Royalty Financing (together, the <b>Stage 1 Financing</b>). Remaining capital expenditures to be funded are estimated at U.S.\$2.9 billion (which excludes financing costs). This amount is expected to be funded by (i) the Stage 2 Financing of U.S.\$3.8 billion (which includes financing costs), which is expected to fund the Project through to the point at which it generates positive operating cash flows and (ii) operating cash flows once they are generated.</p> <p>The availability of the Stage 2 Debt is conditional, among other things, upon the prior admission of the New Ordinary Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities (together, <b>Admission</b>) and issuance of the Bonds. Moreover, the RCF is conditional upon the issuance of the full amount of the Initial Bonds. The release of the amount held in escrow in respect of the Escrow Bonds prior to 23 January 2020 is conditional upon the occurrence of the Stage 2 Debt Event.</p> <p>In circumstances where the Firm Placing and Placing and Open Offer have been completed, but the Stage 2 Debt Event has not occurred by the end of September 2019, the amount held in escrow in respect of the Escrow Bonds will not be available to the Company at that date and the Company will have no available cash to deploy into the</p> |

|  |  |   |
|--|--|---|
|  |  | <p>Project beyond that date and, as a result, it will be required to cease all discretionary spending and simultaneously consider all options available to it. Unless the Company was able to secure alternative funding (if any such alternative funding were available to the Company, which it may not be) or a merger or acquisition transaction involving the Company by the end of September 2019, the Company would cease to operate as a going concern and the Board would be required to place the Company into administration or liquidation, which could result in Shareholders losing part of or all of their investment in the Company. There can be no assurance, however, that the Company would be successful in securing any such alternative funding or completing any merger or acquisition transaction on commercially acceptable terms, or at all, and the Company is not confident either could be achieved.</p> <p>On 30 April 2019, the Company entered into the Initial Bond Engagement Letter, pursuant to which the Company has agreed to engage J.P. Morgan Securities (acting directly or through its affiliates) to act as initial purchaser of the Initial Bonds on a best efforts basis, as well as for future bond issuances to refinance or replace amounts drawn under the RCF. In those circumstances, J.P. Morgan Securities would endeavour to procure purchasers for the full U.S.\$500.0 million of Initial Bonds currently contemplated as part of the Stage 2 Debt, but would not be under any obligation to acquire any Initial Bonds for which it cannot procure purchasers. As a result, the Company does not have any certainty that it will receive the full U.S.\$500 million of gross proceeds of the Initial Bonds. Moreover, the Initial Bonds must have certain terms in order to satisfy the conditions precedent to the RCF commitment under the Commitment Letter, including a minimum maturity of 7.5 years, minimum gross proceeds of U.S.\$500 million and a maximum yield of 15 per cent. and must be either unsecured or secured on the same collateral as the RCF will be. As a result, there can be no assurance that the Company will be able to issue Initial Bonds that satisfy the conditions precedent to the RCF set out in the Commitment Letter. In such circumstances, the Company would not be able to draw on the RCF.</p> <p>The Board currently expects that, subject to prevailing market conditions, the Initial Bonds will be issued by no later than the end of September 2019. However, there can be no assurance that market conditions will support the issuance of the full amount of the Initial Bonds in that timeframe on commercially acceptable terms or at all. Even if the Company is able to issue the Initial Bonds in the expected timeframe, it may need to do so on terms that are more onerous than it currently anticipates, which could result in significantly higher financing costs or more restrictive covenants or other limitations on its business than those contemplated as at the date of this Offering Circular.</p> <p>Other than in certain limited circumstances, the amount held in escrow in respect of the Escrow Bonds will only be released to the Company upon the occurrence of the Stage 2 Debt Event. Moreover, even if the Stage 2 Debt Event does occur, drawdowns under the RCF will be subject to conditions precedent, including (i) issuance of the New Convertible Bonds and of the full amount of the Initial Bonds, (ii) entry into certain agreements for or exercise of rights in relation to procurement and access relating to the project and amendments to clarify certain specific areas in some of the Offtake Agreements, (iii) entry into intercreditor arrangements, including an intercreditor agreement with Hancock, and (iv) drawdown of the Equity Purchase Price under the Royalty Financing, as well as further conditions precedent for subsequent drawdowns, not all of which are under the control of the Company. As of the date of this Offering Circular, although the Company is confident that it will be able to meet the conditions to the initial and on-going availability of funding under the RCF (including the issuance of the full amount of the Initial Bonds), such conditions must be met to the satisfaction of, or waived by, the lenders under the RCF and therefore there can be no assurance that all such conditions will be satisfied on a timely basis, or at all. If any single condition precedent is not satisfied or, where feasible, waived, drawdown of the RCF, which is expected to be drawn down in tranches, cannot take place and the Company (itself or through its subsidiaries) may be unable to replace those amounts with alternative sources of funding on commercially attractive terms, or at all.</p> <p>Although funds under the RCF are expected to become available to the Company at the same time as the proceeds of the Initial Bonds, the Company currently expects to draw upon the RCF later, in tranches.</p> |
|--|--|---|

|  |  |  |
|--|--|--|
|  |  | <p>Under the terms of the RCF, the borrower under the RCF (the <b>Borrower</b>) will, in certain circumstances, be required to issue securities to refinance outstanding loans under the RCF (a <b>Securities Demand</b>). A Securities Demand is automatically triggered on each successive occasion that aggregate increments of US\$500.0 million of loans become outstanding under the RCF (each a <b>Securities Trigger Date</b>). In the event of a Securities Trigger Date, the Borrower must issue and sell senior secured notes with a maturity date beyond the final maturity date of the RCF (the <b>Take-Out Securities</b>) to refinance such RCF loans on terms based on the terms of the Borrower's most recent issuance of the Initial Bonds or Take-Out Securities, as the case may be, and market conditions at the time. As an alternative to issuing Take-Out Securities, the Borrower may issue (i) other debt securities (including securities convertible or exchangeable into or exercisable for equity securities) with a maturity date beyond the final maturity date of the RCF or (ii) common equity, mezzanine debt, subordinated debt and or/ preferred equity of a member of the Group other than York Potash Holdings Limited, the Borrower, YPL, York Potash Processing &amp; Ports Limited and any other subsidiaries of York Potash Holdings Limited, (the <b>Security Group</b>) and without recourse to any member of the Security Group to effect such a refinancing (the <b>Alternative Securities</b>). Subject to any prior cancellation or prepayment of the loans outstanding under the RCF, the total commitment under the RCF would be permanently reduced by 60 per cent. of the net cash proceeds of any Take-Out Securities or Alternative Securities (together, the <b>Relevant Securities</b>) (other than net proceeds of any issue of common equity) issued, e.g., by approximately U.S.\$300 million for each U.S.\$500 million of Take-Out Securities issued. As a result of such reduction of the commitment under the RCF, the Company would, for example, have an additional US\$1.0 billion of funding available for drawdown under the RCF following the issuance of a total aggregate amount of US\$2.5 billion of Relevant Securities. However, in the event a Securities Trigger Date occurs, there is no assurance that the Borrower would be able to successfully issue Relevant Securities on commercially attractive terms, or at all. If the Borrower fails to issue Relevant Securities on or before a date falling 90 days after the Securities Trigger Date (a <b>Demand Failure</b> and, such date, the <b>Demand Failure Date</b>), in an amount equal to the aggregate amount of the loans outstanding on the relevant Securities Trigger Date (or such greater amount as the Borrower and the RCF Lender may agree) (the <b>Take-Out Amount</b>) then the interest rate accruing on the loans under the RCF would increase to that equal to the equivalent all in yield on the Group's longest tenor bond then outstanding plus an additional 0.5 per cent. per annum for every 90 days which passes after the Demand Failure Date (the <b>Increased Rate</b>). If a second Securities Demand is triggered when Relevant Securities have not been issued in relation to a previous Securities Demand, a Demand Failure Date will be deemed to have occurred on the date of such second Securities Demand. If any such second Demand Failure occurs, it will result in significantly higher financing costs for so long as Relevant Securities are not issued. Moreover, the refinancing of outstanding amounts under the RCF through the issuance of Relevant Securities following a Securities Trigger Date may be subject to higher financing costs than amounts drawn from the RCF, which may result in significantly higher overall financing costs.</p> <p>If there are two Demand Failures, such that there is more than US\$1 billion of outstanding loans under the RCF, then one of the conditions precedent to further drawings under the RCF, the liquidity test, may become significantly stricter, such that further drawings are not possible and an event of default under the RCF results.</p> <p>Moreover, as of the date of this Offering Circular, not all the terms under which the Initial Bonds and the Take-Out Securities will be issued in connection with the Stage 2 Debt portion of the Stage 2 Financing are known. As such, there can be no assurance that the Company's financing costs will not be significantly higher or that the covenants and other restrictions of the Company's business will not be more onerous than those contemplated as of the date of this Offering Circular.</p> <p>The Company's capital expenditure estimates include the planned outsourcing of the construction of the PHF and the OLC (both of which make up part of the harbour facilities) to a third party. However, if the Company is unable to agree such outsourcing in accordance with its planning, or at all, the Company may be forced to build the PHF and/or the OLC, leading to an increase in capital expenditure.</p> |
|--|--|--|

|  |   |
|--|---|
|  | <p>Even if the Company's currently identified capital requirements are met, there can be no assurance that the Company's actual needs will not increase significantly over the course of the development of the Project, nor that if such cost increases were to occur, that the Company would be able to secure additional capital on commercially attractive terms, or at all. If it were unable to do so, the Company might be unable to complete the Project, on schedule or at all, and this would have a material adverse effect on the Company's business, financial condition and results of operations.</p> <p>If construction of the Project, the commencement of commercial production or the achievement of operating cash flows is delayed, the Company may have difficulty obtaining additional financing, the cost of financing may increase, its credit rating may deteriorate and the Company may be unable to refinance existing debt on commercially acceptable terms, or, at all.</p> <p>The Project is in the development phase and is not yet generating any production or revenues. The Company has incurred operating losses each year since its inception, primarily in the form of administrative expenses related to preparatory studies, exploration, the acquisition of appropriate permits and licences and certain construction activities. During the year ended 31 December 2017 and the year ended 31 December 2018, the Group's consolidated operating losses were £24.0 million and £24.2 million, respectively.</p> <p>The Company's indebtedness could adversely affect its financial condition and impair its ability to operate its business. In order to fund the significant capital requirements needed to bring the Project into production, the Company has incurred indebtedness and currently plans to incur significant additional indebtedness in the form of the Bonds and the Stage 2 Debt during the Initial Construction Phase. If the Company is unable to receive the proceeds of its debt financing it may be unable to ensure that the Project will become operational, that commercial production will commence on schedule or at all, or that, once it does, it will generate sufficient revenues to fund the Company's continuing operations or to allow the Company to achieve or sustain profitability.</p> <p>If the Project fails to become operational and generate revenues, if commercial production fails to commence on schedule or at all, or if capital requirements or operating costs are significantly higher than projected, the Company may be unable to repay its indebtedness and could as a result face acceleration of maturities and risk becoming insolvent or otherwise ceasing operations, resulting in a significant or total loss of investment by holders of Ordinary Shares.</p> <p>The Company has no history of commercially producing polyhalite and there can be no assurance that it will successfully and profitably market polyhalite. If the Company fails to generate commercially viable levels of market demand for POLY4 at the selling price anticipated by the Company, the Company may fail to reach its anticipated level of commercial production or revenues, and as a result the Company may be unable to repay its indebtedness and could face acceleration of maturities and risk becoming insolvent or otherwise ceasing operations, resulting in a significant or total loss of investment by holders of Ordinary Shares.</p> <p>The amount of debt financing required to be raised may increase throughout the development and into the operation of the Project. This indebtedness may have important consequences, for the Company's business, financial condition or results of operations, including that: (i) it could limit the Company's ability to incur additional debt or issue additional equity to fund working capital, capital expenditures, or debt service requirements; (ii) it may contain additional restrictive covenants or other terms that may negatively impact the Company's business or Shareholders; (iii) it could limit the Company's flexibility in planning for, or reacting to, changes in the implementation of the Project or to other changes in its business, including benefitting from improved prices for its polyhalite, as a result of having a substantial percentage of production locked into pre-existing Offtake Agreements demanded by financing terms; (iv) it could require the Company to dedicate a higher portion of its cash flow from operations to the repayment of its indebtedness, thereby reducing the availability of its cash flow for other purposes, such as funding the anticipated increase in production capacity and volumes; and (v) it could, as a fixed cost, make the Company more vulnerable once the</p> |
|--|---|

|  |  |   |
|--|--|---|
|  |  | <p>Project is operational, to a downturn in its business or the economy that negatively impacts its revenues.</p> <p>Construction of the Project is subject to geotechnical hazards and risks normally associated with the development and production of natural resources, any of which could result in additional capital or operating costs, significant delays, production shortfalls or damage to persons, property or the environment.</p> <p>Under its Offtake Agreements, the Company's customers typically agree to purchase a certain minimum amount of POLY4 per annum for a fixed number of years, commencing upon first saleable tonnage production, currently expected to occur in early 2022, or as otherwise agreed in the Offtake Agreements. These agreements will not generate any sales or revenue to the Company until it is able to produce commercial quantities of polyhalite. However, there can be no assurance that the Project will produce polyhalite in sufficient quantities for the Company to meet its obligations in the timeframe set out in the Offtake Agreements. Furthermore, these Offtake Agreements expose the Company to any inability of its counterparties to pay for their commitments or otherwise fulfil their obligations under the agreements.</p> <p>Construction has commenced at each of the Company's construction sites, the Woodsmith Mine, Lockwood Beck and Wilton. Whilst, as of the date of this Offering Circular, all the principal planning permissions/consents required for the construction and operation of all elements of the Project up to a production capacity of 13 mtpa have been obtained, each planning permission/consent has attached to it a number of planning conditions with which the Company is required to comply prior to, and/or during, the construction and operation of the relevant element of the Project. The permissions for the mine and the MTS, and the MHF are subject to a total of 133 and 28 conditions, respectively. As of the date of this Offering Circular, whilst the mine, MTS and MHF permissions have been implemented, the discharging of conditions attached to these permissions continues. As the Project progresses, it will be subject to additional planning permissions/consents. If a planning permission/consent lapses, the Company will need to apply for new permissions, consents or licences, which will involve a new application and "Environmental Impact Assessment" and, potentially, additional conditions. In the event that planning permissions/consents lapse or expire, including by reason of their own fixed-period terms, the Company anticipates being able to secure new permissions/consents. However, such new permissions/consents may not be granted in a timely manner, or at all, and even if granted could be subject to onerous additional conditions.</p> <p>There are numerous inherent uncertainties with respect to estimating the Company's polyhalite Mineral Resources and Ore Reserves, which are based on engineering, economic and geological data assembled and analysed by the Company's engineers and geologists, as well as by the Company's independent consultants, SRK. These Mineral Resources and Ore Reserve estimates depend to some extent on statistical inferences drawn from available drilling data, which may prove unreliable. Such uncertainties and the resulting mine design could result in lower than expected sales or higher than expected costs, adversely affecting the Company's financial condition and results of operations.</p> <p>The Company's subsidiary YPL has entered into a number of lease agreements with land owners in order to obtain the necessary rights to extract minerals from their land. Although the Company has made an effort to confirm mineral rights ownership before entering into lease agreements with the mineral rights owners, there can be no assurance that the Company has obtained all necessary property rights in order to develop the Project. A successful challenge to the precise area and location of these claims could result in the Company, through its subsidiary YPL, being unable to construct the mine or relevant infrastructure on its properties as permitted or being unable to enforce its rights with respect to its properties. This may result in the Company, through its subsidiary YPL, being unable to complete the Project on time or according to current cost estimates or may impact the Company's future ability to explore and develop any of its mineral interests.</p> <p>Although the Company intends to take appropriate precautions to ensure the safety of its operations and minimise the risk of disruptions, it will be subject to hazards inherent in mining and the related storage and transportation of raw materials, products and</p> |
|--|--|---|

|     |   |  |
|-----|---|--|
|     |   | <p>wastes. These include explosions, fires, mechanical failures, remediation complications, chemical spills and discharges or releases of toxic or hazardous substances. These and other hazards to human life and the environment are inherent in mining operations, particularly underground mining. Any accidents, unaddressed risks or violations of planning conditions, S106 agreements, permits licences, regulations or requirements in Project design or operation could cause temporary or longer term mine closure, could cause the Company to expend significant amounts to remediate safety issues or repair damaged facilities, could subject the Company to costly administrative and legal proceedings and the potential imposition of civil or criminal penalties, could result in the temporary or permanent closure of the Project and could expose the Company to costly reputational harm, all of which could have a material adverse effect on the Company's business, revenues, financial condition or results of operations.</p> <p>The Company's reporting currency is pounds sterling. However, the Company has and will continue to have foreign currency exposure to U.S. dollars, euros and other currencies as a result of financing proceeds and costs, certain construction costs for the Project, certain of the Project's operating costs once in operation and the sale of POLY4, which is expected to be priced in U.S. dollars and which will result in a large proportion of the Company's revenues being denominated in U.S. dollars. As a result, during the Initial Construction Phase and, in particular, upon commencement of commercial production, both translational and transactional foreign currency exchange rate risk are expected to have a substantial impact on the Company's results.</p>   |
| D.3 | <b>Key information on the key risks that are specific to the securities</b> | <p>The Company may seek to raise financing to fund other growth opportunities, invest in its business, or for general corporate purposes, and may issue additional equity or convertible equity securities to do so. Any additional equity financings would likely result in dilution in the percentage ownership of existing shareholders and may involve the use of securities that have rights, preferences, or privileges senior to the Ordinary Shares which may adversely affect the price of the Ordinary Shares.</p> <p>The Company's results of operations and financial condition are entirely dependent on its ability to implement the Project and commence production of POLY4. The Company's ability to pay future dividends will depend, among other things, on its financial performance, level of indebtedness, any restrictions relating to regulatory capital in subsidiaries and the availability of distributable profits and reserves and cash available for this purpose. The Company's ability to pay dividends in the future is affected by a number of factors. The payment of dividends by subsidiaries is, in turn, subject to restrictions, including the existence of sufficient distributable reserves and cash in those subsidiaries, as well as certain restrictions in the Company's debt financing arrangements. These restrictions could limit or prohibit the payment of dividends to the Company by its subsidiaries, which could restrict the Company's ability to pay dividends to shareholders.</p> <p>The Company has never declared or paid dividends on its Ordinary Shares, and there can be no guarantee that it will change its dividend policy to pay dividends in the future, or that the Company's revenue, profit and cash flow would be able to support the payment of such dividends. The payment of dividends is at the discretion of the Board and will be subject to, among other things, applicable law, regulations, restrictions, the Company's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.</p> <p>The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.</p> |

## RISK FACTORS

Before making a decision to invest in the Securities prospective investors should consider carefully the information contained in this Offering Circular and the documents which are incorporated by reference herein and in particular should consider all the risks inherent in making such an investment, including the information:

- (i) under the heading “Risk Factors” on pages 27 to 54 (inclusive) of the prospectus (the **Equity Prospectus**) dated 1 May 2019 prepared by Sirius Minerals Plc in connection with a firm placing and placing and open offer of in aggregate 2,180,480,570 of its ordinary shares (the **Guarantor Risk Factors**); and
- (ii) set out below.

*In investing in the Securities, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds, and that the Guarantor may be unable to make all payments due in respect of the Guarantee.*

*There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Bonds, or the Guarantor being unable to make all payments due in respect of the Guarantee. It is not possible to identify all such factors, or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's and/or the Guarantor's control. The Issuer and the Guarantor have identified in the Guarantor Risk Factors and the additional information below a number of factors which could materially adversely affect the Issuer's business and its ability to make payments due under the Bonds, and the ability of the Guarantor to make payments due under the Guarantee. In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds and the Guarantee are also described in the Guarantor Risk Factors and the additional information below.*

### **Risks relating to the Issuer**

#### ***Dependence on other Group members.***

The Issuer is a finance vehicle established by the Guarantor for the purpose of issuing the Bonds and the Preference Shares and on-lending the net proceeds from the Bonds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion this could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds. By virtue of its dependence on other Group members, each of the risks described in the Guarantor Risk Factors that affect the Guarantor will also indirectly affect the Issuer.

### **Risks relating to the Bonds**

#### ***No established trading market for the Bonds.***

The Bonds are new securities which may not be widely distributed and for which there is currently no established trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Issuer's and/or the Group's results of operations and the market price of the Ordinary Shares.

#### ***Risk of fluctuation in the price of the Ordinary Shares.***

In recent years, the securities markets have experienced a high level of price and volume volatility and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The market price of the Bonds is expected to be affected by fluctuations in the market price of the Ordinary Shares and it is impossible to predict whether the price of the Ordinary Shares will rise or fall. Trading prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Guarantor and the Group, the

results of operations and political, economic, financial and other factors. Any decline in the market price of the Ordinary Shares may have an adverse effect on the market price of the Bonds.

The issue of Ordinary Shares pursuant to the Firm Placing and Placing and Open Offer and/or the Stage 2 Debt or any future issue of Ordinary Shares by the Guarantor or the disposal of Ordinary Shares by substantial shareholders or the perception that such issues or sales may occur may significantly affect the trading price of the Bonds or the Ordinary Shares. Except for the restrictions and undertakings of the Guarantor described in Condition 11 (see “*Terms and Conditions of the Non-Escrow Bonds – Undertakings*”), there can be no assurance that the Guarantor will not issue Ordinary Shares or that any substantial shareholder will not dispose of, encumber, or pledge its Ordinary Shares or related securities.

***Global Bonds held by or on behalf of Euroclear and Clearstream, Luxembourg.***

The Bonds are represented by the Global Bonds. The Global Bonds have been deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Bonds, investors will not be entitled to receive Bonds in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their accountholders or the Sterling account of the payee with a bank in London, in each case in accordance with the terms and conditions of the Bonds (the **Conditions**). A holder of a beneficial interest in the Global Bonds must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

***Meetings of Bondholders, Modification and Waiver and Substitution.***

The Conditions of each of the Escrow Bonds and the Non-Escrow Bonds and the trust deed constituting each of the Escrow Bonds and the Non-Escrow Bonds (as supplemented, amended or restated from time to time, each a **Relevant Trust Deed**) contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions of the Bonds also provide, among other things, that the Trustee may, without the consent of the Bondholders: (i) agree to any modification of any of the provisions of any Relevant Trust Deed, any trust deed supplemental to any Relevant Trust Deeds, each Agency Agreement (as defined in the Conditions), any agreement supplemental to each Agency Agreement, the Escrow Bonds or the Non-Escrow Bonds or their respective Conditions, the Deed Poll or the Articles of the Issuer and, in the case of Escrow Bonds only, the Initial Escrow Agency Agreement, the Secured Escrow Agency Agreement and any agreement supplement to either Initial Escrow Agency Agreement or the Secured Escrow Agency Agreement, which in the Trustee’s opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; (ii) agree to any modification, or any waiver or authorisation of any breach or proposed breach, of any of the provisions of any Relevant Trust Deed, any trust deed supplemental to any Relevant Trust Deed, each Agency Agreement, any agreement supplemental to each Agency Agreement, the Escrow Bonds or the Non-Escrow Bonds or their respective Conditions, the Deed Poll or the Articles of the Issuer and, in the case of Escrow Bonds only, the Initial Escrow Agency Agreement, the Secured Escrow Agency Agreement and any agreement supplement to either Initial Escrow Agency Agreement or the Secured Escrow Agency Agreement, which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders; (iii) determine that any Event of Default or Potential Event of Default (each as defined in the Relevant Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby; (iv) agree to the substitution of any Subsidiary of the Guarantor as principal debtor under the Bonds in place of the Issuer, in the circumstances described in Condition 14(c); or (v) agree to the substitution as provided in, and for the purposes of, Condition 11(b)(vii) in connection with a Newco Scheme (see “*Terms and Conditions of the Non-Escrow Bonds – Meetings of Bondholders, Modification and Waiver, Substitution*”).

***Bondholders have limited anti-dilution protection.***



Upon exercise of Conversion Rights by a Bondholder, the Issuer will issue the relevant number of Preference Shares to the relevant Bondholder on and as at the relevant Conversion Date. The Exchange Price at which the Preference Shares will effectively be converted into Ordinary Shares will be adjusted, *inter alia*, in the event that there is a consolidation, reclassification, redesignation or subdivision in relation to the Ordinary Shares, capitalisation of profits or reserves, the payment of any dividend or the making of a distribution by the Guarantor, rights issue or grant of other subscription rights or other adjustment which affects the Ordinary Shares, but only in the situations and only to the extent provided under the Conditions. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Bonds.

***Risks attached to the exercise of Conversion Rights.***

At any point when the Bonds are outstanding, depending on the performance of the Ordinary Shares, the value of the Ordinary Shares may be substantially lower than when the Bonds were initially purchased. In addition, because there will be a delay between when Conversion Rights are exercised and when Ordinary Shares are delivered, the value of the Ordinary Shares to be delivered may vary substantially between the date on which Conversion Rights are exercised and the date on which such Ordinary Shares are delivered.

***The Bonds may be redeemed prior to maturity.***

The Conditions provide that the Bonds are redeemable at the Issuer's option in certain limited circumstances, which is likely to limit their market value. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Subject to the redemption conditions, the Issuer may be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. 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 Bonds 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.

***There is a limited period for, and there are costs associated with, the exercise of Conversion Rights.***

A Bondholder will, subject to and as provided in the Conditions, have the right to convert his or her Bonds into Preference Shares. All Preference Shares issued on conversion of the Bonds will be automatically transferred to the Guarantor and the Guarantor will issue the relevant number of Ordinary Shares to the relevant Bondholders. Conversion Rights may be exercised (subject to the Conditions and to any applicable fiscal or other laws or regulations) at any time on or after the Closing Date up to, and including: (a) the close of business (at the place where the Bonds are delivered for conversion) on the date falling 10 calendar days prior to the Final Maturity Date; or (b) if the Bonds have been called for redemption by the Issuer before the Final Maturity Date, the close of business (at the place aforesaid) on the 10th calendar day before the date fixed for redemption thereof. If the Conversion Rights are not exercised by Bondholders during this period, the Bonds will be redeemed at 100 per cent. of their principal amount on the Final Maturity Date unless they are previously purchased and cancelled, redeemed or converted in accordance with the Conditions.

***Bondholders have no shareholder rights before conversion.***

Holders of the Bonds will not be holders of the Ordinary Shares. Holders of the Bonds will not have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the Ordinary Shares until such time, if any, as Conversion Rights are exercised and (to the extent applicable) such holder becomes registered as the holder of the Ordinary Shares.

***The security granted pursuant to the terms and conditions of the Escrow Bonds will not be granted directly to holders of the Escrow Bonds.***

Upon issuance, the Escrow Bonds and the Non-Escrow Bonds will constitute unsecured obligations of the Issuer. From no later than five London business days following the date (if any) on which there are no Existing Convertible Bonds remaining outstanding, the obligations of the Issuer under the Escrow Bonds will be secured in favour of the Trustee for the benefit of itself and the holders of the Escrow Bonds, as described in the terms and conditions of the Escrow Bonds. The security interests in the Escrow Property (as defined in the Conditions)

that will secure the obligations of the Issuer under the Escrow Bonds will not be granted directly to the holders of the Escrow Bonds but will be granted only in favour of the Trustee for the benefit of the holders of the Escrow Bonds. The Relevant Trust Deed will provide that only the Trustee has the right to enforce the security provisions contained therein. As a consequence, the holders of the Escrow Bonds will not have direct security interests and will not be entitled to take enforcement action in respect of the Escrow Property securing the Escrow Bonds, except through the Trustee for the Escrow Bonds.

***Exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Bonds in U.S. dollars. In addition, the Ordinary Shares are denominated in pounds sterling. 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 U.S. dollars or pounds sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or pounds sterling 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. In particular, an appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease: (i) the Investor's Currency equivalent yield in the Bonds; (ii) the Investor's Currency equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or, in certain limited circumstances, no interest or principal.

***Interest rate risks.***

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

***Legal investment consideration may restrict certain investment.***

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: (i) the Bonds are legal investments for it; (ii) the Bonds can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

***The value of the Bonds could be adversely affected by a change in English law or administrative practice.***

The conditions of the Bonds are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Bonds affected by it.

***The Guarantor conducts its business through its operating subsidiaries so Bondholders will be effectively subordinated to the claims of creditors of such subsidiaries***

The Guarantor conducts its business through its operating subsidiaries. The operating subsidiaries have obligations to creditors under their respective operations and/or borrowings. Any right that the Issuer or the Guarantor may have to receive assets of any of their respective subsidiaries upon any such subsidiary's liquidation, and the consequent right of Bondholders to benefit from the distribution of proceeds from those assets to the Issuer or any Guarantor, will be effectively subordinated to the claims of creditors of such subsidiaries (including tax authorities, employees, trade creditors and lenders to such subsidiaries). Certain operating subsidiaries have obligations to creditors pursuant to the Royalty Financing, for more information see "Part 16 – Additional Information – 12. Material Contracts – Royalty Financing Agreement" in the Equity Prospectus which section is incorporated by reference herein.

## 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 FCA shall be incorporated in, and form part of, this Offering Circular:

- (a) the following sections of the Equity Prospectus as set out in the table below:

|   | <b>Page references<br/>(inclusive)</b> |
|---|--|
| Part 2 - Risk Factors   | 27 to 54                               |
| Part 3 - Directors, Secretary, Registered Office and Advisers   | 55 to 56                               |
| Part 5 - Presentation of Information                            | 60 to 67                               |
| Part 6 - Letter from the Chairman of the Company                | 68 to 81                               |
| Part 10 - Industry Overview                                     | 122 to 135                             |
| Part 11 - Business Description                                  | 136 to 197                             |
| Part 12 - Directors, Senior Management and Corporate Governance | 198 to 204                             |
| Part 13 - Selected Financial Information                        | 205 to 207                             |
| Part 14 - Operating and Financial Review                        | 208 to 230                             |
| Part 16 - Additional Information                                | 232 to 304                             |
| Part 17 - Definitions and Glossary                              | 305 to 318                             |
| Part 18 – Competent Persons Report                              | 319 to 595                             |

- (b) the audited annual financial statements (including the notes thereto) of the Guarantor for the year ended 31 December 2018, together with the auditor's report thereon as set out on pages 88 to 126 of the Guarantor's annual report 2018 for the year ended 31 December 2018;
- (c) the audited annual financial statements (including the notes thereto) of the Guarantor for the year ended 31 December 2017, together with the auditor's report thereon as set out on pages 104 to 139 of the Guarantor's annual report 2017 for the year ended 31 December 2017; and
- (d) the audited annual financial statements (including the notes thereto) of the Guarantor for the year ended 31 December 2016, together with the auditor's report thereon as set out on pages 48 to 90 of the Guarantor's annual report 2016 for the year ended 31 December 2016.

Any statement made herein or in a document incorporated by reference or deemed incorporated herein by reference is deemed to be modified or superseded for purposes of this Offering Circular if, and to the extent that, a statement contained in this Offering Circular or in any other document subsequently incorporated or deemed incorporated by reference herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular. Non-incorporated parts of the documents referred to above are either not relevant for investors or are covered elsewhere in the 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 Principal Paying, Transfer and Conversion Agent for the time being in London, in each case during normal business hours, and will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

## TERMS AND CONDITIONS OF THE ESCROW BONDS

*The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Escrow Bonds.*

The issue of the U.S.\$400,000,000 5 per cent. Guaranteed Convertible Bonds due 2027 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any Further Bonds (as defined below)) was (save in respect of any Further Bonds) authorised by resolutions of the board of directors of Sirius Minerals Finance No.2 Limited (the “**Issuer**”) passed on 29 April 2019 and 20 May 2019. The giving of the guarantee by Sirius Minerals Plc (the “**Guarantor**”) in respect of the Bonds was authorised by resolutions of the board of directors of the Guarantor passed on 3 April 2019 and 15 April 2019, a resolution of a committee of the board of directors of the Guarantor passed on 29 April 2019 and resolutions approved by the Shareholders of the Guarantor at a general meeting of the Guarantor held on 21 May 2019. The Bonds are constituted by a trust deed dated 23 May 2019 (the “**Trust Deed**”) between the Issuer, the Guarantor and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 23 May 2019 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Guarantor, the Trustee and The Bank of New York Mellon, London Branch (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as Principal Paying, Transfer and Conversion Agent under the Agency Agreement), the paying, transfer and conversion agents for the time being named therein (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as such under the Agency Agreement) and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar in respect of the Bonds (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement), the Articles of the Issuer (as defined below) and the deed poll (the “**Deed Poll**”) executed and delivered on 23 May 2019 by the Guarantor.

The Issuer, the Guarantor, the Principal Paying, Transfer and Conversion Agent and the Trustee have entered into an escrow agency agreement (the “**Initial Escrow Agency Agreement**”) dated 23 May 2019 with J.P. Morgan Securities plc as depositor (the “**Depositor**”) and The Bank of New York Mellon, London Branch as escrow agent (the “**Escrow Agent**”, which expression shall include any successor as escrow agent under the Initial Escrow Agency Agreement or the Secured Escrow Agency Agreement) whereby the Escrow Agent has been appointed to hold certain amounts in the Escrow Account in relation to the Bonds.

Subject to there being no Existing Convertible Bonds (as defined herein) remaining outstanding (whether by redemption pursuant to the terms and conditions thereof or otherwise), the Issuer, the Guarantor, the Principal Paying, Transfer and Conversion Agent, the Escrow Agent and the Trustee shall enter into a further escrow agreement in the form scheduled to the Trust Deed (the “**Secured Escrow Agency Agreement**”) in the manner described in Condition 2(c), by no later than five London business days following the date that there are no Existing Convertible outstanding (as notified to the Trustee in writing by the Issuer, failing whom, the Guarantor).

The Issuer and the Guarantor have also entered into a calculation agency agreement (the “**Calculation Agency Agreement**”) dated 23 May 2019 with Conv-Ex Advisors Limited (the “**Calculation Agent**”, which expression shall include any successor as calculation agent under the Calculation Agency Agreement) whereby the Calculation Agent has been appointed to make certain calculations in relation to the Bonds.

Further, the Issuer and the Guarantor have entered into a security determination advisory agreement (the “**Security Determination Advisory Agreement**”) dated 23 May 2019 with Conv-Ex Advisors Limited (the “**Security Determination Adviser**”, which expression shall include any successor as security determination adviser under the Security Determination Advisory Agreement) whereby the Security Determination Adviser has been appointed to make certain calculations in relation to the Bonds.

Copies of each of the Trust Deed, the Agency Agreement, the Initial Escrow Agency Agreement, the Calculation Agency Agreement, the Security Determination Advisory Agreement, the Articles of the Issuer,

the Deed Poll and, upon execution, the Secured Escrow Agency Agreement are available for inspection (i) during normal business hours at the registered office for the time being of the Trustee (being at the Closing Date (as defined below) at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Paying, Transfer and Conversion Agents and the Registrar and (ii) electronically from the Principal Paying, Transfer and Conversion Agent upon request to corpsovl@bnymellon.com.

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

## 1 Form, Denomination, Title, Status and Guarantee

### (a) Form and Denomination

The Bonds are in registered form, serially numbered, in principal amounts of U.S.\$200,000 each.

### (b) Title

Title to the Bonds will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

### (c) Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Conditions 2(a) and 2(c)) unsecured obligations of the Issuer. The Bonds rank *pari passu* and rateably, without any preference among themselves.

*By no later than five London business days following the Existing Convertible Bonds Redemption Date (as defined herein), the Bonds will be secured to the extent and in the manner provided in Condition 2(c).*

### (d) Guarantee

The Guarantor has, pursuant to the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual performance by the Issuer of all its payment and other obligations in respect of the Trust Deed and the Bonds (the “**Guarantee**”). The obligations of the Guarantor under the Trust Deed constitute direct, unconditional, unsubordinated and (subject to Condition 2(a)) unsecured obligations of the Guarantor and rank equally with all other present and future unsecured and unsubordinated obligations of the Guarantor but, in the event of a winding-up of the Guarantor, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

## 2 Covenants, Escrow and Security Arrangements

### (a) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and the Guarantor will ensure that none of its Subsidiaries will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each, a “**Security Interest**”), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Issuer’s obligations under the Bonds and the Trust Deed:

- (1) on a *pari passu* and rateable basis, the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity in a manner and on a basis determined

in good faith by the Security Determination Adviser to be not materially prejudicial to the interests of Bondholders and upon receiving a certificate signed by an authorised signatory of the Security Determination Adviser to the effect that such security has been granted in a manner and on a basis which is not materially prejudicial to the interests of the Bondholders (upon which the Trustee can rely without liability) the Trustee shall (subject to it having been indemnified and/or secured and/or prefunded to its satisfaction) enter into such agreements and documents as the Security Determination Adviser shall determine to be appropriate for the purposes thereof. In making such determination, the Security Determination Adviser shall be satisfied that, in its opinion, such agreements and documents:

- (i) do not contain any provisions that purport to defer, restrict, diminish or cancel any existing obligation of the Issuer or the Guarantor in respect of the Bonds or under the Trust Deed or any existing rights, indemnities, powers, duties or entitlements of the Bondholders or the Trustee under the Bonds or the Trust Deed, including without limitation any action to enforce such rights, indemnities or entitlements;
- (ii) provide that any action in respect of any such security, including enforcement action, shall be taken on the basis of the approval, direction or consent of the simple majority by value of the principal amount of the indebtedness (including the Bonds) secured by the relevant Security Interest and without the Trustee having any liability to take any action, step or proceeding in respect thereof other than, in respect of the Bonds, under the Trust Deed; and
- (iii) provide that any amounts received or recovered in connection with the realisation of all or any part of the relevant Security Interest which are to be applied in respect of all amounts then due and payable under the Bonds and the Relevant Indebtedness shall be applied *pari passu* and on a pro rata basis.

In addition, any such agreements and documents as referred to above shall not, to the satisfaction of the Trustee, impose more onerous or additional obligations, responsibilities or duties upon it or expose it to further liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed.

If the matters set out in (i), (ii) and (iii) of the above proviso are not complied with to the satisfaction of the Trustee, it shall not be required to enter into such agreements and documents regardless of the determination by the Security Determination Adviser; or

- (2) such other Security Interest, guarantee or indemnity or other arrangement (whether or not including the granting of a Security Interest) as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

This Condition 2(a) does not apply to any Security Interest (each a “**Permitted Security Interest**”):

- (i) securing any Project Finance Indebtedness; or
- (ii) upon, or with respect to, any assets or revenues of any company which becomes a Subsidiary of the Guarantor after the Closing Date, where such Security Interest was created prior to the date on which that company becomes a Subsidiary of the Guarantor, provided that:
  - (a) the Security Interest was not created or assumed in contemplation of that company becoming a Subsidiary of the Guarantor; and
  - (b) the principal amount secured by the Security Interest was not increased in contemplation of that company becoming a Subsidiary of the Guarantor and is not subsequently increased; or
- (iii) created on or prior to 30 April 2019 and securing the obligations of Sirius Minerals Finance Limited under the U.S.\$400,000,000 8.5 per cent. Guaranteed Convertible Bonds due 2023 and ancillary documents related thereto; or
- (iv) in respect of any Relevant Indebtedness (“**New Relevant Indebtedness**”) created to refinance any Relevant Indebtedness in respect of which any Security Interest referred to in paragraph (ii) above exists (“**Existing Relevant Indebtedness**”), provided that (1) the principal amount of such New Relevant Indebtedness does not exceed the principal amount

of the Existing Relevant Indebtedness and (2) the Security Interest does not extend to any present or future undertaking, assets or revenues (including uncalled capital) of the Issuer, the Guarantor or any Subsidiary of the Guarantor which were not subject to the Security Interest in respect of the Existing Relevant Indebtedness.

The Security Determination Adviser shall act as an independent expert and shall not act as an agent of or otherwise be liable in any respect to the Trustee or the Bondholders, and the Security Determination Adviser shall be entitled to be indemnified by, and receive payment for its services, from the Issuer and/or the Guarantor. The Security Determination Adviser may consult, at the expense of the Guarantor, on any matter (including, but not limited to, any legal matter), any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Trustee, the Bondholders or the Paying, Transfer and Conversion Agents in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.

The Security Determination Adviser will not assume any obligations towards or relationship of agency or trust with, and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, in accordance with the Conditions as against the Trustee, the Bondholders or the Paying, Transfer and Conversion Agents. Without prejudice to the generality of the foregoing, in making any determination as to material prejudice in accordance with this Condition 2(a), the Security Determination Adviser shall not be required to make any assessment as to the appropriateness or suitability of the security arrangements for individual Bondholders and, in particular but without limitation, shall not have regard to the consequences of its determination for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. Save as provided herein, a determination by the Security Determination Adviser shall be final and binding on the Issuer, the Guarantor, the Trustee and the Bondholders.

(b) *Initial Escrow Account*

- (i) On the Closing Date, the sum of U.S.\$400,000,000, being the gross proceeds of the issue of the Bonds, shall be transferred to an account opened in the name of the Escrow Agent (the "**Initial Escrow Account**") held with the Escrow Agent.
- (ii) Amounts standing to the credit of the Initial Escrow Account (or, subject as provided in Condition 2(c), the Secured Escrow Account) may not be withdrawn or released other than as provided below.
  - (A) Where Bonds are redeemed pursuant to Conditions 7(b)(iii), 7(c), 7(e) or 7(f) or are purchased and cancelled pursuant to Condition 7(h), then there shall be released from the Initial Escrow Account (or, subject as provided in Condition 2(c), the Secured Escrow Account) an amount equal to the aggregate principal amount of the relevant Bonds so redeemed or purchased and cancelled, such amount to be paid (i) in the case of a redemption of Bonds pursuant to Conditions 7(b)(iii), 7(c), 7(e) or 7(f) to the Principal Paying, Transfer and Conversion Agent for the onward payment by way of part payment of the redemption monies in relation to such Bonds to the holders of the Bonds so redeemed (such payment to discharge, to the extent of such payment, the obligation of the Issuer to pay the redemption monies in respect of such Bonds) or (ii) (provided that an Event of Default or Potential Event of Default shall not have occurred and be continuing) in the case of Bonds that have been purchased and cancelled pursuant to Condition 7(h) and upon certification in writing by the Issuer to the Escrow Agent and the Trustee that such Bonds have been cancelled, to the Issuer for its own account.
  - (B) Where Conversion Rights are exercised in respect of any Bonds pursuant to Condition 6, then there shall be released from the Initial Escrow Account (or, subject as provided in Condition 2(c), the Secured Escrow Account) (i) an amount equal to the relevant Make Whole Amount in relation to the Bonds so converted, such amount to be paid to the Principal Paying, Transfer and Conversion Agent for the onward payment to the holders of the Bonds so converted (in accordance with instructions given by the relevant Bondholders in the respective Conversion Notices) (such payment to

discharge, to the extent of such payment, the obligation of the Issuer to pay the Make-Whole Amount in respect of such Bonds) and (ii) (provided that an Event of Default or Potential Event of Default shall not have occurred and be continuing) an amount (if positive) equal to the principal amount of the relevant Bonds so converted minus an amount equal to the relevant Make Whole Amount in respect of such Bonds, such amount to be paid to the Issuer for its own account.

- (C) Upon the earlier of (i) 23 January 2020 and (ii) the giving of written notice by the Issuer to the Escrow Agent following the occurrence of a Stage 2 Debt Event (as defined herein) (provided in each case that an Event of Default or Potential Event of Default shall not have occurred and be continuing and provided in the case of (ii) that two directors of the Guarantor certify in writing to the Escrow Agent and the Trustee that such a Stage 2 Debt Event has occurred), there shall be released from the Initial Escrow Account (or, subject as provided in Condition 2(c), the Secured Escrow Account) the full balance standing at such time to the credit of the Initial Escrow Account or, as the case may be, the Secured Escrow Account for transfer to the Issuer for its own account.
- (D) Any interest accrued on amounts standing to the credit of the Initial Escrow Account (or, subject as provided in Condition 2(c), the Secured Escrow Account) pursuant to arrangements between the Depositor and the Escrow Agent will, provided that two directors of the Issuer certify in writing to the Escrow Agent and the Trustee that an Event of Default or Potential Event of Default shall not have occurred and be continuing, be released to the Issuer for its own account upon the earlier of (i) 23 January 2020 and (ii) as soon as reasonably practicable following the giving of written notice by the Issuer to the Escrow Agent following the occurrence of a Stage 2 Debt Event.
- (E) In accordance with Condition 2(c), the full balance standing to the credit of the Initial Escrow Account at the relevant time of transfer shall be released from the Initial Escrow Account for transfer by the Escrow Agent to the Secured Escrow Account.
- (F) Upon the occurrence of an Event of Default that is continuing and the Trustee giving notice to the Issuer that the Bonds are due and repayable in accordance with Condition 10, the full balance standing to the credit of the Initial Escrow Account shall be released from the Initial Escrow Account for transfer to the Trustee for the benefit of Bondholders.

For the purpose of these Conditions, “**Stage 2 Debt Event**” means the completion by the Guarantor and/or a subsidiary of the Guarantor of (a) an issuance of senior secured guaranteed bonds or other financing raising gross proceeds which are received by the Guarantor or such subsidiary of at least U.S.\$500,000,000 and (b) the entry into a revolving credit facility with a committed amount available to the Guarantor or one of its subsidiaries of at least U.S.\$2,500,000,000 from time to time provided that, on the date such Stage 2 Debt Event is notified to Bondholders, the Guarantor or the relevant subsidiary is in compliance with its covenants under such facility.

The Issuer, failing whom the Guarantor, shall give notice to the Bondholders in accordance with Condition 17 and to the Trustee no later than five London business days following the occurrence of a Stage 2 Debt Event. Such notice shall specify (i) all information material to Bondholders concerning the Stage 2 Debt Event, (ii) the date on which the full balance standing to the credit of the Initial Escrow Account at the relevant time of transfer or, as the case may be, the Secured Escrow Account shall be released to the Issuer for its own account and (iii) such other information relating to the Stage 2 Debt Event as the Trustee may require.

For the avoidance of doubt, the Trustee shall have no duty to monitor whether any withdrawal or release from the Initial Escrow Account (or, subject as provided in Condition 2(c), the Secured Escrow Account) is in accordance with this Condition 2(b) and shall be entitled to rely on any certificate provided to it by the Issuer or the Guarantor pursuant to paragraphs (A), (C) and (D) above without liability to any person and without further enquiry.

- (c) Secured Escrow Account



By no later than five London business days following the date (if any) (the “**Existing Convertible Bonds Redemption Date**”) on which there are no Existing Convertible Bonds remaining outstanding (as notified in writing to the Trustee by the Issuer, failing whom the Guarantor, upon which notification the Trustee may accept and rely on without liability and without further enquiry) (i) the Issuer, the Guarantor, the Principal Paying, Transfer and Conversion Agent, the Escrow Agent and the Trustee shall enter into the Secured Escrow Agency Agreement; (ii) the Escrow Agent shall transfer the full balance standing to the credit of the Initial Escrow Account to the Secured Escrow Account established pursuant to the Secured Escrow Agency Agreement; and (iii) the Issuer, the Guarantor and the Trustee shall enter into a supplemental trust deed (in the form scheduled to the Trust Deed) to amend the Trust Deed and the Conditions in order to secure the Issuer’s obligations under the Bonds and the Trust Deed in the manner set out therein.

The Issuer, failing whom the Guarantor, shall give notice in writing to the Trustee of the occurrence of an Existing Convertible Bonds Redemption Date on such Existing Convertible Bonds Redemption Date upon which notification the Trustee may accept and rely on without liability and without further enquiry. The Issuer, failing whom the Guarantor, shall give notice to the Bondholders in accordance with Condition 17 that it has entered into such supplemental trust deed promptly following the execution thereof.

For the purposes of these Conditions, “**Secured Escrow Account**” means an account of the Issuer with the Escrow Agent to be opened pursuant to the Secured Escrow Agency Agreement and secured in the manner described in the Trust Deed.

*Following the execution of the supplemental trust deed, this Condition 2(c) shall be deleted and replaced in its entirety with the following italicised text (or text which is substantially similar thereto), which is included in these Conditions for information purposes only and does not form part of these Conditions:*

(c) “Security

*The obligations of the Issuer under the Bonds and the Trust Deed are secured by the Issuer in favour of the Trustee for the benefit of itself and the Bondholders by:*

(i) *way of first fixed charge in respect of:*

(A) *all of the Issuer’s rights, title and interest from time to time in and to the Escrow Property and the Secured Escrow Account; and*

(B) *to the extent not validly and effectively assigned, all of the Issuer’s rights, title and interest from time to time in and to the Secured Escrow Agency Agreement; and*

(ii) *(subject to a proviso for reassignment to the Issuer upon release of security as described in Condition 2(e)) an assignment byway of security of all of the Issuer’s rights, title and interest from time to time in and to the Secured Escrow Agency Agreement,*

*in each case pursuant to, and as more particularly described in, the Trust Deed.*

*The property specified in (i) and (ii) above is referred to in these Conditions as the “**Secured Property**”, and the security created thereby is referred to as the “**Bond Security**”.*

*The Trustee has no responsibility for the value of, nor for any loss, diminution in value or theft of, all or part of the Bond Security or the Escrow Property.*

*For the purposes of these Conditions:*

*“**Escrow Property**” means all cash amounts standing to the credit of the Secured Escrow Account from time to time.*

*“**Secured Escrow Account**” means the account of the Issuer with the Escrow Agent opened pursuant to the Secured Escrow Agency Agreement and secured in the manner described in the Trust Deed.*

(d) *Covenants*

(i) *At any time from (and including) the date on which the Issuer, the Guarantor and the Trustee execute the supplemental trust deed referred to in Condition 2(c) until the date on which no Secured Property remains subject to the Bond Security, save with the prior written consent of the Trustee or as approved by an Extraordinary Resolution of the Bondholders or as expressly contemplated or permitted in any of the Transaction Documents, each of the Issuer and the Guarantor will not:*

- (1) create or permit to subsist any mortgage, pledge, lien, security interest, charge or encumbrance or any arrangement having a like or similar effect upon all or any of the Secured Property; or*
- (2) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of the Secured Property; or*
- (3) permit the Trust Deed or the Secured Escrow Agency Agreement to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to any of the Trust Deed or the Secured Escrow Agency Agreement, or permit any party to any of the Trust Deed or the Secured Escrow Agency Agreement or any other person whose obligations form part of the Bond Security to be released from such obligations.*

*(ii) The Trustee shall only give its consent to any exception to the foregoing if it is satisfied that the interests of the Bondholders will not be materially prejudiced thereby. In giving any consent to any exception to the foregoing, the Trustee may require the Issuer and the Guarantor to make such modifications or additions to the provisions of the Bonds, the Trust Deed or the other Transaction Documents or may impose such other conditions or requirements as the Trustee may deem expedient (in its sole discretion) in the interests of the Bondholders.*

(e) *Release of Secured Property*

*In addition to a release mechanism for all Bond Security following the redemption, satisfaction and/or cancellation of all Bonds in accordance with these Conditions, the Trust Deed contains provisions for the release from the Bond Security of amounts from the Secured Escrow Account in the circumstances described in Condition 2(b)(ii)(A), (B), (C) and (D).*

(f) *Enforcement of Bond Security*

*The Bond Security shall become enforceable:*

- (i) on the eighth day following notice being given by the Trustee to the Issuer that the Bonds are due and payable pursuant to Condition 10; or*
- (ii) on the eighth day following notice being given by the Trustee to the Issuer if the Issuer shall have failed for more than seven days to make payment of any amount due in respect of the redemption of any Bonds on any due date for redemption thereof pursuant to these Conditions.*

*If the Bond Security becomes enforceable, the Trustee may at its discretion and without further notice or formality and shall, if so requested in writing by Bondholders holding at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) enforce all or any of the Bond Security subject as provided below. The Trustee shall act on the first such request or direction received pursuant to this Condition 2(f) (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) and shall have no personal liability for doing so. To do this, the Trustee may at its discretion appoint a receiver and/or take possession of all or any part of the Secured Property and/or take action or proceedings against any person liable in respect of all or any part of the Secured Property and/or any rights in relation to the Secured Escrow Agency Agreement and/or the Secured Escrow Account and take any step, action or proceedings provided for in or pursuant, and/or in each case subject, to the Transaction Documents, but without any*

*liability to any person as to the consequences of such step, action or proceedings and without having regard to the effect of such action or proceedings on the Issuer or individual Bondholders, and provided that the Trustee shall not be required to take any action, step or proceedings that would involve any personal liability or exposure without first being indemnified and/or secured and/or prefunded to its satisfaction.*

(g) *Application*

*Pursuant to the Trust Deed, the Trustee shall apply all moneys received by it under the Transaction Documents (including amounts realised upon enforcement of any Secured Property) as follows:*

- (i) first, in payment or satisfaction of the liabilities, and properly incurred fees, costs, charges and expenses of or payable to the Trustee or any receiver or Appointee (as defined in the Trust Deed) of the Trustee in preparing and performing the trusts constituted by, and in carrying out or exercising its rights, powers, duties, discretions and authorities under the Trust Deed and/or the other Transaction Documents (including holding and enforcing the Bond Security and including any taxes required to be paid in connection therewith, the costs of realising any Secured Property and the remuneration and expenses of the Trustee and any receiver or any Appointee appointed by it);*
- (ii) secondly, in payment of all liabilities incurred and all costs, charges, fees and expenses properly incurred by any Agent, the Escrow Agent or the Calculation Agent in carrying out their respective functions under the Transaction Documents;*
- (iii) thirdly, in or towards payment or discharge or satisfaction pari passu of all amounts due and payable to the Bondholders in respect of the Bonds and pursuant to the Trust Deed; and*
- (iv) fourthly, in payment of any balance to the Issuer for itself.”*

### 3 Definitions

In these Conditions, unless otherwise provided:

“**Accreted Principal Amount**” has the meaning provided in Condition 7(g).

“**Additional Ordinary Shares**” has the meaning provided in Condition 6(c).

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

“**Bondholder**” and “**holder**” mean the person in whose name a Bond is registered in the Register (as defined in Condition 4(a)).

“**Bondholder’s Stage 2 Non-Occurrence Event Exercise Notice**” has the meaning provided in Condition 7(f).

“**Bondholder’s Tax Exercise Notice**” has the meaning provided in Condition 7(c).

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

a “**Change of Control**” shall occur if (i) any person or persons, acting together, acquire(s) or becomes entitled to control more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Guarantor or to appoint and/or remove all or a majority of the members of the board of directors of the Guarantor (whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise) (other than in any such case as a result of an Exempt Newco Scheme) or (ii) an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror), to acquire all or a majority of the issued ordinary share capital of the Guarantor or if any person proposes a Scheme of Arrangement with regard to such acquisition (other than an Exempt Newco Scheme) and (such offer or Scheme of Arrangement having become or been declared unconditional in all respects or having become effective) the right to cast more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Guarantor

has or will become unconditionally vested in the offeror(s) or such person and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror(s) or such person, as the case may be.

**“Change of Control Notice”** has the meaning provided in Condition 6(n).

**“Change of Control Period”** means the period commencing on the occurrence of a Change of Control and ending 60 calendar days following the Change of Control or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6(n).

**“Closing Date”** means 23 May 2019.

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

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

**“Conversion Date”** has the meaning provided in Condition 6(h).

**“Conversion Notice”** has the meaning provided in Condition 6(h).

**“Conversion Period”** has the meaning provided in Condition 6(a).

**“Conversion Right”** has the meaning provided in Condition 6(a).

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

- (a) for the purposes of determining the Current Market Price pursuant to Condition 6(b)(iv) or (vi) in circumstances where the relevant event relates to an issue of Ordinary Shares, if at any time during the said five dealing-day period (which may be on each of such five dealing days) the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such five dealing days) the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), in any such case which has been declared or announced, then:
  - (1) if the Ordinary Shares to be so issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex Date in respect of such Dividend or entitlement (or, where on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), as at the date of first public announcement of such Dividend or entitlement), in any such case, determined by the Calculation Agent on a gross basis and

disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; or

- (2) if the Ordinary Shares to be so issued or transferred and delivered (if applicable) do rank for the Dividend or entitlement in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex- Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex Date in respect of such Dividend or entitlement, in any such case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (b) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(1) or (a)(2) of the definition of “Dividend”, if on any of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum- the relevant Dividend or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such dealing day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant cash Dividend as at the Ex Date in respect of such Dividend, as determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; and
- (c) for any other purpose, if any day during the said five-dealing-day period was the Ex Date in relation to any Dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such Dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex Date in respect of such Dividend or entitlement.

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

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

(a) where:

- (1) a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where an issue of Ordinary Shares or other property or assets to Shareholders by way of a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) is announced which may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets, in any such case as at the Ex Date in respect of the relevant Dividend or capitalisation (or, if later, the Dividend Determination Date), save that where a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or an issue of Ordinary Shares to Shareholders by way of capitalisation of profits or reserves is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash where the number of Ordinary Shares which may be issued or delivered or the amount of such payment of cash is to be determined at a date or during a period following the last day on which such election can be made as aforesaid and is to be determined by reference to a

publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark then such Dividend or capitalisation shall be treated as a cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid; or

- (2) there shall (other than in circumstances subject to proviso (1) above) (x) be any issue or delivery of Ordinary Shares or other property or assets to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue or delivery is or is expressed to be in lieu of a Dividend in cash (whether or not a cash Dividend equivalent amount is announced) or a Dividend in cash is announced that is to be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or (y) any issue or delivery of Ordinary Shares or other property or assets by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) that is to be satisfied by the payment of cash, then, in the case of (x) the capitalisation or Dividend in question shall be treated as a cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets as at the Ex Date in respect of the relevant capitalisation or, if later, the Dividend Determination Date, and, in the case of (y), the capitalisation in question shall be treated as a cash Dividend of an amount equal to the Fair Market Value of such cash amount as at the Ex Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), save that where an issue of Ordinary Shares by way of capitalisation of profits or reserves is announced where such issue is or is expected to be in lieu of a Dividend in cash (in circumstances where the cash amount thereof is announced) or an issue of Ordinary Shares by way of capitalisation of profits or reserves is announced that is to be satisfied by the payment of cash where the number of Ordinary Shares to be issued or delivered or the amount of such payment in cash is to be determined at a date or during a period following such announcement and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark, then such capitalisation shall be treated as a cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is announced or determined as aforesaid;
- (b) any issue of Ordinary Shares falling within Condition 6(b)(ii) shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Guarantor by or on behalf of the Guarantor or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Guarantor or any of its Subsidiaries, the weighted average price per Ordinary Share (before expenses) on any one day (a “**Specified Share Day**”) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the Current Market Price of an Ordinary Share:
  - (1) on the Specified Share Day; or
  - (2) where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or a formula for the determination thereof is or is not announced at such time),

in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by or on behalf of the Guarantor or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of such Current

Market Price of an Ordinary Share and (ii) the number of Ordinary Shares so purchased, redeemed or bought back, all as determined in good faith by the Calculation Agent;

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

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

**“Dividend Determination Date”** means for the purposes of the definition of “Dividend” the date on which the number of Ordinary Shares or, as the case may be, amount of other property or assets, which may be issued or delivered is, or is capable of being, determined, and where determined by reference to prices or values or the like on or during a particular day or during a particular period, the Dividend Determination Date shall be deemed to be such day or the last day of such period, as the case may be.

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

**“equity share capital”** means (other than for the purposes of Condition 6(b)(iii)), in relation to any entity, its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specific amount in a distribution.

**“Ex Date”** means, in relation to any Dividend (including without limitation any Spin-Off), capitalisation, redesignation, reclassification, sub-division, issue, grant, offer or other entitlement, unless otherwise defined herein, the first dealing day on which the Ordinary Shares are traded ex- the relevant Dividend, capitalisation, issue, grant, offer or other entitlement on the Relevant Stock Exchange (or, in the case of a Dividend which is a purchase, redemption or buy back of Ordinary Shares (or, as the case may be, any depositary or other receipts or certificates representing Ordinary Shares) pursuant to paragraph (c) (or, as the case may be, paragraph (d)) of the definition of “Dividend”, the date on which such purchase, redemption or buy back is made).

**“Exchange Price”** has the meaning provided in Condition 6(a).

**“Excluded Subsidiary”** means each of:

- (a) York Potash Holdings Limited (company number 08324569), York Potash Ltd (company number 07251600), York Potash Processing & Ports Limited (company number 08270855) and any of their respective directly or indirectly wholly-owned Subsidiaries (each, a **“Relevant Company”**), provided that the business and operations of that Relevant Company shall be limited solely to the Project; and
- (b) any other Subsidiary of the Guarantor:
  - (i) which is a company whose principal assets and business are constituted by the ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset;

- (ii) none of whose indebtedness for borrowed money in respect of the financing of such ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset or any associated rehabilitation works is subject to any recourse whatsoever to the Issuer, the Guarantor or any Subsidiary of the Guarantor (other than such Subsidiary or another Excluded Subsidiary) in respect of the repayment thereof, except as expressly referred to in sub-paragraph (B) of the definition of Project Finance Indebtedness; and
- (iii) which has been designated as such by the Guarantor by written notice to the Trustee.

A certificate signed by two directors of the Guarantor that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period an Excluded Subsidiary shall be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Bondholders, and the Trustee shall be entitled to rely on such certificate without liability to any person.

**“Exempt Newco Scheme”** means a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are (1) admitted to trading on the Relevant Stock Exchange or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Guarantor or Newco may determine.

**“Existing Convertible Bonds”** means the U.S.\$400,000,000 8.5 per cent. Guaranteed Convertible Bonds due 2023 issued by Sirius Minerals Finance Limited (the **“Existing Convertible Bonds Issuer”**) on 28 November 2016.

**“Existing Convertible Bonds Redemption Date”** has the meaning provided in Condition 2(c).

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

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

- (i) in the case of a cash Dividend, the amount of such cash Dividend, as determined in good faith by the Calculation Agent;
- (ii) in the case of any other cash amount, the amount of such cash, as determined in good faith by the Calculation Agent;
- (iii) in the case of Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined in good faith by the Calculation Agent or an Independent Adviser), the arithmetic mean of (a) in the case of Ordinary Shares or (to the extent constituting equity share capital) other Securities or Spin-Off Securities, the daily Volume Weighted Average Prices of the Ordinary Shares or such other Securities or Spin-Off Securities and (b) in the case of other Securities or Spin-Off Securities (to the extent not constituting equity share capital), options, warrants or other rights or assets, the Closing Prices of such Securities, Spin-Off Securities, options, warrants or other rights or assets, in the case of both (a) and (b) during the period of five dealing days on the Relevant Stock Exchange for such Securities, Spin-Off Securities, options, warrants or other rights or assets commencing on such FMV Date (or, if later, the date (the **“Adjusted FMV Date”**) which falls on the first such dealing day on which such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, provided that where such Adjusted FMV Date falls after the fifth day following the FMV Date, the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights or assets shall instead be determined pursuant to paragraph (iv) below, and no such Adjusted FMV Date shall be deemed to apply) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, all as determined in good faith by the Calculation Agent; and
- (iv) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets which are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid) or where otherwise provided paragraph (iii) above to be determined pursuant to this paragraph (iv), an amount equal to the fair market value of such Securities, Spin-Off Securities, options, warrants or other rights or assets as determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it (acting reasonably) considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of



such Securities, Spin-Off Securities, options, warrants or other rights or assets, and including as to the expiry date and exercise price (if any) thereof.

Such amounts, shall if necessary be translated into the Relevant Currency (if not expressed in the Relevant Currency on the FMV Date (or, as the case may be, the Adjusted FMV Date)) at the Prevailing Rate on the FMV Date (or, as the case may be, the Adjusted FMV Date), all as determined in good faith by the Calculation Agent.

In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

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

“**Final Maturity Date**” means 23 May 2027.

“**First Call Date**” has the meaning provided in Condition 7(b).

“**Free Float**” means the aggregate number of Ordinary Shares held by (i) investment funds, investment trusts, mutual funds, pension funds or other collective investment schemes or (ii) persons that own (together with any other person or persons with whom they act in concert) Ordinary Shares that represent less than 10 per cent. of the total number of issued and outstanding Shares.

a “**Free Float Event**” shall occur if on each day in any period of at least 20 consecutive dealing days the number of Ordinary Shares comprising the Free Float is equal to or less than 40 per cent. of the total number of issued and outstanding Ordinary Shares on such day.

“**Free Float Event Notice**” has the meaning provided in Condition 6(o).

“**Free Float Event Period**” means the period commencing on the date on which a Free Float Event occurs and ending 60 calendar days following such date or, if later, 60 calendar days following the date on which a Free Float Event Notice is given as required by Condition 6(o).

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

“**Independent Adviser**” means an independent adviser with appropriate expertise, which may be (without limitation) the Calculation Agent, appointed by the Issuer or Guarantor at its own expense and (other than where the initial Calculation Agent is appointed) approved in writing by the Trustee or, if the Issuer and the Guarantor fail to make such appointment and such failure continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such adviser and otherwise in connection with such appointment, as may be appointed by the Trustee (without liability for so doing) following notification thereof to the Issuer and the Guarantor, which appointment shall be deemed to be made by the Issuer and the Guarantor.

“**Initial Escrow Account**” has the meaning provided in Condition 2(b).

“**Interest Payment Date**” has the meaning provided in Condition 5(a).

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

“**Make Whole Amount**” means an amount per Bond in the principal amount of U.S.\$200,000 equal to:

- (i) if the relevant Conversion Date falls prior to an Optional Redemption Notice being given (including where no such Optional Redemption Notice is given), the sum of the interest amounts that would otherwise have been paid in respect of such Bond on each Interest Payment Date falling during the period from (but excluding) the relevant Conversion Date to (and including) the relevant Make Whole End Date; or
- (ii) if the relevant Conversion Date falls on a date on or after the date on which an Optional Redemption Notice is given, the sum of:
  - (a) an amount equal to the sum of the interest amounts that would otherwise have been paid in respect of such Bond on each Interest Payment Date during the period from (but excluding) the date the Optional Redemption Notice is given to (and including) the relevant Make Whole End Date; and

- (b) the difference between the Accreted Principal Amount of such Bond as at the relevant Make Whole End Date and the Accreted Principal Amount of such Bond as at the date the Optional Redemption Notice is given.

“**Make Whole End Date**” means the earlier of:

- (i) the Final Maturity Date; and
- (ii) the third anniversary of (x) the relevant Conversion Date (in the case of a conversion in circumstances described in paragraph (i) of the definition of Make Whole Amount) or (y) the date the Optional Redemption Notice is given (in the case of a conversion in circumstances described in paragraph (ii) of the definition of Make Whole Amount).

“**Newco Scheme**” means a Scheme of Arrangement which effects the interposition of a limited liability company (“**Newco**”) between the Shareholders immediately prior to the Scheme of Arrangement (the “**Existing Shareholders**”) and the Guarantor; provided that (i) only (A) ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco or (B) a combination of (x) ordinary shares or units equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco and (y) a Dividend, in each case are issued to Existing Shareholders (except for a nominal holding by initial subscribers); (ii) immediately after completion of the Scheme of Arrangement the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco (other than a nominal holding by initial subscribers), are Existing Shareholders holding in or substantially in the same proportions as such Existing Shareholders held Ordinary Shares immediately prior to completion of the Scheme of Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder (or shareholders) of the Guarantor; (iv) all Subsidiaries of the Guarantor immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Guarantor) are Subsidiaries of the Guarantor (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Guarantor (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Guarantor immediately prior to the Scheme of Arrangement.

“**Optional Redemption Date**” has the meaning provided in Condition 7(b).

“**Optional Redemption Notice**” has the meaning provided in Condition 7(b).

“**Ordinary Shares**” means fully paid ordinary shares in the capital of the Guarantor with, on the Closing Date, a par value of £0.0025 each.

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

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

$$PV = N \times VWAP$$

where

$$PV = \text{the Parity Value}$$

$$N = \text{the number of Ordinary Shares that would fall to be issued or delivered on the exercise of Conversion Rights in respect of a Bond in the principal amount of U.S.$200,000 assuming Conversion Rights to be exercisable on such dealing day and the Conversion Date to be such dealing day provided that if (A) such dealing day falls on or after (i) the Ex Date in relation to any entitlement in respect of which an adjustment is required to be made to the Exchange Price pursuant to Conditions 6(b)(i), 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix) or (ii) the relevant date of first public announcement (as applicable pursuant to Conditions 6(b)(vi) or 6(b)(vii)) in respect of which an adjustment is required to be made to the Exchange Price pursuant to Conditions 6(b)(vi) or 6(b)(vii), and (B) such adjustment is not yet in effect on such dealing day, the Exchange Price in effect on such dealing day shall for the purpose of this definition only be multiplied by the adjustment factor subsequently determined by the Calculation Agent to be applicable in respect of the relevant Exchange Price adjustment.}$$

VWAP = the Volume Weighted Average Price of an Ordinary Share on such dealing day (translated into U.S. dollar at the Prevailing Rate in effect on such dealing day).

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

“**Preference Shares**” means redeemable preference shares of the Issuer, having the rights set out in the Articles of the Issuer, with a par value of U.S.\$0.01 each and which will be issued on conversion of the Bonds at a paid-up value (the “**Paid-up Value**”) of U.S.\$200,000 each.

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

“**Principal Subsidiary**” of the Guarantor at any time shall mean any Subsidiary of the Guarantor:

- (i) whose (a) profits on ordinary activities before tax or (b) net assets (consolidated in the case of a Subsidiary which itself has subsidiaries) represent 10 per cent. or more of the consolidated profits on ordinary activities before tax of the Guarantor and its Subsidiaries or, as the case may be, consolidated net assets of the Guarantor and its Subsidiaries, in each case as calculated by reference to the then latest audited financial statements of such Subsidiary (consolidated or, as the case may be, unconsolidated) and the then latest audited consolidated financial statements of the Guarantor provided that (i) in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated financial statements of the Guarantor relate, the reference to the then latest audited consolidated financial statements of the Guarantor for the purposes of the calculation of the above shall until the consolidated audited financial statements of the Guarantor are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest consolidated financial statements of the Guarantor adjusted in such manner as may be deemed appropriate by the Guarantor to consolidate the latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary in such financial statements, (ii) if, in the case of any Subsidiary, no audited financial statements (consolidated or, as the case may be, unconsolidated) are prepared, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be determined by reference to its unaudited annual financial statements (if any) or on the basis of pro forma financial statements (consolidated or, as the case may be, unconsolidated), (iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements of the Guarantor and (iv) if the latest financial statements of any Subsidiary of the Guarantor are not prepared on the basis of the same accounting principles, policies and practices of the latest consolidated audited financial statements of the Guarantor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on pro forma financial statements or, as the case may be, consolidated financial statements of such Subsidiary prepared on the same accounting principles, policies and practices as adopted in the latest consolidated audited financial statements of the Guarantor, or an appropriate restatement or adjustment to the relevant financial statements of each Subsidiary; or
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Principal Subsidiary, whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall immediately become a Principal Subsidiary under the provisions of this subparagraph (ii) upon publication of its next audited financial statements but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such audited financial statements have been published by virtue of the provisions of

sub-paragraph (i) above or (as a result of another transfer to which this sub-paragraph (ii) applies) before, on or at any time after such date by virtue of the provisions of this sub-paragraph (ii).

A certificate signed by two directors of the Guarantor that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Bondholders and the Trustee shall be entitled to rely on such certificate without liability to any person.

**“Project”** means the financing, ownership, acquisition, construction, creation, development, maintenance and/or operation of (i) a polyhalite mine south of Whitby in North Yorkshire, United Kingdom (the **“Mine”**) and/or (ii) the necessary infrastructure both above and below ground that will be required for transportation, processing and distribution in connection with the Mine (including, without limitation, any associated mineral handling facilities, associated mineral and finished product transport facilities and/or associated harbour facilities).

**“Project Finance Indebtedness”** means any present or future indebtedness or any guarantee or indemnity in respect of such indebtedness:

- (A) which is incurred by an Excluded Subsidiary for or in connection with the Project; and/or
- (B) which is incurred to finance the ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset, or any associated rehabilitation works and in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not the Issuer, the Guarantor or any Subsidiary of the Guarantor) has or have no recourse whatsoever to the Issuer, the Guarantor or any Subsidiary of the Guarantor (but so that such person or persons may have recourse to any other person or persons and any Security Interest over the assets of any such other person or persons) for the repayment thereof other than:
  - (i) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset or the business of owning, acquiring, constructing, creating, developing, maintaining and/or operating such asset; and/or
  - (ii) (1) recourse for the purpose only of enabling amounts to be claimed in respect of such indebtedness in an enforcement of any Security Interest given over such asset (and/or any other assets primarily used in the business of owning, acquiring, constructing, creating, developing, maintaining and/or operating such asset) or the income, cash flow or other proceeds deriving therefrom (or given over shares or the like in the capital of the borrower or owner of the asset or any Subsidiary described in paragraph (iv)) to secure such indebtedness, provided that (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such person or persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up or dissolution of the Issuer, the Guarantor or any Subsidiary of the Guarantor (other than a Subsidiary described in paragraph (iv) or over any licence, permit, authorisation or the like related to the relevant asset or over shares or the like in the capital of any entity holding any such licence, permit, authorisation or the like) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the Issuer, the Guarantor or any Subsidiary of the Guarantor (other than a Subsidiary described in paragraph (iv)) or any of its assets (save for the assets the subject of such encumbrance); and/or (2) recourse against the assets, income, cashflow, proceeds or shares or the like subject to an encumbrance referred to in this paragraph (ii); and/or
  - (iii) recourse under any form of assurance, undertakings or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) or under an indemnity for breach of an obligation or representation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation

to comply or to procure compliance by another with any financial ratios or other tests of financial condition other than costs to complete tests or project completion tests) of the Issuer, the Guarantor or any Subsidiary of the Guarantor; and/or

- (iv) recourse against (aa) any Subsidiary of the Guarantor, or the assets of any Subsidiary of the Guarantor, whose principal business comprises the ownership, acquisition, construction, creation, development, maintenance and/or operation of the asset concerned; or (bb) any Subsidiary of the Guarantor, or the assets of any Subsidiary of the Guarantor, whose principal business comprises the ownership or financing, directly or indirectly, of any Subsidiary of the Guarantor described in (aa) above; and/or
- (v) recourse under any guarantee and/or indemnity of such indebtedness or completion of construction or development of an asset, provided that in any such case the guarantee and/or indemnity is (to the extent not permitted by any of the foregoing paragraphs) released or discharged if completion of the relevant construction or development occurs on or prior to the agreed date for completion referred to in or in connection with the guarantee and/or indemnity and no default under or in connection with such indebtedness, guarantee or indemnity or any agreement relating thereto is then subsisting; and/or
- (vi) any guarantee or indemnity by the Issuer, the Guarantor or any Subsidiary of the Guarantor provided in respect of the above.

**“Put Date”** has the meaning provided in Condition 7(e).

**“Put Exercise Notice”** has the meaning provided in Condition 7(e).

**“RA Reference Date”** has the meaning provided in the definition **“Retroactive Adjustment”**.

**“Record Date”** has the meaning provided in Condition 8(c).

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

**“Register”** has the meaning provided in Condition 4(a).

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

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

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

**“Relevant Indebtedness”** means any present or future indebtedness (whether being principal, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market.

**“Relevant Stock Exchange”** means:

- (i) in respect of the Ordinary Shares, the London Stock Exchange or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the London Stock Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or dealt in and
- (ii) in respect of Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities (other

than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets are then listed, admitted to trading or quoted or dealt in,

where “**principal stock exchange or securities market**” shall mean the stock exchange or securities market on which such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in, provided that if such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in (as the case may be) on more than one stock exchange or securities market at the relevant time, then “**principal stock exchange or securities market**” shall mean that stock exchange or securities market on which such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are then traded as determined by the Calculation Agent (if the Calculation Agent determines that it is able to make such determination) or (in any other case) by an Independent Adviser by reference to the stock exchange or securities market with the highest average daily trading volume in respect of such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets.

“**Reset Date**” has the meaning provided in Condition 6(d).

A “**Retroactive Adjustment**” shall occur if the Conversion Date in relation to the conversion of any Bond shall be (i) after the date (the “**RA Reference Date**”) which is the record date in respect of any consolidation, reclassification, redesignation or sub-division as is mentioned in Condition 6(b)(i), or which is the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix), or which is the date of the first public announcement of the terms of any such issue or grant as is mentioned in Condition 6(b)(vi) and 6(b)(vii) or of the terms of any such modification as is mentioned in Condition 6(b)(viii); and (ii) before the relevant adjustment to the Exchange Price becomes effective under Condition 6(b).

“**RNS**” means The Regulatory News Service operated by the London Stock Exchange plc.

“**Scheme of Arrangement**” means a scheme of arrangement or analogous procedure.

“**Second Call Date**” has the meaning provided in Condition 7(b).

“**Secured Escrow Account**” has the meaning given to it in Condition 2(c).

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

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

“**Spin-Off**” means:

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

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

“**Stage 2 Debt Event**” has the meaning provided in Condition 2(c).

“**Subsidiary**” means a subsidiary as defined in section 1159 of the Companies Act (but for the purposes of Condition 2(a), Condition 10 and the definitions of “Principal Subsidiary” and “Project Finance Indebtedness” shall exclude all (if any) Excluded Subsidiaries).

A “**Stage 2 Debt Non-Occurrence Event**” shall occur if:

- (i) on or before 31 December 2019, the Guarantor announces by publication through RNS that it will not, and its subsidiaries will not, proceed with (a) an issuance of senior secured guaranteed bonds or other financing raising gross proceeds which are received by the Guarantor or such subsidiary of at least U.S.\$500,000,000 or (b) the entry into a revolving credit facility with a committed amount

available to the Guarantor or one of its subsidiaries of at least U.S.\$2,500,000,000 from time to time; or

- (ii) the Guarantor has not, on or before 31 December 2019, announced by publication through RNS the occurrence of the Stage 2 Debt Event and confirmed the completion of the component transactions thereof.

“**Stage 2 Debt Non-Occurrence Event Notice**” has the meaning provided in Condition 6(p).

“**Stage 2 Debt Non-Occurrence Event Redemption Date**” has the meaning provided in Condition 7(f).

“**Tax Redemption Date**” has the meaning provided in Condition 7(c).

“**Tax Redemption Notice**” has the meaning provided in Condition 7(c).

“**Transaction Documents**” means the Trust Deed, the Agency Agreement, the Deed Poll, the Initial Escrow Agency Agreement, the Secured Escrow Agency Agreement, the Calculation Agency Agreement and the Security Determination Advisory Agreement, as the same may be amended, modified, supplemented and/or restated from time to time.

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, on any dealing day, the order book volume-weighted average price on such dealing day on the Relevant Stock Exchange of an Ordinary Share, Security or, as the case may be, a Spin-Off Security as published by or derived from Bloomberg page HP (or any successor page) (setting Weighted Average Line, or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share, Security, or, as the case may be, Spin-Off Security (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Closing Date is SXX LN Equity HP), if any or, in any such case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day and translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such dealing day, provided that if on any such dealing day (for the purposes of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or a Spin-Off Security as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined, and further provided that if such immediately preceding dealing day falls prior to the fifth day before the Original Date, an Independent Adviser shall (acting reasonably) determine the Volume Weighted Average Price in respect of the Original Date in good faith, all as determined by (where specifically provided above) an Independent Adviser or (in any other case) the Calculation Agent.

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

“**U.S.\$**” and “**U.S. dollar**” means the lawful currency for the time being of the United States.

References to “**ordinary share capital**” have the meaning provided in Section 1119 of the Corporation Tax Act 2010 and to “**equity share capital**” have the meaning provided in Section 548 of the Companies Act.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders or Existing Shareholders “**as a class**” or “**by way of rights**” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Closing Price, Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as the Calculation Agent or an Independent Adviser considers in good faith appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purpose of Condition 6 (a), (b), (c), (h) and (i) and Condition 11 only (i) references to the “**issue**” of Ordinary Shares or Ordinary Shares being “**issued**” shall include the transfer and/or delivery of

Ordinary Shares, whether newly issued and allotted or previously existing and held by or on behalf of the Guarantor or any of its Subsidiaries, and (ii) Ordinary Shares held by or on behalf of the Guarantor or any of its Subsidiaries (and which, in the case of Condition 6(b)(iv) and (b)(vi), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “**in issue**” or “**issued**” or entitled to receive the relevant Dividend, right or other entitlement.

References in these Conditions to listing on the London Stock Exchange (or like or similar references) shall be construed as admission to the Official List of the FCA and admission to trading on the London Stock Exchange’s regulated market.

## **4 Registration and Transfer of Bonds**

### *(a) Registration*

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

### *(b) Transfer*

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4(c) and 4(d), be transferred by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent.

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

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

### *(c) Formalities Free of Charge*

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

### *(d) Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (i) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7(b), 7(c) or 7(f); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(h); (iii) in respect of which a Bondholder has exercised its right to require redemption pursuant to Condition 7(e); or (iv) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

## **5 Interest**

### *(a) Interest Rate*



The Bonds bear interest from (and including) the Closing Date at the rate of 5 per cent. per annum calculated by reference to the principal amount thereof and payable quarterly in arrear in equal instalments on 23 August, 23 November, 23 February and 23 May in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 23 August 2019.

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

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

*(b) Accrual of Interest*

Without prejudice to the obligations of the Issuer to make payment of any Make Whole Amount as provided in these Conditions, each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(k)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5(a) (both before and after judgment) up to, but excluding, the Relevant Date.

## **6 Conversion of Bonds**

*(a) Conversion Right*

Subject as provided in these Conditions, each Bond shall entitle the holder to convert each U.S.\$200,000 principal amount of a Bond into one fully paid Preference Share, with each such Preference Share being issued and allotted at a price equal to the Paid-Up Value (a “**Conversion Right**”).

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond, together with a duly completed Conversion Notice, to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(h), whereupon the Issuer shall issue to the relevant Bondholder or his nominee one Preference Share in respect of each U.S.\$200,000 principal amount of a Bond being converted.

Subject to and as provided in these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from the Closing Date to the close of business (at the place where the relevant Bond is delivered for conversion) on the date falling 10 days prior to the Final Maturity Date (both days inclusive) or, if such Bond is to be redeemed pursuant to Condition 7(b) or 7(c) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the 10th day before the date fixed for redemption thereof pursuant to Condition 7(b) or 7(c), unless there shall be a default in making payment in respect of such Bond on any such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the Final Maturity Date or, if the Final Maturity Date is not a London business day, the immediately preceding London business day; provided that, in each case, if such final date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Conversion Rights may not be exercised (i) following the giving of notice by the Trustee pursuant to Condition 10, (ii) in respect of a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to Condition 7(e) or (iii) in respect of a Bond which, subject the relevant Bondholder making an election in accordance with Condition 7(f), is scheduled to be redeemed pursuant to Condition 7(f).

Save in the circumstances described in Condition 6(k) in respect of any notice given by the Issuer in accordance with Condition 7(b) or Condition 7(c), Conversion Rights may not be exercised by a Bondholder in circumstances where the relevant Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive).

The period during which Conversion Rights may (subject as provided below) be exercised by a Bondholder is referred to as the “**Conversion Period**”.

Subject to the terms provided in Condition 6(h), all Preference Shares issued on conversion of the Bonds shall (without any further action being required to be taken by, and without any cost or expense to, the relevant Bondholder, the Trustee, the Paying, Transfer and Conversion Agents or the Registrar) automatically be transferred on and as at the relevant Conversion Date from the relevant Bondholder to the Guarantor and in consideration therefor the Guarantor shall either issue or transfer and deliver to the relevant Bondholder such number of Ordinary Shares as is determined in good faith by the Calculation Agent by dividing the aggregate Paid-Up Value in respect of such Preference Shares by the Exchange Price in effect on the relevant Conversion Date (and, where necessary, rounding down to the nearest whole number of Ordinary Shares), except that where the Conversion Date falls on or after the date an adjustment to the Exchange Price takes effect pursuant to Conditions 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix) but prior to the record date or other due date for establishment of entitlement in respect of the relevant Dividend or issue or grant (as the case may be) giving rise to such adjustment, then provided the Guarantor is able to confer the benefit of relevant Dividend, issue or grant (as the case may be) on the relevant Bondholder in respect of the relevant Ordinary Shares to be issued or transferred and delivered to such Bondholder in respect of the relevant exercise of Conversion Rights, the Exchange Price in respect of such exercise shall be such Exchange Price as would have been applicable to such exercise had no such adjustment been made.

The initial exchange price (the “**Exchange Price**”) is U.S.\$0.2443 per Ordinary Share. The Exchange Price is subject to adjustment in the circumstances described in Condition 6(b).

Subject to the terms provided in Condition 6(h), the Guarantor will procure that Ordinary Shares to be issued or transferred and delivered on exercise of Conversion Rights will be issued or transferred and delivered to the relevant Bondholder or its nominee as specified in the relevant Conversion Notice (without any further action being required to be taken by, and without any cost or expense to, the relevant Bondholder or the Trustee). Such Ordinary Shares will be deemed to be issued or transferred and delivered on or as of the relevant Conversion Date. Any Additional Ordinary Shares to be issued or transferred and delivered will be deemed to be issued or transferred and delivered on or as of the relevant Reference Date.

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

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

Upon the issue of the Preference Shares on conversion of any Bonds and the registration and transfer of such Preference Shares to the Guarantor as provided in these Conditions and, where applicable, the payment of any interest pursuant to Condition 6(k), the Issuer shall have no further liability in respect of such Bonds, including in respect of the issue or transfer and delivery of Ordinary Shares in respect of such Preference Shares.

Fractions of Ordinary Shares will not be issued or transferred and delivered and no cash payment or other adjustment will be made in lieu thereof. If a Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares to be issued or transferred and delivered in respect of such exercise are to be registered in the same name, the number of Ordinary Shares to be issued or transferred and delivered in respect thereof shall be calculated by the

Calculation Agent on the basis of the aggregate Paid-up Value of the Preference Shares issued on such conversion and which are to be exchanged for Ordinary Shares, and rounded down to the nearest whole number of Ordinary Shares.

(b) *Adjustment of Exchange Price*

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

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

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

where:

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

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

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(i), the date the consolidation, reclassification, redesignation or sub-division, as the case may be, takes effect.

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

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

where:

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

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

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(ii), the date of issue of such Ordinary Shares.

(iii)

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

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

where:

- A is the Current Market Price of one Ordinary Share on the Ex Date in respect of such Dividend; and
- B is the portion of the Fair Market Value of the aggregate Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Guarantor or any Subsidiary of the Guarantor, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(iii)(A), the date which is the later of (i) the Ex Date in respect of such Dividend and (ii) the first date upon which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein.

- (B) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) be determined as at the Effective Date in respect of the relevant Dividend.
- (iv) If and whenever the Guarantor shall issue Ordinary Shares to Shareholders as a class by way of rights, or the Guarantor or any of the Guarantor's Subsidiaries or (at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Ordinary Shares (or shall grant any such rights by amending the terms of existing Securities so issued), in each case at a consideration receivable per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as determined by reference to the proviso below) which is less than 90 per cent. of the Current Market Price per Ordinary Share on the Ex Date, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue on such Ex Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights and upon exercise of rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, Ordinary Shares, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the Effective Date; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or

acquisition price or rate;

provided that if on such Ex Date such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (b)(iv), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at such Ex Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on such Ex Date.

“**Effective Date**” means, in respect of this paragraph (b)(iv), the later of (i) the Ex Date in respect of the relevant issue or grant and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this paragraph (b)(iv).

- (v) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity shall (other than in the circumstances the subject of paragraph (b)(iv) and other than where such issue is determined to constitute a cash Dividend pursuant to paragraph (a) of the definition “Dividend”) issue any Securities (except where the Exchange Price falls to be adjusted under paragraphs (b)(ii) or (b)(iv) above) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (except where the Exchange Price falls to be adjusted under paragraphs (b)(ii) or (b)(iv) above), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

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

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(v), the later of (i) the Ex Date in respect of the relevant issue or grant and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this paragraph (b)(v).

- (vi) If and whenever the Guarantor shall issue (otherwise than as mentioned in paragraph (b)(iv) above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on exchange for the Preference Shares or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or rights to otherwise acquire, Ordinary Shares and other than any issue of Ordinary Shares treated as a cash Dividend pursuant to paragraph (a) of the definition of “Dividend”) or if and whenever the Guarantor or any of the Guarantor's Subsidiaries or (at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) any other company, person or entity shall issue or grant (otherwise than as mentioned in paragraph (b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire Ordinary Shares (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at a consideration receivable per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as determined by reference to the proviso below) which is less than 90 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

$$A + C$$

where:

- A is the number of Ordinary Shares in issue on the date of first public announcement of the terms of such issue or grant;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

provided that if on the date of first public announcement of the terms of such issue or grant (as used in this paragraph (b)(vi), the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (b)(vi), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(vi), the date which is the later of (i) the date of issue of such Ordinary Shares or, as the case may be, the issue or grant of such options, warrants or rights and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this paragraph (b)(vi).

- (vii) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request of or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity (otherwise than as mentioned in paragraphs (b)(iv), (b)(v) or (b)(vi) above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds, which term shall for this purpose exclude any Further Bonds and other than where such issue of Securities is determined to constitute a cash Dividend pursuant to paragraph (a) of the definition “Dividend”) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Ordinary Shares (or shall grant wholly for cash or no consideration any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified or redesignated as Ordinary Shares, and the consideration per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as is determined pursuant to the definition of “C” and the proviso below) receivable upon conversion, exchange, subscription, purchase, acquisition, reclassification or redesignation (based, where appropriate, on such number of Ordinary Shares as determined by reference to the proviso below) is less than 90 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

$$A + C$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of first public announcement of the terms of such Securities (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, purchase of, or rights to otherwise acquire Ordinary Shares which have been issued, purchased or acquired by the Guarantor or any of the Guarantor's Subsidiaries (or at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such reclassification or redesignation would purchase at such Current Market Price per Ordinary Share; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription, purchase or acquisition attached thereto at the initial conversion, exchange or subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such reclassification or redesignation;

provided that on the date of first public announcement of the terms of issue of such securities (or the terms of issue of such securities (or the terms of such grant) (as used in this paragraph, the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified or redesignated or at such other time as may be provided), then for the purposes of this paragraph (b)(vii), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase, acquisition, reclassification or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this paragraph (b)(vii), the date which is later of (i) the date of issue of such Securities or, as the case may be, the grant of such rights and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this paragraph (b)(vii).

- (viii) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) as are mentioned in paragraph (b)(vii) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as is determined pursuant to the definition of "C" and the proviso below) receivable upon conversion, exchange, subscription, purchase or acquisition has been reduced and is less than 90 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the proposals for such modification, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue immediately before the date of the first public announcement of the proposals for such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Guarantor or any Subsidiary of the Guarantor (or at the direction or request or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share on the date of such first public announcement or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as the Calculation Agent shall consider in good faith appropriate for any previous adjustment under this paragraph (b)(viii) or paragraph (b)(vii) above,

provided that if on the date of first public announcement of the terms of such modification (as used in this paragraph (b)(viii), the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided), then for the purposes of this paragraph (b)(viii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(viii), the later of (i) the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this paragraph (b)(viii).

- (ix) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request of or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Exchange Price falls to be adjusted under paragraphs (b)(ii), (b)(iii), (b)(iv), (b)(v), (b)(vi) or (b)(vii) above or (b)(x) below (or, where applicable, would fall to be so adjusted if the relevant issue or grant was at less than 90 per cent. of the Current Market Price per Ordinary Share on the relevant dealing day)), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

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



B is the Fair Market Value such Ex Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(ix), the later of (i) the Ex Date in respect of the relevant offer and (ii) the first date upon which the adjusted Exchange Price is capable of being determined in accordance with this paragraph (b)(ix).

- (x) If a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls (a) during the Change of Control Period or (b) on a date following the giving by the Issuer of an Optional Redemption Notice pursuant to Condition 7(b)(i) or (ii) in circumstances where the precondition specified in Condition 7(b)(i) or (ii) would not have been satisfied assuming (solely for the purpose of this proviso (b)) that the Parity Value in respect of the relevant dealing days had been determined only on the basis of the Exchange Price in effect (but not using the Change of Control Exchange Price where applicable), the Exchange Price (the “**Change of Control Exchange Price**”) shall be determined as set out below:

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

where:

- COCEP = means the Change of Control Exchange Price;  
OEP = means the Exchange Price in effect on the relevant Conversion Date;  
EP = means 25 per cent. (expressed as a fraction);  
c = means the number of calendar days from and including the date the Change of Control occurs to but excluding the Final Maturity Date; and  
t = means the number of calendar days from and including the Closing Date to but excluding the Final Maturity Date.

- (xi) If, following consultation with the Calculation Agent, the Guarantor determines in good faith that an adjustment should be made to the Exchange Price (or that a determination should be made as to whether an adjustment should be made) as a result of one or more circumstances not referred to above in this Condition 6(b) (even if the relevant circumstance is specifically excluded from the operation of paragraphs (b)(i) to (x) above), the Guarantor shall, at its own expense and acting reasonably, request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Exchange Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall in good faith take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this paragraph (b)(xi) if such Independent Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Exchange Price.

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(b) have already resulted or will result in an adjustment to the Exchange Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Exchange Price or where more than one event which gives rise to an adjustment to the Exchange Price occurs within such a short period of time that, following consultation with the Calculation Agent, in the opinion of the Guarantor, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result;
- (b) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate (i) to

ensure that an adjustment to the Exchange Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and

- (c) other than pursuant to Condition 6(b)(i), no adjustment shall be made that would result in an increase to the Exchange Price.

For the purpose of any calculation of the consideration receivable or price pursuant to paragraphs (b)(iv), (b)(vi), (b)(vii) and (b)(viii), the following provisions shall apply:

- (1) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (2) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities (whether on one or more occasion) and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Guarantor to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Ex Date referred to in paragraph (b)(iv) or as at the relevant date of first public announcement referred to in paragraph (b)(vi), (b)(vii) or (b)(viii), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate, all as determined in good faith by the Calculation Agent;
- (3) if the consideration or price determined pursuant to (1) or (2) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency (other than in circumstances where such consideration is also expressed in the Relevant Currency, in which case such consideration shall be treated as expressed in the Relevant Currency in an amount equal to the amount of such consideration when so expressed in the Relevant Currency), it shall be converted by the Calculation Agent into the Relevant Currency at the Prevailing Rate on the relevant Ex Date (in the case of paragraph (1) above or for the purposes of paragraph (b)(iv)) or the relevant date of first public announcement (for the purposes of paragraph (b)(vi), (vii) or (viii));
- (4) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith;
- (5) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Guarantor or another entity; and
- (6) if as part of the same transaction, Ordinary Shares shall be issued or issuable for a consideration receivable in more than one or in different currencies then the consideration receivable per Ordinary Share shall be determined by dividing the

aggregate consideration (determined as aforesaid and converted if and to the extent not in pounds sterling, into pounds sterling as aforesaid) by the aggregate number of Ordinary Shares so issued; and

- (7) references in these Conditions to “cash” shall be construed as cost consideration within the meaning of Section 583(3) of the Companies Act.

(c) *Retroactive Adjustments*

If a Retroactive Adjustment occurs in relation to any exercise of Conversion Rights, then the Guarantor shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or transferred and delivered to the relevant Bondholder, in accordance with the instructions contained in the relevant Conversion Notice, such additional number of Ordinary Shares (if any) (the “**Additional Ordinary Shares**”) as, together with the Ordinary Shares issued or transferred and delivered on exchange of the relevant Preference Shares, is equal to the number of Ordinary Shares which would have been required to be issued or transferred and delivered on such exercise as if the relevant adjustment to the Exchange Price had been made and become effective immediately prior to the relevant Conversion Date all as determined in good faith by the Calculation Agent or an Independent Adviser, provided that if in the case of paragraph (b)(ii), (b)(iii), (b)(iv), (b)(v) or (b)(ix) the relevant Bondholder shall be entitled to receive the relevant Ordinary Shares, Dividends or Securities in respect of the Ordinary Shares to be issued or transferred and delivered to it, then no such Retroactive Adjustment shall be made in relation to the relevant event and the relevant Bondholder shall not be entitled to receive Additional Ordinary Shares in relation thereto.

(d) *Exchange Price Reset*

On 25 May 2020 (the “**Reset Date**”) the Exchange Price will be adjusted (but only if the Exchange Price so adjusted is lower than the then prevailing Exchange Price) to be equal to the Reset Exchange Price determined in accordance with the following formula:

$$\text{Max [Average Market Price} \times (1 + \text{Initial Exchange Premium}), \text{MREP}]$$

Where:

“**Average Market Price**” means the arithmetic average of the USD VWAP on each dealing day in the period of 30 consecutive dealing days ending on (and including) the dealing day immediately preceding the Reset Date.

“**Initial Exchange Premium**” means 25 per cent.

“**USD VWAP**” means the Volume Weighted Average Price of an Ordinary Share on such dealing day (translated into U.S. dollars at the rate of GBP 0.7676; U.S.\$1.00).

“**MREP**” means, as at the Closing Date, U.S.\$0.1954, subject to adjustment from time to time on an equivalent basis to any adjustment made to the Exchange Price pursuant to Condition 6(b).

Any adjustment to the Exchange Price pursuant to this Condition 6(d) shall become effective as of the Reset Date.

(e) *Decisions and Determinations of the Calculation Agent or an Independent Adviser*

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

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

The Calculation Agent shall act solely upon the request from, and exclusively as agent of, the Issuer and the Guarantor and in accordance with these Conditions. Neither the Calculation Agent (acting in such capacity) nor any Independent Adviser appointed in connection with the Bonds (acting in such capacity) will thereby assume any obligations towards or relationship of agency or trust with, and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, in accordance with the Conditions as against the Trustee, the Bondholders or the Paying, Transfer and Conversion Agents.

(f) *Share or Option Schemes, Dividend Reinvestment Plans*

No adjustment will be made to the Exchange Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted (i) to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or non-executive office or the personal service company of any such person) or consultants or former consultants or their spouses or relatives, in each case, of the Guarantor or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person or (ii) pursuant to any dividend reinvestment plan or similar plan or scheme that does not constitute a dividend.

(g) *Rounding Down and Notice of Adjustment to the Exchange Price*

On any adjustment, the resultant Exchange Price, if not an integral multiple of U.S.\$0.0001, shall be rounded down to the nearest whole multiple of U.S.\$0.0001. No adjustment shall be made to the Exchange Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Exchange Price then in effect. Save for any adjustment required to be made under Condition 6(d), any adjustment not required to be made and/or any amount by which the Exchange Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Exchange Price, including without limitation pursuant to Condition 6(d), shall be given by the Guarantor to Bondholders in accordance with Condition 17 and to the Trustee promptly after the determination thereof.

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

(h) *Procedure for exercise of Conversion Rights*

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

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

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

Conversion Rights may only be exercised in respect of an authorised denomination. Where Conversion Rights are exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof shall be issued in lieu thereof without charge but upon payment by the Bondholder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within seven business days, in the place of the specified office of the Registrar, following the relevant Conversion Date deliver such new Bond to the Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be the London business day immediately following the date of the delivery of the relevant Bond and the Conversion Notice as provided in this Condition 6(h).

Each Bondholder will in the relevant Conversion Notice, be required to represent and warrant that, at the time of signing and delivery of the relevant Conversion Notice: (A) it understands that the Ordinary Shares to be issued upon conversion of the Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and (B) it is a non-U.S. person within the meaning of Regulation S (“**Regulation S**”) under the Securities Act, is acquiring the Ordinary Shares to be issued upon conversion of the Bonds in an offshore transaction (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S and understands that the Ordinary Shares may not be delivered within the United States (within the meaning of Regulation S) and may not be resold in the United States except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act.

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any capital, stamp, issue, registration and transfer taxes and duties arising on conversion (other than any capital, stamp, issue, registration, transfer or similar taxes and duties (excluding for the avoidance of doubt, capital gains tax or similar taxes on gains or profits levied on the relevant Bondholder) payable in Jersey or the United Kingdom, or in any other jurisdiction in which the Issuer and/or the Guarantor may be domiciled or resident or have a place of management or place of incorporation or other criteria of a similar nature, in respect of the allotment and issue of Preference Shares on exercise of Conversion Rights or on transfer of any Preference Shares to the Guarantor pursuant to these Conditions or in respect of the allotment, issue or transfer and delivery of any Ordinary Shares on exchange of the Preference Shares (including any Additional Ordinary Shares) (the “**Specified Taxes**”). Save for any United Kingdom stamp duty in respect of the transfer of any Preference Shares to the Guarantor pursuant to these Conditions (which shall be paid by the Guarantor if actually required to be paid), the Specified Taxes (other than stamp duty and stamp duty reserve tax payable under sections 67, 70, 93 or 96 of the Finance Act 1986) shall be paid by the Issuer or, failing whom, the Guarantor. If the Issuer (failing whom the Guarantor) shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer (failing whom the Guarantor), as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

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

Each Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of any Bonds, Preference Shares or Ordinary Shares (including any Additional Ordinary Shares) or any interest therein.

The Ordinary Shares (including any Additional Ordinary Shares) to be issued or transferred and delivered by the Guarantor to a Bondholder on exchange of Preference Shares issued on the exercise of Conversion Rights will not be available for issue or transfer or delivery (i) to, or to a nominee or agent for, Euroclear Bank SA/NV or Clearstream Banking S.A. or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the “**abolition day**” as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom.

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

Notwithstanding any other provisions of these Conditions, a Bondholder exercising its Conversion Right following a Change of Control Conversion Right Amendment as described in Condition 11(b)(ii)(8) will be deemed, for the purposes of these Conditions, to have received the Ordinary Shares to be issued or transferred and delivered to it by the Guarantor in exchange for the relevant Preference Shares arising on conversion of its Bonds in the manner provided in these Conditions, and have exchanged such Ordinary Shares for the consideration that it would have received therefor if it had exercised its Conversion Right in respect of such Bonds at the time of the occurrence of the relevant Change of Control.

(i) *Ranking and entitlement in respect of Ordinary Shares*

- (i) Ordinary Shares (including any Additional Ordinary Shares) issued or transferred and delivered upon exchange of Preference Shares on exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, and the relevant holder shall be entitled to all rights, distribution or payments the record date or other due date for the establishment of entitlement for which falls on or after the relevant Conversion Date, or as the case may be, the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law or as otherwise may be provided in these Conditions. Such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments where the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.
- (ii) Save as provided in Condition 6(k), no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(j) *Preference Shares*

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

(k) *Make Whole Amounts on Conversion*

- (i) Where Conversion Rights are exercised in respect of the Bonds, the Issuer shall pay the Make Whole Amount in respect of such Bonds to the relevant Bondholders.
- (ii) The Issuer shall pay any such Make Whole Amount by not later than 14 days after the relevant Conversion Date by transfer to a U.S. dollar account with a bank in New York City in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

(l) *Purchase or Redemption of Ordinary Shares*

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

(m) *No Duty to Monitor*

The Trustee, the Calculation Agent and the Paying, Transfer and Conversion Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Exchange Price and shall not be responsible or liable to any person for any loss arising from any failure or delay by any of them to do so. The Trustee, the Calculation Agent and the Paying, Transfer and Conversion Agents shall not be responsible or liable to any person (other than, in the case of the Calculation Agent, to the Issuer and the Guarantor, strictly in accordance with the relevant provisions of the Calculation Agency Agreement) for any determination of whether or not an adjustment to the Exchange Price is required or should be made or for the determination or calculation of any such adjustment.

The Trustee, the Calculation Agent and the Paying, Transfer and Conversion Agents shall not be required to take any steps to monitor or ascertain whether a Change of Control, Free Float Event or Stage 2 Debt Non-Occurrence Event or any event which could lead to a Change of Control, Free Float Event or Stage 2 Debt Non-Occurrence Event has occurred or may occur and shall not be responsible or liable to Bondholders or any other person for any loss arising from any failure or delay by it to do so.

(n) *Change of Control*

Within 14 days following the occurrence of a Change of Control, the Issuer or the Guarantor shall give notice thereof to the Bondholders in accordance with Condition 17 and to the Trustee (a “**Change of Control Notice**”). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 7(e).

The Change of Control Notice shall also specify:

- (i) all information material to Bondholders concerning the Change of Control;

- (ii) the Exchange Price immediately prior to the occurrence of the Change of Control and the indicative Change of Control Exchange Price applicable on the basis of such Exchange Price but, for the avoidance of doubt, the actual Change of Control Exchange Price applicable to a particular exercise of Conversion Rights will be the Exchange Price as at the relevant Conversion Date adjusted in accordance with Condition 6(b)(x));
- (iii) the Closing Price of the Ordinary Shares as at the latest practicable date prior to the publication of the Change of Control Notice;
- (iv) the Change of Control Period;
- (v) the Put Date; and
- (vi) such other information relating to the Change of Control as the Trustee may require.

(o) *Free Float Event*

Upon the occurrence of a Free Float Event, the Issuer or the Guarantor shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 17 (a “**Free Float Event Notice**”). The Free Float Event Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights of redemption under Condition 7(e).

The Free Float Event Notice shall also specify:

- (i) all information material to Bondholders concerning the Free Float Event;
- (ii) the Exchange Price immediately prior to the occurrence of the Free Float Event;
- (iii) the Closing Price of the Ordinary Shares as at the latest practicable date prior to the occurrence of the Free Float Event;
- (iv) the last day of the Free Float Event Period;
- (v) the Put Date; and
- (vi) such other information relating to the Free Float Event as the Trustee may require.

(p) *Stage 2 Debt Non-Occurrence Event*

Upon the occurrence of a Stage 2 Debt Non-Occurrence Event, the Issuer or the Guarantor shall give notice thereof to the Trustee, the Escrow Agent and to the Bondholders in accordance with Condition 17 (a “**Stage 2 Debt Non-Occurrence Event Notice**”). The Stage 2 Debt Non-Occurrence Event Notice shall contain a statement informing Bondholders (A) that each Bond shall be automatically redeemed pursuant to Condition 7(f) and (B) of their entitlement to elect that their Bonds shall not be redeemed and the deadline for making such an election, as provided in Condition 7(f).

The Stage 2 Debt Non-Occurrence Event Notice shall also specify:

- (i) all information material to Bondholders concerning the Stage 2 Debt Non-Occurrence Event;
- (ii) the Exchange Price immediately prior to the occurrence of the Stage 2 Debt Non-Occurrence Event;
- (iii) the Closing Price of the Ordinary Shares as at the latest practicable date prior to the occurrence of the Stage 2 Debt Non-Occurrence Event;
- (iv) the Stage 2 Debt Non-Occurrence Event Redemption Date; and
- (v) such other information relating to the Stage 2 Debt Non-Occurrence Event as the Trustee may require.

## 7 Redemption and Purchase

(a) *Final Redemption*



Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their Accreted Principal Amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7(b) or 7(c), and may only be redeemed by Bondholders prior to the Final Maturity Date in accordance with Condition 7(e). The Bonds may be automatically redeemed in accordance with Condition 7(f).

(b) *Redemption at the Option of the Issuer*

Subject as provided in Condition 7(d), on giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and to the Bondholders in accordance with Condition 17, the Issuer may elect to redeem all but not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their Accreted Principal Amount, together with any accrued but unpaid interest up to (but excluding) the Optional Redemption Date:

- (i) at any time on or after the First Call Date and up to but excluding the Second Call Date, if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending not more than seven days prior to the giving of the relevant Optional Redemption Notice, shall have equalled or exceeded 150 per cent. of the Accreted Principal Amount of a Bond in the aggregate principal amount of U.S.\$200,000, as verified by the Calculation Agent at the request of the Issuer; or
- (ii) at any time on or after the Second Call Date, if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending not more than seven days prior to the giving of the relevant Optional Redemption Notice, shall have equalled or exceeded 130 per cent. of the Accreted Principal Amount of a Bond in the aggregate principal amount of U.S.\$200,000, as verified by the Calculation Agent at the request of the Issuer; or
- (iii) at any time if, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

"**First Call Date**" means 13 June 2021.

"**Second Call Date**" means 13 June 2023.

(c) *Redemption for Taxation Reasons*

Subject as provided in Condition 7(d) and provided the Bonds have been (even if they no longer remain) admitted to listing and trading on a recognised stock exchange (as such term is defined in Section 1005 of the Income Tax Act 2007) or such other stock exchange which provides a valid exemption for the purposes of United Kingdom withholding tax the Issuer may, at any time, having given not less than 45 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the "**Tax Redemption Date**") specified in the Tax Redemption Notice at their Accreted Principal Amount as at the Tax Redemption Date, together with accrued but unpaid interest up to (but excluding) the Tax Redemption Date, if the Issuer satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that:

- (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of Jersey or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30 April 2019; and

- (ii) such obligation cannot be avoided by the Issuer or (if the Guarantee were called) the Guarantor taking reasonable measures available to it (and in respect of which the Trustee may rely solely on an opinion of tax counsel provided by the Issuer),

provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or (if the Guarantee were called) the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Bonds or, as the case may be, the Guarantee then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer or (if the Guarantee were called) the Guarantor stating that the obligation referred to in sub-paragraph (i) above has arisen and cannot be avoided by the Issuer or (if the Guarantee were called) the Guarantor taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer or (if the Guarantee were called) the Guarantor has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in sub-paragraphs (i) and (ii) above in which event such certificate shall be conclusive and binding on the Bondholders.

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

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that its Bonds shall not be redeemed pursuant to such Tax Redemption Notice and that the provisions of Condition 9 shall not apply in respect of any payment in respect of principal or interest to be made on such Bonds or, as the case may be, under the Guarantee by the Issuer or, as the case may be, the Guarantor which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer or, as the case may be, the Guarantor in respect thereof pursuant to Condition 9 and payment in respect of all amounts of principal and interest on such Bonds or, as the case may be, under the Guarantee shall be made subject to the deduction or withholding of any Jersey or United Kingdom, as the case may be, taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election (a “**Bondholder’s Tax Exercise Notice**”), in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

References in this Condition 7(c) to Jersey and the United Kingdom shall be deemed also to refer to any jurisdiction in respect of which any undertaking or covenant equivalent to that in Condition 9 is given pursuant to the Trust Deed, (except that as regards such jurisdiction the words “becomes effective on or after 30 April 2019” at paragraph 7(c)(i) above shall be replaced with the words “becomes effective after, and has not been announced on or before, the date on which any undertaking or covenant equivalent to that in Condition 9 was given pursuant to the Trust Deed”) and references in this Condition 7(c) to additional amounts payable under Condition 9 shall be deemed also to refer to additional amounts payable under any such undertaking or covenant.

(d) Optional Redemption and Tax Redemption Notices

The Issuer shall not give an Optional Redemption Notice pursuant to Condition 7(b)(iii) or a Tax Redemption Notice at any time during a Change of Control Period or an Offer Period which specifies a date for redemption falling in a Change of Control Period or an Offer Period or the period of 21 days following the end of a Change of Control Period or Offer Period (whether or not the relevant notice was given prior to or during such Change of Control Period or Offer Period), and any such notice shall be invalid and of no effect (whether or not given prior to the relevant Change of Control Period or Offer Period) and the relevant redemption shall not be made.

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date, which shall be a London business day; (ii) the Exchange Price, the aggregate principal amount of the Bonds outstanding and the Closing Price of the Ordinary Shares, in each case as at the latest

practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice; and (iii) the last day on which Conversion Rights may be exercised by Bondholders.

“**Offer Period**” means (i) any period commencing on the date of the first public announcement of an offer or tender (howsoever described) by any person or persons in respect of all or a majority of the issued and outstanding Ordinary Shares and ending on the date that offer ceases to be open for acceptance or, if earlier, on which that offer lapses or terminates or (ii) any period commencing on the date of the first public announcement of a Scheme of Arrangement relating to the acquisition of all or a majority of the issued and outstanding Ordinary Shares and ending on the date such Scheme of Arrangement is or becomes effective or is rejected at a meeting of Shareholders or, if earlier, the date such Scheme of Arrangement is cancelled or terminated or (iii) the period during which the Guarantor is stated as being in an offer period on the Takeover Panel’s Disclosure Table on the Takeover Panel’s website.

(e) *Redemption at the Option of Bondholders upon a Change of Control or Free Float Event*

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

Payment in respect of any such Bond shall be made by transfer to a U.S. dollar account with a bank in New York City as specified by the relevant Bondholder in the relevant Put Exercise Notice.

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

(f) *Redemption upon a Stage 2 Debt Non-Occurrence Event*

Following the occurrence of a Stage 2 Debt Non-Occurrence Event, subject as provided below, each Bond will be automatically redeemed by the Issuer on the Stage 2 Debt Non-Occurrence Event Redemption Date at its Accreted Principal Amount as of such Stage 2 Debt Non-Occurrence Event Redemption Date, together with accrued and unpaid interest up to (but excluding) such date.

Each Bondholder will have the right to elect that its Bonds shall not be redeemed pursuant to the occurrence of a Stage 2 Debt Non-Occurrence Event. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election (a “**Bondholder’s Stage 2 Debt Non-Occurrence Event Notice**”), in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent together with the relevant Bonds on or before the day falling 7 London business days prior to the Stage 2 Debt Non-Occurrence Event Redemption Date.

The “**Stage 2 Debt Non-Occurrence Event Redemption Date**” shall be the fourteenth London business day after the date of the Stage 2 Debt Non-Occurrence Event Notice.

(g) *Accreted Principal Amount*

In these Conditions, the “**Accreted Principal Amount**” in respect of each U.S.\$200,000 in principal amount of Bonds shall mean (i) in the case of a redemption of Bonds on the Final Maturity Date, U.S.\$320,375.69 or (ii) in the case of a redemption of the Bonds pursuant to Condition 7(b), 7(c), 7(e) or 7(f) or if the Bonds become due and payable pursuant to Condition 10, the amount which is determined to be the amount which, together with unpaid accrued interest from the immediately preceding Interest Payment Date or, if none, the Closing Date, and after taking into account any interest paid in respect of such Bonds in preceding periods, represents for the

Bondholder on the relevant date for determination of the Accreted Principal Amount (the “**Determination Date**”) a gross yield of 10 per cent. per annum (calculated on a quarterly basis) and shall be calculated by the Calculation Agent in accordance with the following formula, rounded (if necessary) to two decimal places, with 0.005 being rounded upwards (provided that if the relevant Determination Date is an Interest Payment Date, the Accreted Principal Amount shall be as set out below in respect of such Interest Payment Date):

$$\text{Accreted Principal Amount} = (\text{Previous Accreted Principal Amount} \times (1 + r/4)^{d/p}) - \text{AI},$$

where:

Previous Accreted Principal Amount = the Accreted Principal Amount on the Interest Payment Date immediately preceding the relevant Determination Date (or, if the Bonds are to be redeemed or become due and payable prior to the first Interest Payment Date, U.S.\$200,000)

| <b>Interest Payment Date</b> | <b>Accreted Principal Amount (U.S.\$)</b> |
|------------------------------|---|
| 23 August 2019               | 202,500.00                                |
| 23 November 2019             | 205,062.50                                |
| 23 February 2020             | 207,689.06                                |
| 23 May 2020                  | 210,381.29                                |
| 23 August 2020               | 213,140.82                                |
| 23 November 2020             | 215,969.34                                |
| 23 February 2021             | 218,868.58                                |
| 23 May 2021                  | 221,840.29                                |
| 23 August 2021               | 224,886.30                                |
| 23 November 2021             | 228,008.45                                |
| 23 February 2022             | 231,208.67                                |
| 23 May 2022                  | 234,488.88                                |
| 23 August 2022               | 237,851.10                                |
| 23 November 2022             | 241,297.38                                |
| 23 February 2023             | 244,829.82                                |
| 23 May 2023                  | 248,450.56                                |
| 23 August 2023               | 252,161.83                                |
| 23 November 2023             | 255,965.87                                |
| 23 February 2024             | 259,865.02                                |
| 23 May 2024                  | 263,861.64                                |
| 23 August 2024               | 267,958.19                                |
| 23 November 2024             | 272,157.14                                |
| 23 February 2025             | 276,461.07                                |
| 23 May 2025                  | 280,872.59                                |
| 23 August 2025               | 285,394.41                                |
| 23 November 2025             | 290,029.27                                |
| 23 February 2026             | 294,780.00                                |
| 23 May 2026                  | 299,649.50                                |
| 23 August 2026               | 304,640.74                                |
| 23 November 2026             | 309,756.76                                |
| 23 February 2027             | 315,000.68                                |

|                              |   |
|------------------------------|---|
| <b>Interest Payment Date</b> | <b>Accreted Principal Amount (U.S.\$)</b> |
|------------------------------|---|

|                     |            |
|---------------------|------------|
| Final Maturity Date | 320,375.69 |
|---------------------|------------|

and where:

r = 10 per cent. expressed as a fraction;

d = the number of days from and including the immediately preceding Interest Payment Date (or, if the Determination Date is on or before the first Interest Payment Date, from and including the Closing Date) to, but excluding the Determination Date, calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed;

p = 90; and

AI = the interest accrued in cash on a Bond in the principal amount of U.S.\$200,000 from and including the immediately preceding Interest Payment Date or if the Bonds are to be redeemed before the first Interest Payment Date, from and including the Closing Date (to, but excluding the Determination Date, calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

If the Accreted Principal Amount payable in respect of any Bond upon its redemption pursuant to Condition 7(a), (b), (c), (e) or (f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Accreted Principal Amount due and payable in respect of such Bond shall be the Accreted Principal Amount of such Bond as described above, as though references to the Determination Date had been replaced by references to the Relevant Date, and interest shall accrue at the rate provided for in Condition 5(a) on the principal amount of such Bond to the Relevant Date. The calculation of the Accreted Principal Amount in accordance with this Condition 7(g) will continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Final Maturity Date, in which case the amount due and payable shall be U.S.\$320,375.7069 per U.S. \$200,000 in principal amount of the Bonds together with interest thereon (inclusive of interest payable pursuant to Condition 5) at the rate of 10 per cent. per annum from and including the Final Maturity Date to but excluding the Relevant Date.

(h) *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or the Guarantor or any Subsidiary of the Guarantor may at any time purchase any Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or the Guarantor or any Subsidiary of the Guarantor, shall not entitle the holder to vote at any meeting of the Bondholders or otherwise to exercise any voting rights, and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings or for voting on any Extraordinary Resolution or for the purposes of Condition 14(a).

(i) *Cancellation*

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

(j) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail, save that a notice given pursuant to Condition 7(e) shall prevail over a notice given pursuant to Condition 7(b) or (c) in circumstances where the Put Date falls prior to the Optional Redemption Date or Tax Redemption Date, as the case may be.

## 8 Payments

(a) *Principal*

Payment of principal (including Accreted Principal Amount), premium and interest in respect of the Bonds, will be made to the persons shown in the Register at the close of business on the Record Date.

(b) *Other amounts*

Payments of all amounts other than as provided in Condition 8(a) will be made as provided in these Conditions.

(c) *Record Date*

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

(d) *Payments*

Each payment in respect of the Bonds pursuant to Conditions 8(a) and (b) will be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City.

(e) *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 applicable thereto in the place of payment but without prejudice to Condition 9; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA.

(f) *Delay in payment*

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

(g) *Paying, Transfer and Conversion Agents, etc.*

The Issuer and the Guarantor reserve the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or Registrar and appoint additional or other Paying, Transfer and Conversion Agents or another Registrar, provided that they will (i) maintain a Principal Paying, Transfer and Conversion Agent and (ii) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17. The Issuer and the Guarantor also reserve the right, subject to the prior written approval of the Trustee, under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent, provided that they will maintain a Calculation Agent which shall be a financial institution of international repute or a financial adviser with appropriate expertise. Notice of any change in the Calculation Agent will promptly be given by the Issuer to the Trustee and to the Bondholders in accordance with Condition 17.

(h) *No charges*

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

(i) *Fractions*

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

*The Bonds will, on issue, be represented by a global Bond having the ISIN XS1991116127 (the “Global Bond”). The Global Bond will be registered in the name of a nominee for a depositary common to Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”).*

*All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.*

## 9 Taxation

- (a) All payments made by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Jersey or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law. In the event that any such withholding or deduction is required to be made, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been received by them had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of interest on any Bond to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Jersey or, as the case may be, the United Kingdom otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond.
- (b) References in these Conditions to principal and/or interest and/or any other amounts payable in respect of the Bonds shall be deemed also to refer to Accreted Principal Amount and any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.
- (c) The provisions of this Condition 9 shall not apply in respect of any payments of principal (including Accreted Principal Amount) or interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 7(c).
- (d) Where a withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, the exclusion in Condition 9(a) will only apply if the Bonds have been (even if they no longer remain) admitted to listing and trading on a recognised stock exchange (as such term is defined in Section 1005 of the Income Tax Act 2007) or such other stock exchange which provides a valid exemption for United Kingdom withholding tax purposes.

## 10 Events of Default

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

- (a) the Issuer or the Guarantor fails to pay when due the Accreted Principal Amount of or any interest on any of the Bonds when due or to issue and deliver Preference Shares and/or Ordinary Shares as provided in these Conditions following any exercise of Conversion Rights and such failure continues for a period of 14 days in the case of any payment of interest and for seven days in any other case; or
- (b) the Issuer or the Guarantor does not perform or comply with any one or more of its obligations under Condition 2(c); or
- (c) the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations (or any provision which would, but for the provisions of applicable law, be an obligation) in the Bonds, the Trust Deed or the Deed Poll which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or
- (d) (i) any other present or future indebtedness of the Issuer or the Guarantor or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised (other than Project Finance Indebtedness) becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or the Guarantor or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than Project Finance Indebtedness) provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds £15,000,000 or its equivalent; or
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or in the opinion of the Trustee any substantial part of the property, assets or revenues of the Issuer or the Guarantor or any of its Principal Subsidiaries and is not discharged or stayed within 28 days; or
- (f) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any of its Principal Subsidiaries over or in respect of all or in the opinion of the Trustee any substantial part of its property, assets or revenues becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or
- (g) the Issuer or the Guarantor or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or in the opinion of the Trustee a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of its Principal Subsidiaries; or
- (h) an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Guarantor or any of its Principal Subsidiaries, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of its Principal Subsidiaries; or
- (i) the Issuer ceases to be directly or indirectly wholly owned and controlled by the Guarantor; or
- (j) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Trust Deed or the Deed Poll; or



- (k) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 10; or
- (l) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

provided that in the case of an event falling within paragraph (c) and, insofar as the relevant events relate to a Principal Subsidiary, (e), (f), (g), or (h), the Trustee shall have certified in writing to the Issuer that in its opinion such event is materially prejudicial to the interests of the Bondholders.

## 11 Undertakings

### (a) Deed Poll

Whilst any Conversion Right remains exercisable, the Guarantor will, save with the approval of an Extraordinary Resolution or the prior written approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval or, in the case of a modification to the Deed Poll, unless the modification is approved by an Extraordinary Resolution or approved by the Trustee as provided in Condition 14(b), perform all of its obligations under, and not make any amendment to, the Deed Poll.

### (b) Undertakings of the Guarantor

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

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

unless, in any such case,

- (1) the same gives rise (or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price;
- (2) the same constitutes a Dividend or otherwise gives (or, in the case of an issue or payment up of Securities in connection with a Change of Control, will give) rise (or would, but for the provisions of these Conditions relating to roundings, minimum adjustments or the carry forward of adjustments, give rise) to an

adjustment to the Exchange Price or is (or, in the case of any issue or payment up of Securities in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made;

- (ii) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(b)(ii) shall prevent:
- (1) the issue of any equity share capital to employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) whether of the Guarantor or any of the Guarantor's Subsidiaries or associated companies by virtue of their office or employment or any consultant of the Guarantor or any of the Guarantor's Subsidiaries or associated companies or to trustees or nominees to be held for the benefit of such persons; or
  - (2) any consolidation, reclassification, redesignation or sub-division of the Ordinary Shares; or
  - (3) any modification of such rights which is not, in the opinion of an Independent Adviser, materially prejudicial to the interests of the holders of the Bonds upon which opinion the Trustee shall be entitled to rely absolutely without liability to any person; or
  - (4) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments or, where comprising Ordinary Shares, the fact that the consideration per Ordinary Share receivable therefor is at least 90 per cent. of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Exchange Price; or
  - (5) without prejudice to any rule of law or legislation (including regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act or any other provision of that or any other legislation), the conversion of Ordinary Shares into, or the issue of any Ordinary Shares in, uncertificated form (or the conversion of Ordinary Shares in uncertificated form to certificated form) or the amendment of the Articles of Association of the Guarantor to enable title to Securities (including Ordinary Shares) to be evidenced and transferred without a written instrument or any other alteration to the Articles of Association of the Guarantor made in connection with the matters described in this Condition 11(b)(ii) or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
  - (6) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Guarantor shall have instructed an Independent Adviser to determine in good faith what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such Independent Adviser shall have determined in good faith either that no adjustment is required or that an adjustment resulting in a decrease in the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or
  - (7) any alteration to the Articles of Association of the Guarantor made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the

rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or

- (8) any amendment of the Articles of Association (or other constitutional document) of the Guarantor following a Change of Control to ensure that any Bondholder exercising its Conversion Rights where the Conversion Date falls on or after the occurrence of a Change of Control will receive the same consideration in respect of any Ordinary Shares required to be issued or transferred and delivered to it in exchange for Preference Shares issued to such Bondholder in respect of such exercise as it would have received in respect of such Ordinary Shares had such Ordinary Shares been entitled to participate in the relevant Scheme of Arrangement or tendered in the relevant offer (a “**Change of Control Conversion Right Amendment**”); or
- (9) a Permitted Issue;
- (iii) except as part of any employee, director or executive share or option or incentive scheme, procure that no Securities (whether issued by the Guarantor or any Subsidiary of the Guarantor or procured by the Guarantor or any Subsidiary of the Guarantor to be issued or issued by any other person pursuant to any arrangement with the Guarantor or any Subsidiary of the Guarantor) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 90 per cent. of the Current Market Price per Ordinary Share at the relevant time for determination thereof pursuant to the relevant provisions of these Conditions unless the same gives rise (or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price or has been taken into account in determining whether to make an adjustment to the Exchange Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (iv) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, following the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid in exchange for Preference Shares pursuant to these Conditions;
- (v) not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
  - (1) pursuant to the terms of issue of the relevant share capital; or
  - (2) by means of a purchase or redemption of share capital of the Guarantor to the extent permitted by applicable law; or
  - (3) as permitted by Section 610 (2) and (3) of the Companies Act; or
  - (4) where the reduction does not involve any distribution of assets to Shareholders; or
  - (5) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed; or
  - (6) a reduction of its share premium account to facilitate the writing off of goodwill arising on consolidation which requires the confirmation of the High Court and which does not involve the return, either directly or indirectly, of an amount standing to the credit of the share premium account of the Guarantor and in respect of which the Guarantor shall have tendered to the High Court such undertaking as it may require prohibiting, so long as any of the Bonds remains outstanding, the distribution (except by way of capitalisation issue) of any reserve which may arise in the books of the Guarantor as a result of such reduction; or
  - (7) to create distributable reserves (to which, in respect of any such creation of distributable reserves by the Guarantor, the Trustee will be deemed to have irrevocably given its consent (without any liability for so doing) prior to such creation of distributable reserves occurring and, to the extent that express consent

is required, the Bondholders authorise and direct the Trustee to give its consent (without any liability for so doing) to such creation of distributable reserves); or

- (8) as provided in paragraph (b)(i)(1); or
- (9) pursuant to a Newco Scheme; or
- (10) by way of transfer to reserves as permitted under applicable law; or
- (11) where the reduction is permitted by applicable law and the Trustee is advised in writing by an Independent Adviser, acting as an expert and in good faith, that in its opinion the interests of the Bondholders will not be materially prejudiced by such reduction; or
- (12) where the reduction is permitted by applicable law and results (or, in the case of a reduction in connection with a Change of Control, will result) in (or would, but for the provisions of these Conditions relating to roundings or the carry forward of adjustments, result in) an adjustment to the Exchange Price or is (or, in the case of a reduction in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made,

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

- (vi) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associates (as defined in Section 988(1) of the Companies Act or any modification or re-enactment thereof) of the offeror) to acquire the whole or any part of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme), give notice in writing of such offer or scheme to the Trustee and the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Guarantor, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of Conversion Rights and the exchange of Preference Shares pursuant to these Conditions and/or to the holders of the Bonds (which like offer or scheme in respect of such Bondholders shall entitle any such Bondholders to receive the same type and amount of consideration it would have received had it held the number of Ordinary Shares to which such Bondholder would be entitled assuming he were to exercise his Conversion Rights in the relevant Change of Control Period);
- (vii) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that (to the satisfaction of the Trustee) immediately after completion of the Scheme of Arrangement:
  - (1) at the Guarantor's option, either (a) Newco is substituted under the Bonds and the Trust Deed and the Deed Poll as principal obligor in place of the Issuer (with the Guarantor providing a guarantee) subject to and as provided in the Trust Deed; or (b) Newco becomes a guarantor under the Bonds and the Trust Deed and the Deed Poll (jointly and severally with the Guarantor);
  - (2) such amendments are made to these Conditions, the Trust Deed and the Deed Poll as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged (whether by the exchange for preference shares or otherwise) for ordinary shares or units or the equivalent in Newco (or depositary or other receipts or certificates representing ordinary shares or units or the

equivalent in Newco) *mutatis mutandis* in accordance with and subject to these Conditions;

- (3) the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalents of Newco) are admitted to trading on regulated, regularly operating, recognised stock exchange or securities market as determined by Newco; and
- (4) the Trust Deed, the Deed Poll and these Conditions provide at least the same powers, protections, rights and benefits to the Trustee and the Bondholders following the implementation of such Newco Scheme as they provided to the Trustee and the Bondholders prior to the implementation of the Newco Scheme, *mutatis mutandis*,

(and the Trustee shall (at the expense of the Issuer), subject to the satisfaction of the conditions set out in (1) to (4) above, be obliged to concur in effecting such substitution or grant of such guarantee and in either case making any such amendments, provided that the Trustee shall not be obliged so to concur if, in the opinion of the Trustee, doing so would impose more onerous or additional obligations, responsibilities or duties upon it or expose it to further liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions, the Trust Deed, the Deed Poll, the Initial Escrow Agency Agreement, the Secured Escrow Agreement or the Agency Agreement (including any supplemental trust deed or supplemental agency agreement) in any way);

- (viii) use all reasonable endeavours to ensure that the Ordinary Shares issued or transferred and delivered on exchange of Preference Shares pursuant to these Conditions will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in (but so that this undertaking shall not be considered as being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Guarantor) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Guarantor as a result of the Change of Control, a de-listing of the Ordinary Shares);
- (ix) use all reasonable endeavours to ensure, at its own cost, that its issued and outstanding Ordinary Shares are (A) admitted to the Official List of the FCA and admitted to trading on the London Stock Exchange's regulated market or (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market (but so that this undertaking shall not be considered as being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Guarantor) that causes or gives rise to (whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Guarantor as a result of the Change of Control) a de-listing of the Ordinary Shares);
- (x) at all times keep available for issue free from pre-emptive rights out of its authorised but unissued capital a sufficient number of Ordinary Shares to enable the Preference Shares to be issued on exercise of Conversion Rights to be exchanged for Ordinary Shares, and all other rights of subscription and exchange for Ordinary Shares, to be satisfied in full at the current subscription prices or exchange prices;
- (xi) in accordance with its obligations under the Deed Poll, undertake to procure the performance by the Issuer of all the Issuer's obligations with respect to the Preference Shares;
- (xii) be the beneficial owner of all of the ordinary share capital of the Issuer; and
- (xiii) (A) use its best endeavours to make or cause to be made an application for the Bonds to be admitted to the Official List of the FCA and admitted to trading on the London Stock Exchange's regulated market on or around the Closing Date; and (B) will use all reasonable endeavours to maintain such admission to trading for so long as any of the

Bonds remain outstanding, save that if the Issuer is unable to maintain such admission to trading as aforesaid having used such endeavours, or if the maintenance of such admission to trading is unduly onerous the Issuer undertakes to use all reasonable endeavours to promptly obtain and maintain a listing and/or admission to trading for the Bonds on such other recognised stock exchange (as such term is defined in Section 1005 of the Income Tax Act 2007) or such other stock exchange which provides a valid exemption for the purposes of United Kingdom withholding tax as the Issuer may from time to time determine and as may be approved by the Trustee and the Issuer will forthwith give notice to the Bondholders and the Trustee of any such listing or delisting of the Bonds by any of such stock exchanges.

(c) *Undertakings of the Issuer and the Guarantor*

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

- (i) comply with the obligations assumed by it under the Articles of the Issuer and not make any amendment to the Articles of the Issuer which would vary, abrogate or modify the rights appertaining to the Preference Shares;
- (ii) at all times, keep available for issue, free from pre-emptive rights out of its authorised but unissued capital, such number of Preference Shares as would enable all the unexercised Conversion Rights and any other rights of conversion into, subscription for and exchange into Preference Shares to be satisfied in full;
- (iii) not issue any other share capital with rights which are more favourable than the rights attaching to the Preference Shares in respect of dividends or payment of the Paid-up Value thereof or on a return of capital or otherwise;
- (iv) not cause the Paid-up Value of the Preference Shares to be altered (whether by consolidation or sub-division of the Preference Shares or otherwise); and
- (v) not alter those provisions of the Trust Deed which are expressed to be binding only as between the Issuer and the Guarantor and not directly enforceable by the Trustee or Bondholders,

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

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

## 12 Prescription

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

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

### 13 Replacement of Bonds

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

### 14 Meetings of Bondholders, Modification and Waiver, Substitution

#### (a) *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 or any provisions of the Trust Deed, the Deed Poll, the Articles of the Issuer or any other Transaction Document (in the case of the Articles of the Issuer, which would vary, abrogate or modify the rights appertaining to the Preference Shares). Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 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 one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date, the First Call Date or the Second Call Date (other than deferring the First Call Date or the Second Call Date) or the dates on which interest or any Make Whole Amount is payable in respect of the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 7(b), (c), (e) or (f), (iii) to reduce or cancel the principal amount of, or interest on, or the Make Whole Amount payable in respect of, the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the basis for calculating the interest payable in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights or the rights of Bondholders to receive Ordinary Shares on exchange of the Preference Shares issued on the exercise of Conversion Rights pursuant to these Conditions, (other than pursuant to or as a result of any amendments to these Conditions and the Trust Deed made pursuant to and in accordance with the provisions of Condition 11(b)(vii) following (or as part of) a Newco Scheme (“**Newco Scheme Modification**”) and other than a reduction to the Exchange Price or an increase in the number of Preference Shares to be issued to Bondholders on exercise of Conversion Rights), (vi) to increase the Exchange Price (other than in accordance with these Conditions or pursuant to a Newco Scheme Modification) or to reduce the number of Preference Shares to be issued to Bondholders on exercise of Conversion Rights, (vii) to change the currency of the Bonds or any payment in respect of the Bonds, (viii) to change the governing law of the Bonds, the Trust Deed, the Deed Poll, the Agency Agreement, the Initial Escrow Agency Agreement or the Secured Escrow Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)), (ix) to modify the Articles of the Issuer so as to vary, abrogate or modify the rights appertaining to the Preference Shares, (x) to modify the Deed Poll, (xi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution or (xii) modifying Condition 2(b) or 2(c) (or the corresponding provisions of any Transaction Document described therein), or otherwise releasing any Bond Security (if any) to the extent not expressly contemplated in the Conditions or the Transaction Documents, in which case the necessary quorum will be one 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 by the Bondholders shall be binding on all of the Bondholders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held by or on behalf of the holder(s) of not less than three-fourths of the persons eligible to vote at such meeting, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Bonds for the time being outstanding or (iii) consents given by way of

electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holder(s) of not less than three-fourths in principal amount of the Bonds for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Bondholders.

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

(b) *Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Initial Escrow Agency Agreement, any agreement supplemental to the Initial Escrow Agency Agreement, the Secured Escrow Agency Agreement, any agreement supplemental to the Secured Escrow Agency Agreement, the Bonds or these Conditions, the Deed Poll or the Articles of the Issuer which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Initial Escrow Agency Agreement, any agreement supplemental to the Initial Escrow Agency Agreement, the Bonds, the Secured Escrow Agency Agreement, any agreement supplemental to the Secured Escrow Agency Agreement or these Conditions, the Deed Poll or the Articles of the Issuer (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Initial Escrow Agency Agreement, any agreement supplemental to the Initial Escrow Agency Agreement, the Secured Escrow Agency Agreement, any agreement supplemental to the Secured Escrow Agency Agreement, the Bonds or these Conditions, the Deed Poll or the Articles of the Issuer which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders, determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders are not materially prejudiced thereby. Any such modification, authorisation, waiver or determination shall be binding on the Bondholders and, if the Trustee so requires, shall be notified to the Bondholders promptly in accordance with Condition 17.

(c) *Substitution*

The Trustee shall (subject as provided in Condition 11(b)(vii)), without the consent of the Bondholders, agree any substitution as provided in, and for the purposes of, Condition 11(b)(vii) in connection with a Newco Scheme. In addition, the Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Bondholders, to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Guarantor subject to (a) the obligations of the Guarantor under the Trust Deed applying *mutatis mutandis* to the Bonds and under the Deed Poll applying *mutatis mutandis* to such Preference Shares, (b) (in respect of any substitution which takes effect in the period beginning on (and including) the date on which the Issuer, the Guarantor and the Trustee execute the supplemental trust deed referred to in Condition 2(c) until (and including) the date on which no Secured Property remains subject to the Bond Security) the Bonds remaining secured in the manner set out in these Conditions and the Transaction Documents or failing which, such other security being put in place as is acceptable to the Trustee, and (c) the Bonds continuing to be convertible *mutatis mutandis* as provided in these Conditions, into preference shares in the capital of the substituted company with like rights, *mutatis mutandis*, to the Preference Shares and to such preference shares being immediately exchangeable for Ordinary Shares *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee is satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed are complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the



interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified to Bondholders as soon as practicable.

(d) *Entitlement of the Trustee*

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

## **15 Enforcement**

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

## **16 The Trustee**

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

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

The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution or 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 in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee and the Bondholders.

## **17 Notices**

All notices required to be given to Bondholders pursuant to the Conditions will (unless otherwise provided in these Conditions) be given by publication through the electronic communication system of Bloomberg. The Issuer shall also ensure that all such notices are duly published (if such publication is required) in a

manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such notice. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

The Issuer shall send a copy of all notices given by it to Bondholders pursuant to these Conditions simultaneously to the Calculation Agent.

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

## **18 Further Issues**

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

*On the Closing Date, the Issuer shall issue U.S.\$106,600,000 in aggregate principal amount of 5 per cent. Guaranteed Convertible Bonds due 2027 (the “**Non-Escrow Bonds**”). The Non-Escrow Bonds will have the same terms as the Bonds in all respects, save that the Non-Escrow Bonds will not have the benefit of the escrow or security arrangements described in Conditions 2(b), 2(c) and 2(d) and holders of Non-Escrow Bonds will not have the option to redeem Non-Escrow Bonds following the occurrence of a Stage 2 Debt Non-Occurrence Event. As provided in the Agency Agreement, following the date which is two London business days following the earlier of (i) 23 January 2020 or (ii) the date falling 20 London business days after the occurrence of a Stage 2 Debt Event (the “**Consolidation Notice Deadline**”), the Non-Escrow Bonds will, save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, upon written notice being given by the Issuer, failing whom the Guarantor, to the Trustee and the Principal Paying, Transfer and Conversion Agent, and without any requirement for any consent from or any other action by the Trustee in connection therewith, be consolidated to form a single series with the Bonds trading under the same ISIN as the Bonds. The Issuer, failing whom the Guarantor, shall be required to give such notice no later than the Consolidation Notice Deadline whereupon the Non-Escrow Bonds will be consolidated to form a single series with the Bonds on the date referred to in such notice (to be no later than three London business days following the Consolidation Notice Deadline). The notice will also be given to the Bondholders in accordance with Condition 17. As provided in the Trust Deed and the Agency Agreement, neither the Trustee nor any Agent shall have any responsibility or liability whatsoever for any loss, liability, cost, claim, action, demand or expense arising out of or in connection with the consolidation of the Bonds with the Non-Escrow Bonds.*

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

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

## **20 Governing Law and Jurisdiction**

### *(a) Governing Law*

The Trust Deed, the Agency Agreement, the Deed Poll 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.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds (and any non-contractual obligations arising out of or in connection with them) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds (“**Proceedings**”) may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts and have waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer has irrevocably appointed the Guarantor at its registered office for the time being, currently at 3rd Floor Greener House, 68 Haymarket, London SW1Y 4RF, United Kingdom as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

## TERMS AND CONDITIONS OF THE NON-ESCROW BONDS

The terms and conditions of the Non-Escrow Bonds will be identical to those described under “*Terms and Conditions of The Escrow Bond*” above, except as follows:

- (a) all references to “Bondholder’s Stage 2 Non-Occurrence Event Exercise Notice”, “Escrow Agent”, “Existing Convertible Bonds”, “Existing Convertible Bonds Redemption Date”, “Initial Escrow Account”, “Initial Escrow Agency Agreement”, “Secured Escrow Account”, “Secured Escrow Agency Agreement”, “Stage 2 Debt Event”, “Stage 2 Debt Non-Occurrence Event”, “Stage 2 Debt Non-Occurrence Event Notice” and “Stage 2 Debt Non-Occurrence Event Redemption Date” shall be deleted;
- (b) the italicised disclosure immediately following Condition 1(c) shall be deleted;
- (c) the title of Condition 2 shall be deleted and replaced with the words “Negative Pledge”;
- (d) save for Condition 2(a), the paragraphs in Condition 2 shall each be deleted and replaced with the words “Not used.”;
- (e) Condition 6(p) shall be deleted;
- (f) Condition 7(f) shall be deleted and replaced with the words “Not used.”
- (g) all references to a Bondholder making any election under, or any redemption pursuant to, Condition 7(f) shall be deleted;
- (h) Condition 10(b) shall be deleted and replaced with the words “Not used.”
- (i) sub-paragraph (xii) shall be deleted from Condition 14(a);
- (j) sub-paragraph (b) shall be deleted from Condition 14(c), and sub-paragraph (c) shall be amended to refer to sub-paragraph (b); and
- (k) the italicised disclosure immediately following Condition 18 shall be deleted and replaced with the following:

*“On the Closing Date, the Issuer shall issue up to U.S.\$400,000,000 in aggregate principal amount of 5 per cent. Guaranteed Convertible Bonds due 2027 (the “**Escrow Bonds**”). The Escrow Bonds will have the same terms as the Bonds in all respects, save that the Escrow Bonds will benefit from certain escrow and security arrangements and holders of Escrow Bonds will have an option to redeem the Escrow Bonds if a Stage 2 Debt Event does not occur, all as provided in the terms and conditions of the Escrow Bonds. As provided in the Agency Agreement, following the date which is two London business days following the earlier of (i) 23 January 2020 or (ii) the date falling 20 London business days after the occurrence of a Stage 2 Debt Event (as defined below) (the “**Consolidation Notice Deadline**”), the Escrow Bonds will, save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, upon written notice being given by the Issuer, failing whom the Guarantor, to the Trustee and the Principal Paying, Transfer and Conversion Agent, and without any requirement for any consent from or any other action by the Trustee in connection therewith, be consolidated to form a single series with the Bonds trading under the same ISIN as the Bonds. The Issuer, failing whom the Guarantor, shall be required to give such notice no later than the Consolidation Notice Deadline whereupon the Bonds will be consolidated to form a single series with the Escrow Bonds on the date referred to in such notice (to be no later than three London business days following the Consolidation Notice Deadline). The notice will also be given to the Bondholders in accordance with Condition 17.*”

*For the purpose of the paragraph above, “**Stage 2 Debt Event**” means the completion by the Guarantor and/or a subsidiary of the Guarantor of (a) an issuance of senior secured guaranteed bonds or other financing raising gross proceeds which are received by the Guarantor or such subsidiary of at least U.S.\$500,000,000 and (b) the entry into a revolving credit facility with a committed amount available to the Guarantor or one of its subsidiaries of at least U.S.\$2,500,000,000 from time to time provided that, on the date such Stage 2 Debt Event is*

*notified to Bondholders, the Guarantor or the relevant subsidiary is in compliance with its covenants under such facility.”*

## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

*The Global Bonds contains provisions which apply to the Bonds while they are in global form, some of which will modify the effect of the terms and conditions of the Bonds. The following is a summary of certain of those provisions.*

### 1 Exchange

Interests in the Temporary Non-Escrow Global Bond will be exchangeable for interests in the Escrow Global Bond on, save to the extent already redeemed, converted or purchased and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, the Consolidation Date.

The Global Bonds are exchangeable in whole but not in part (free of charge to the holder) for Definitive Registered Bonds (as defined in the Relevant Trust Deed) if the Global Bonds are held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System (each as defined under “Notices” below) and any such clearing system is closed for business for a continuous period of 14 days or more (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so by such holder giving notice to the Principal Paying, Transfer and Conversion Agent. On or after the Exchange Date the holder of the relevant Global Bond may surrender that Global Bond to or to the order of the Registrar. In exchange for the Global Bonds, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Registered Bonds.

**Exchange Date** means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System (each as defined under “Notices” below) are located.

Except as otherwise described in the Global Bonds, the Global Bonds are subject to their respective Conditions and the Relevant Trust Deed and, until it is exchanged for Definitive Registered Bonds, its holder shall be entitled to the same benefits as if it were the holder of the Definitive Registered Bonds for which it may be exchanged and as if such Definitive Registered Bonds had been issued on the date of the Global Bonds.

The Conditions shall be modified with respect to Bonds represented by the Global Bonds by the following provisions:

### 2 Notices

So long as the Global Bonds are held on behalf of Euroclear or Clearstream, Luxembourg or such other clearing system as shall have been approved by the Trustee (the **Alternative Clearing System**), notices required to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by notification as required by the Conditions in which case such notices shall be deemed to have been given to Bondholders on the date of delivery to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System.

### 3 Prescription

Any claim in respect of principal, interest and other amounts payable in respect of the Global Bonds will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 3) and 10 years (in the case of other amounts) following the due date of payment.

### 4 Meetings

The holder of the Global Bonds shall (unless the relevant Global Bond represents only one Bond) be treated as one person for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.\$0.01 principal amount of Bonds for which the Global Bonds may be exchanged.

## **5 Purchase and Cancellation**

Cancellation of any Bond represented by the Global Bonds which is required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Global Bonds on its presentation to or to the order of the Principal Paying, Transfer and Conversion Agent for notation in Schedule A to the Global Bonds.

## **6 Conversion**

For so long as the Global Bonds are held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System, Conversion Rights (as defined in the Conditions) may be exercised as against the Issuer at any time during the Conversion Period by the presentation to or to the order of the Principal Paying, Transfer and Conversion Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest.

## **7 Trustee's Powers**

In considering the interests of Bondholders while the Global Bonds are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Bonds and may consider such interests as if such accountholders were the holder of the Global Bonds.

## **8 Redemption at the Option of Bondholders**

The option of the Bondholders provided for in Condition 7(e), may be exercised by the holder of the Global Bonds giving notice to the Principal Paying, Transfer and Conversion Agent within the time limits relating to the deposit of Bonds as set out in Condition 7(e), substantially in the form of the Put Exercise Notice available from the Principal Paying, Transfer and Conversion Agent and stating the principal amount of the Bonds in respect of which the option is exercised.

## **9 Bondholder's Option**

The option of the Bondholders provided for in Conditions 7(c) and 7(f) shall be exercised by the presentation to or to the order of the Principal Paying, Transfer and Conversion Agent of a duly completed (i) in the case of Condition 7(c), Bondholder's Tax Exercise Notice or (ii) in the case of Condition 7(f), Bondholder's Stage 2 Debt Non-Occurrence Event Notice, in each case substantially in the form scheduled to the Agency Agreement, within the time limits set out in and containing the information required by Condition 7(c) or 7(f), as applicable.

## **10 Written Resolutions and Electronic Consents**

Where the terms of the resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) have been notified to the Bondholders through the relevant clearing system(s) as provided in subparagraphs (i) and/or (ii) below, each of the Issuer, the Guarantor and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying, Transfer and Conversion Agent or another specified Agent of not less than three-fourths in principal amount of the Bonds outstanding (the **Required Proportion**) (**Electronic Consent**) by close of business on the Relevant Date (as defined below). Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantor or the Trustee shall be liable or responsible to anyone for such reliance:

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the **Relevant Date**) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the **Proposer**) so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Relevant Trust Deed. Alternatively, the Proposer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "Relevant Date" shall be construed accordingly.
- (a) Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to the Global Bonds and/or (b), where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purposes of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the **relevant clearing system**) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Bonds is clearly identified together with the amount of such holding. Neither the Issuer, the Guarantor nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.



## DESCRIPTION OF THE ISSUER

### Introduction

The Issuer was incorporated in Jersey (registered number 128898) on 16 April 2019 as a public company limited by shares under the Companies (Jersey) Law 1991, as amended, under the name Sirius Minerals Finance No.2 Limited. The registered address of the Issuer is 47 Esplanade, St. Helier, Jersey JE1 0BD, telephone number +44 (0)1534 835600.

### Business of the Issuer

The Issuer is a wholly-owned subsidiary of Sirius Minerals Holdings Limited, which in turn is a wholly-owned subsidiary of the Guarantor and its primary purposes are intended to be (i) to issue the Bonds and the Preference Shares into which the Bonds are convertible and (ii) to grant the loan of the proceeds of the issue of the Bonds directly or indirectly to the Guarantor or any of its subsidiaries. Since the date of its incorporation, other than entering into contracts in connection with the issue of the Bonds or in connection with the corporate administration, the Issuer has not commenced business, nor has it incurred any liabilities.

### Share Capital of the Issuer

See "*Description of the Issuer's Share Capital and the Preference Shares*" below. The Issuer has no subsidiaries.

### Corporate Administration

Crestbridge Corporate Services Limited of 47 Esplanade, St. Helier, Jersey JE1 0BD will act, or procure that a subsidiary acts, as the corporate services provider for the Issuer (the **Corporate Services Provider**). In consideration of the foregoing, the Corporate Services Provider is entitled to receive various fees payable at rates agreed upon from time to time, plus expenses.

### Management and Employees

The Issuer has no employees.

### Directors

The directors of the Issuer and their other principal activities as at the date hereof are as follows:

| Name                    | Date of Appointment | Other principal activities   |
|-------------------------|---------------------|--|
| Christopher Neil Fraser | 16 April 2019       | Managing Director and Chief Executive Officer, Sirius Minerals Plc |
| Thomas Jay Staley       | 16 April 2019       | Chief Financial Officer, Sirius Minerals Plc                       |
| Nicholas Anthony King   | 16 April 2019       | General Counsel and Company Secretary, Sirius Minerals Plc         |

The company secretary of the Issuer is Crestbridge Corporate Services Limited of 47 Esplanade, St. Helier, Jersey JE1 0BD.

The business address of the directors is 3<sup>rd</sup> Floor, Greener House, 68 Haymarket, London SW1Y 4RF.

### Directors' Interests

The directors are all employees or officers of the Guarantor. No director has any conflict of interest and/or any potential conflict of interest between any of his duties to the Issuer and his private interests and/or other duties.

### Financial Statements and Auditors' Report

Since the date of its incorporation, no financial statements of the Issuer have been prepared. The Issuer intends to only prepare audited annual financial statements. The auditors of the Issuer are PricewaterhouseCoopers LLP

which is authorised as an auditor of a Jersey incorporated company pursuant to the Companies (Jersey) Law 1991, as amended.

## DESCRIPTION OF THE ISSUER'S SHARE CAPITAL AND THE PREFERENCE SHARES

*Words and/or expressions defined in the Terms and Conditions of the Non-Escrow Bonds have the same meanings in this section unless the context otherwise requires.*

### Issuer's share capital

The authorised share capital of the Issuer is U.S.\$1,100,000 divided, respectively, into 1,000 Founders' Shares with a nominal value of U.S.\$100 each and 100,000,000 Preference Shares with a nominal value of U.S.\$0.01 each.

As at the date of this Offering Circular, the Issuer had issued two Founders' Shares at their par value of U.S.\$100 each.

### Founders' Shares

Save for the shares initially subscribed for as provided in the Memorandum of Association adopted on incorporation of the Issuer, Founders' Shares shall only be issued to, or for the benefit of, the Guarantor or a Subsidiary or to, or for the benefit of, a person previously approved in writing by the Guarantor.

### Preference Shares

Preference Shares shall only be issued on conversion of the Bonds pursuant to the terms and conditions of the Bonds and the terms of the Relevant Trust Deed and shall be issued at a price, credited as fully paid, of U.S.\$200,000 per Preference Share (the **Paid-up Value**) with the excess over the par value of U.S.\$0.01 credited to the share premium account and will rank *pari passu* with all (if any) fully paid Preference Shares then in issue except that the Preference Shares so allotted will not rank for any dividend or other distribution declared, paid or made by reference to a record date prior to the relevant Conversion Date. Preference Shares will be allotted as of the relevant Conversion Date and will be allotted in the name of the person(s) specified in the relevant Conversion Notice. The terms of the Preference Shares are set out in the Articles of the Issuer. Holders of the Preference Shares will also have the benefit of the Deed Poll and will be entitled to the benefit of, will be bound by, and will be deemed to have notice of, all the provisions of the Articles of the Issuer and the Deed Poll. The Articles of the Issuer contain provisions to the following effect:

#### 1 Dividends

- (a) Each Preference Share will on allotment, and subject to the relevant provisions of the Companies (Jersey) Law 1991, as amended, confer on the holder thereof a right to receive a fixed cumulative dividend at the rate of 5 per cent. per annum of the Paid-up Value of each such Preference Share in priority to any dividend in respect of any other class of shares in the capital of the Issuer, other than any such class that ranks *pari passu* with the Preference Shares as respects rights to dividends. Such dividend shall be payable in equal instalments quarterly in arrear on 23 August, 23 November, 23 February and 23 May in each year (each a **Dividend Payment Date**) commencing with the Dividend Payment Date falling on 23 August 2019. If a dividend is required to be calculated for a period of less than a complete Dividend Period, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed, where "Dividend Period" means each period beginning on (and including) a Dividend Payment Date and ending on (but excluding) the next succeeding Dividend Payment Date. Such dividends shall accrue from day to day save that each Preference Share will not accrue dividends: (a) prior to its allotment; (b) from the Dividend Payment Date immediately preceding the due date for redemption of such Preference Share (or, if none, the Closing Date) up to the due date for redemption of such Preference Share; or (c) on or after its due date for redemption. No account will be taken of accrued dividends on an exchange of the Preference Shares pursuant to the Conditions.
- (b) The Founders' Shares shall, subject to the relevant provisions of the Companies (Jersey) Law 1991, as amended, confer on the holders thereof the right to receive any remaining profits of the Issuer, after the payment to the holders of the Preference Shares of their preferential

cumulative dividend and after payment of any other preferential dividend on any other class of shares.

- (c) The obligations of the Issuer to pay dividends are subject to applicable law in Jersey.

## 2 Capital

On a winding-up of the Issuer or other return of capital (other than a purchase or redemption of any Preference Share or any share of any other class), the assets of the Issuer available for distribution shall be applied in the following priority:

- (a) first, the Preference Shares shall carry the right (the **First Right**), *pari passu* with the shares of any class having the like right, on a winding-up of the Company or other return of capital (other than a purchase or redemption of any Preference Share or any Share of any other class) to payment of the Paid-up Value thereof, together with a sum equal to any accrued but unpaid preferential dividend due in respect of such Preference Shares to be calculated to (but excluding) the date when payment of the return of capital is made and to be payable irrespective of whether or not such dividend has been declared or earned in priority to any payment in respect of any other class of Shares in the Issuer save for any Share of any class carrying the like right. (In the event that the assets of the Issuer available for distribution are insufficient to repay in full the Paid-up Value of each Preference Share or shares carrying the like right together with such accruals, the available assets shall be apportioned pro rata amongst the Preference Shares and shares carrying the like right then in issue according to the Paid-up Value and the amount at which any such other share is credited as paid-up and accruals outstanding);
- (b) second, the Founders' Shares shall carry the right to payment *pari passu* of the amount of capital paid up (including credited as paid up) thereon; and
- (c) third, any surplus assets then remaining shall be distributed *pari passu* amongst the holders of the Founders' Shares in proportion to the amounts paid-up thereon.

## 3 Redemption

- (a) Preference Shares in respect of which the Conversion Right has been exercised and which have been transferred to the Guarantor or its nominee pursuant to the Conditions, may be redeemed for cash at their Paid-up Value at any time after the first transfer of the same into the name of the Guarantor or its nominee or any subsequent holder of the Preference Shares. Such redemption may be required by the Issuer or the holder of the relevant Preference Shares by service of a notice by such person on the other, and such redemption shall take place on the date specified in the notice.
- (b) On redemption of a Preference Share, the Issuer will cancel the Preference Share and any certificate relating thereto and such Preference Share may not be reissued or sold as a Preference Share.
- (c) The obligations of the Issuer to redeem shares are subject to applicable law in Jersey.

## 4 Voting and General Meetings

- (a) Preference Shares and Founders' Shares shall entitle the holders thereof to receive notice of and to attend and vote at every general meetings of the Issuer.
- (b) No vote at any general meeting of the Issuer shall be taken on a show of hands. On a poll every holder of Preference Shares who (being an individual) is present in person or by proxy, or (being a corporation) is present by representative or by proxy shall have one vote for each Preference Share registered in the name of such holder and every holder of Founders' Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by representative or by proxy shall have one million votes in respect of each Founders' Share registered in the name of such holder.

## **5 Transfers**

- (a) Any Preference Share issued upon exercise of Conversion Rights shall forthwith upon allotment and issue of the same be transferred to the Guarantor or its nominee in exchange for Ordinary Shares as provided in the Conditions. Any such transfer shall be effected by any director of the Issuer or the Guarantor or any authorised signatory of the Secretary (or a person appointed for this purpose by the Issuer or the Guarantor) as agent for the holder thereof and any director of the Issuer or the Guarantor or any authorised signatory of the Secretary (or a person appointed for this purpose by the Issuer or the Guarantor) is authorised by such holder to execute all such documents and do all such things as may be necessary properly to effect the same, without any cost or liability to, or any further action required by, the holder (save as provided in the Articles of the Issuer).
- (b) Transfers of Preference Shares shall be effected by any instrument of transfer in common or usual form or such other form as may be approved by the board of directors of the Issuer. The transferor shall be deemed to remain the holder of a Preference Share until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Issuer.

## **6 Payments**

- (a) Payments in respect of a Preference Share may be made by cheque or warrant and mailed to the holder (or in the case of joint holders, to any one of such joint holders) of such Preference Shares at his registered address (or to such person and to such address as the holder or joint holders may in writing direct) and at his risk.
- (b) All payments in respect of the Preference Shares shall be made subject to the deduction of or withholding of, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or in the Island of Jersey or the United Kingdom (or any political sub-division or authority thereon having power to tax) required or permitted by applicable law to be withheld or deducted at source. No additional payment will be required to be made in respect of such withholding or deduction.
- (c) In determining amounts to be paid to Preference Shareholders, fractions of one cent will be rounded to the nearest cent with one half of one cent being rounded upwards.
- (d) Any unclaimed dividend may be invested or otherwise made use of by the directors of the Issuer for the benefit of the Issuer until claimed and any dividend which has remained unclaimed for a period of 10 years from the date of declaration thereof shall, if the directors of the Issuer so resolve, be forfeited and cease to remain owing by the Issuer and shall thenceforth belong to the Issuer absolutely.

## **7 Variation of Rights**

- (a) Subject to the provisions of the Companies (Jersey) Law 1991, as amended, all or any of the rights for the time being attached to any class of shares for the time being issued may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Issuer is being wound-up) be varied or abrogated with the consent in writing of the holders of not less than two-thirds in number of the issued shares of that class or with the sanction of a special resolution (that is one passed by a majority of not less than two-thirds of members who (being entitled to do so) vote in person or by proxy) passed at a separate meeting of the holders of those shares. All the provisions of the Articles of the Issuer as to general meetings of the Issuer shall *mutatis mutandis* apply to any such separate meeting, except that the necessary quorum shall be persons holding or representing by proxy at least one third in number of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present in person or by proxy shall be a quorum.
- (b) The rights attached to the Preference Shares shall unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issue of further shares ranking after or *pari passu* therewith.

## DESCRIPTION OF THE ORDINARY SHARES

*The following summarises certain provisions of the Articles of the Guarantor. This summary does not purport to be complete and is subject to and is qualified in its entirety by reference to the Articles of the Guarantor (the Articles).*

### Share rights

Subject to the provisions of the Companies Acts (as defined in section 2 of the Companies Act 2006), Uncertificated Securities Regulations 2001 and every other statute, statutory instrument, regulation or order for the time being in force concerning the Guarantor (the **Statutes**), and to the rights conferred on the holders of any other shares, any shares in the Guarantor may be issued with or have attached to it such rights and restrictions as the Guarantor may by ordinary resolution decide, or if no such resolution is in effect or so far the resolution does not make specific provision, as the Board of Directors (the **Board**) may decide.

### Dividends and other payments

Subject to the provisions of the Companies Acts, the Guarantor may, by ordinary resolution, declare dividends to be paid to the members according to their respective rights and interests in the profits, and may fix the time for the payment of such dividend, but no dividend shall exceed the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provides:

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share;
- (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid;
- (c) dividends may be declared or paid in any currency

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Guarantor and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Guarantor, in the opinion of the Board, justifies the payment. If the Board acts in good faith, none of the Directors shall incur any liability to the holders of shares conferring preferred rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares having deferred or non-preferred rights.

The Board may agree with any member that the dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Guarantor or any other person to bear any costs involved.

The Board may deduct from any dividend or other moneys payable to a member (either alone or jointly with another) on or in respect of a share all such sums as may be due from him (either alone or jointly with another) to the Guarantor on account of calls or otherwise in respect of shares of the Guarantor.

Any dividend or other sum payable in respect of any share may be paid to a person or persons entitled by transmission to that share as if he or they were the holders or joint holders of that share and his address (or the address of the first named of two or more persons jointly entitled) noted in the register were the registered address.

No dividend or other moneys payable by the Guarantor on or in respect of any share shall bear interest against the Guarantor unless otherwise provided by the rights attached to the share.

With the authority of an ordinary resolution of the Guarantor and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular paid up shares or debentures of any other company.

The Board may, with the authority of an ordinary resolution of the Guarantor, offer any holders of ordinary shares the right to elect to receive further ordinary shares, credited as fully paid, instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution (a scrip dividend) in accordance with the provision of the Articles.

### **Variation of rights**

Whenever the share capital of the Guarantor is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Guarantor is being wound up) be varied in such manner as those rights may provide or (if no provision is made) either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the authority of a special resolution passed at a separate general meeting of the holders of such shares.

Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them or by the purchase or redemption by the Guarantor of any of its own shares.

### **Lien**

The Guarantor shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The lien shall extend to every amount payable in respect of it.

The Board may at any time either generally or in any particular case declare any share to be wholly or partly exempt from the provisions of article 95 of the Articles. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Guarantor's lien (if any) on that share.

The Guarantor may sell any share subject to a lien in such manner as the Board may decide if an amount payable on the share is due and is not paid within 14 clear days after a notice has been given to the holder or any person entitled by transmission to the share demanding payment of that amount and giving notice of the intention to sell in default.

The net proceeds of the sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien for any amounts not presently due as existed on the share before the sale), on surrender in case of shares held in certificated form, of the certificate for the shares sold, to be paid to the holder or the person entitled by transmission to the share immediately before the sale. To give effect to any sale under article 96 of the Articles, the Board may authorise some person to transfer the share sold to, or as directed by, the purchaser. The purchaser shall not be bound to see to the application of the purchase money nor shall the title of the new holder to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

### **Calls on shares**

Subject to the terms of allotment, the Board may make calls on the members in respect of any moneys unpaid on their shares (whether in respect of the nominal amount or premium) and each member shall (subject to his receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Guarantor as required by the notice the amount called on his shares. A call may be revoked or postponed as the Board may decide. A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call was made.

Any call may be made payable in one sum or by instalments and shall be deemed to be made at the time when the resolution of the Board authorising the call is passed.

The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share. If a call is not paid before or on the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate as the Board may decide, but the Board may waive payment of the interest, wholly or in part.

On any allotment of shares the Board may make arrangements for a difference between the allottees or holders of the shares in the amounts and the times of payment of calls on their shares.

The Board may, if it thinks fit, receive all or any part of the moneys payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance and on moneys so paid in advance may (until they would otherwise be due) pay interest at such rate as may be agreed between the Board and the member paying the sum in advance.

### **Forfeiture of shares**

If the whole or any part of any call or instalments remains unpaid on any share after the due date of payment, the Board may give a notice to the holder requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest.

The notice shall state a further day, being not less than fourteen clear days from the date of the notice, on or before which, and the place where, payment is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which it was given may (before the payment required by the notice has been made), be forfeited by a resolution of the Board. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or the person entitled to the share by transmission (as the case may be) and an entry of that notice of forfeiture has been given, with the relevant date, shall be made in the register; but no forfeiture shall be invalidated by an omission to give such notice or make such entry.

Every share which is forfeited or surrendered shall become the property of the Guarantor and subject to the Statutes, may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Board shall decide, either to the person who was, before forfeiture, the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The Board may for the purpose of the disposal authorise some person to transfer the forfeited or surrendered share to, or in accordance with the directions of, any person to whom the same has been disposed. The Board may at any time before the forfeited or surrendered share has been sold, reallocated or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due on or incurred in respect of the share and on such other conditions as the Board may think fit.

A person any of whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall, in the case of shares held in certificated form, surrender to the Guarantor for cancellation any certificate for the share forfeited or surrendered, but shall, remain liable (unless payment is waived in whole or in part by the Board) to pay to the Guarantor all moneys payable by him on or in respect of that share at the time of forfeiture or surrender together with interest from the time of forfeiture or surrender until payment at such rate as the Board may decide in the same manner as if the share had not been forfeited or surrendered. He shall also be liable to satisfy for all claim and demands (if any) which the Guarantor might have imposed in respect of the share at the time of forfeiture or surrender. No deduction or allowance shall be made for the value of the share at the time of forfeiture or surrender or for any consideration received on its disposal. A statutory by a Director or secretary that a share has been forfeited or surrendered on a specific date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to execution of any necessary transfer) constitute good title to the share. and the person to whom the share has been disposed of shall not be bound to see to the application of the consideration for the disposal (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings connected with the forfeiture, surrender, sale, re-allotment or disposal of the share.

### **Transfer of shares**

Subject to such of the restrictions of the Articles as may be applicable, a member may transfer all or any of his shares in any manner which is permitted by the Statutes and which from time to time approved by the Board. The Company shall maintain a record of uncertificated shares in accordance with the Statutes. An instrument of transfer of a certificated share may be in any usual form or in any other form which the Board may approve and shall be signed by or on behalf of the transferor and (except in the case of a partly paid share) by or on behalf of the transferee.

The Board may, in its absolute discretion refuse to register any instrument of transfer of a certificated share (i) which is not a fully paid up, but in the case of a class of shares which has been admitted to official listing by the Financial Conduct Authority, not so as to prevent dealings in those shares from taking place on an open and proper basis, or (ii) on which the Guarantor has a lien.

The Board may also refuse to register any instrument of transfer of a certificated share unless it is:



- (a) left at the office, or at such other place that the Board may decide, for registration;
- (b) accompanied by the certificate for the shares to be transferred relates and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares; and
- (c) in respect of only one class of share.

All instruments of transfer which are registered may be retained by the Guarantor, but any instrument of transfer which the Board refuses to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting it.

If the Board refuses to register the transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged, give to the transferee notice of the refusal, together with its reason for refusal. The Board shall provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request.

No fee shall be charged by the Guarantor for registration of a transfer or other document or instrument relating to or affecting the title of any share.

The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of that share.

Nothing in the Articles shall preclude the Board from recognising a renunciation of allotment of any share by the allottee in favour of some other person.

Unless otherwise agreed by the Board in any particular case, the maximum number of persons who may be entered on the register as joint holders of a share is four.

### **Performance and volatility of shares**

Information about the Guarantor and the past and future performance of the Ordinary Shares and their volatility can be found on the London Stock Exchange's website at <https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GB00B0DG3H29GBGBXSTMM.html?lang=en>

## **USE OF PROCEEDS**

The proceeds from the Escrow Bonds will be transferred by the Sole Bookrunner to the Initial Escrow Account on the Closing Date. Upon release from escrow, the Guarantor expects to use the proceeds of the Escrow Bonds, together with the net proceeds of the Firm Placing and Placing and Open Offer, to continue to incur capital expenditure in line with key Project milestones as part of the Initial Construction Phase. The proceeds from the Non-Escrow Bonds will be used in full to fund the Repurchase Price for any Existing Convertible Bonds purchased by the Guarantor pursuant to the Repurchase.

## TAXATION

### Jersey Taxation

*The following summary of the anticipated treatment of the Issuer and holders of Bonds (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this Offering Circular and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice. Prospective investors in the Bonds should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of the Bonds under the laws of any jurisdiction in which they may be liable to taxation.*

#### *Taxation of the Issuer*

The Issuer is not regarded as resident for tax purposes in Jersey. Therefore, the Issuer will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to the Income Tax (Jersey) Law 1961, as amended) and payments in respect of the Bonds may be paid by the Issuer without withholding or deduction for or on account of Jersey income tax. The holders of Bonds (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Bonds.

#### *Stamp duty*

In Jersey, no stamp duty is levied on the issue or transfer of the Bonds except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Bonds on the death of a holder of such Bonds where such Bonds are situated in Jersey. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situated in respect of a holder of Bonds domiciled in Jersey, or situated in Jersey in respect of a holder of Bonds domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. of such estate and such duty is capped at £100,000. Where the Bonds are in registered form and the register is not maintained in Jersey such Bonds should not be considered to be situated in Jersey for these purposes.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

### United Kingdom Taxation

*The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs' practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Bonds.*

*It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Bonds or to the tax consequences of a conversion of the Bonds or a disposal of any Ordinary Shares to which the Bonds may convert or to any cash amounts received in respect of an exercise of Conversion Rights. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change in the future.*

*Prospective Bondholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

Payments of interest on the Bonds may be made without deduction of or withholding on account of United Kingdom income tax provided that the Bonds carry a right to interest and the Bonds are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions

of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds carry a right to interest and are and remain so listed on a “recognised stock exchange”, interest on the Bonds will be payable without deduction of or withholding on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Bondholder, HMRC can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee which have a United Kingdom source is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemptions described above in relation to payments of interest. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate.

### **The proposed financial transactions tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the Commission’s Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Sole Bookrunner has, pursuant to a subscription agreement (the **Subscription Agreement**) dated 30 April 2019, agreed with the Issuer and the Guarantor to procure subscribers or, failing which, to subscribe for the Escrow Bonds and to use reasonable endeavours to procure subscribers for the Non-Escrow Bonds, in each case, at the issue price of 100 per cent. of the principal amount of Bonds. In the Subscription Agreement, the Issuer (failing whom, the Guarantor) has agreed to pay the Sole Bookrunner a combined management and underwriting commission, and will also reimburse the Sole Bookrunner in respect of certain of its expenses, and has agreed to indemnify the Sole Bookrunner against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

### United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Sole Bookrunner has represented and agreed that it has not offered and sold, and agrees that it will not offer or sell any Securities within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities. The Sole Bookrunner has represented and agreed that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Securities in the United States.

In addition, until 40 days after the commencement of offering of the Securities and the Guarantee, an offer or sale of the Securities, Guarantee or Ordinary Shares to be issued upon conversion of the Securities within the United States by the Sole Bookrunner or any dealer (whether or not participating in the offering of the Securities) may violate 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 Sole Bookrunner has represented and agreed that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Issuer or the Guarantor.

### Prohibition of sales to EEA Retail Investors

The Sole Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### United Kingdom

The Sole Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

**Jersey**

The Sole Bookrunner has represented and agreed that it has not circulated this Offering Circular or any termsheet relating to the offering of the Bonds prior to (i) the consent of the Jersey registrar of companies to the circulation of this Offering Circular or any termsheet relating to the offering of the Bonds pursuant to the Companies (General Provisions) (Jersey) Order 2002 becoming effective or (ii) the consent of the Jersey Financial Services Commission to the circulation in Jersey of the this Offering Circular or any termsheet relating to the offering of the Bonds pursuant to Article 8 of the Control of Borrowing (Jersey) Order 1958 being obtained.

**General**

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or Sole Bookrunner that would to the best of their respective knowledge permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required, other than in Jersey. Persons into whose possession this Offering Circular comes are required by each of the Issuer, the Guarantor and the Sole Bookrunner to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Offering Circular or any other offering material relating to the Securities, in all cases at their own expense.

## GENERAL INFORMATION

### Authorisation

1. The issue of the Bonds was duly authorised by a resolutions of the board of directors of the Issuer passed on 29 April 2019 and 20 May 2019. The giving of the guarantee by the Guarantor in respect of the Bonds was authorised by resolutions of the board of directors of the Guarantor passed on 3 April 2019 and 15 April 2019, resolution of a committee of the board of directors of the Guarantor passed on 29 April 2019 and resolutions approved by the Shareholders of the Guarantor at a general meeting of the Guarantor held on 21 May 2019.

### Listing and admission to trading

2. Application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the London Stock Exchange's regulated market. The admission of the Bonds to the Official List and to trading on the London Stock Exchange's regulated market is expected to be granted on or about 23 May 2019, subject only to the issue of the Global Bonds.

The total expenses related to the admission to trading of the Bonds are expected to be approximately £2,000.

Pursuant to the Conditions, the Guarantor has agreed to use all reasonable endeavours to ensure that any Ordinary Shares issued or transferred and delivered on exchange of Preference Shares pursuant to the Conditions will, as soon as is practicable, be admitted to listing and to trading on the London Stock Exchange's Main Market for listed securities or on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in.

### Clearing Systems

3. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). 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 S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

#### *Security Codes for the Non-Escrow Bonds*

The temporary ISIN in respect of the Non-Escrow Bonds (prior to consolidation to form a single series with the Escrow Bonds) is XS1991118255 and temporary common code in respect of the Non-Escrow Bonds (prior to consolidation to form a single series with the Escrow Bonds) is 199111825. The Financial Instrument Short Name in respect of the Non-Escrow Bonds is SIRIUS MINERALS/5 20270523 and the Classification of Financial Instruments in respect of the Non-Escrow Bonds is DMXXXR, each as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

#### *Security Codes for the Escrow Bonds*

The ISIN for in respect of the Escrow Bonds is XS1991116127 and the Common Code in respect of the Escrow Bonds is 199111612. The Financial Instrument Short Name in respect of the Escrow Bonds is SIRIUS MINERALS/5 20270523 and the Classification of Financial Instruments in respect of the Escrow Bonds is DMXXXR, each as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

#### *Security Codes for the Bonds upon consolidation*

Upon the consolidation of the Non-Escrow Bonds to form a single series with the Escrow Bonds, save to the extent already redeemed, converted or purchase and cancelled and subject to no notice having been given by the Issuer to redeem the Bonds for tax reasons nor notice having been given for the redemption of the Bonds following the occurrence of an Event of Default that is continuing, on the

Consolidation Date, the ISIN in respect of the Bonds will be XS1991116127 and the common code in respect of the Bonds will be 199111612.

#### **No significant or material adverse change**

4. Other than in relation to the issuance of the Bonds, there has been no significant change in the financial or trading position of the Issuer since the date of its incorporation. There has been no material adverse change in the prospects of the Issuer since the date of its incorporation.

There has been no significant change in the financial or trading position of the Guarantor or its subsidiaries and no material adverse change in the prospects of the Guarantor or of the Group since 31 December 2018.

#### **Working Capital**

5. The Company is of the opinion that, taking into account the available cash balances and the net proceeds of the Firm Placing and Placing and Open Offer, the Group does not have sufficient working capital for its present requirements, that is, for at least 12 months following the date of this Offering Circular.

The Company is of the opinion that, taking into account its existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer, the Group will have sufficient working capital for its requirements to the end of September 2019. As the Company has no immediate sources of revenue and requires investment throughout the Initial Construction Phase of the Project, it will require approximately an additional £215 million to make up the shortfall required for the Company to have sufficient working capital for at least twelve months from the date of this Offering Circular. After that date, the Company would require additional financing of approximately U.S.\$3.1 billion to fund the construction of the Project during the remainder of the Initial Construction Phase. The Firm Placing and Placing and Open Offer is expected to raise gross proceeds of approximately US\$425 million (£327 million) (or approximately US\$405 million (£311 million) net of fees and expenses). Excluding the proceeds of the Non-Escrow Bonds, which will be applied by the Company entirely in purchasing an equivalent aggregate principal amount of Existing Convertible Bonds through the Existing Convertible Bonds Buy-back, the offering of the Bonds is expected to raise gross proceeds of approximately U.S.\$400 million (£307 million) (or approximately U.S.\$385 million (£295 million) net of fees and expenses). As of the date of this Offering Circular, the Company has entered into the Initial Bond Engagement Letter with respect to the Initial Bonds and the Commitment Letter with respect to the RCF for a total of U.S.\$3.0 billion in respect of the Stage 2 Debt. The Board currently expects that, subject to prevailing market conditions, the Initial Bonds will be issued by no later than end of September 2019. The Board further expects that, subject to prevailing market conditions and upon successful achievement of the conditions precedent under the Commitment Letter, initial drawdown under the RCF will occur no later than June 2021.

Other than in certain limited circumstances, the amount held in escrow in respect of the Escrow Bonds will only be released to the Company upon the occurrence of the Stage 2 Debt Event. Moreover, even if the Stage 2 Debt Event does occur, drawdowns under the RCF will be subject to conditions precedent, (i) including issuance of the Bonds and the full amount of the Initial Bonds (ii) entry into certain agreements for or exercise of rights in relation to procurement and access relating to the project and amendments to clarify certain specific areas in some of the Offtake Agreements, (iii) entry into intercreditor arrangements, including an intercreditor agreement with Hancock, and (iv) drawdown of the Equity Purchase Price under the Royalty Financing, not all of which are under the control of the Company. After the initial drawdown, subsequent drawdowns upon the RCF will be subject to customary conditions precedent, including the absence of default events and compliance with financial covenants. As of the date of this Offering Circular, although the Company is confident that it will be able to meet the conditions to the initial and on-going availability of funding under the RCF (including issuance of the full amount of the Initial Bonds), such conditions must be met to the satisfaction of, or waived by, the lenders under the RCF and therefore there can be no assurance that all such conditions will be satisfied on a timely basis, or at all. If any single condition precedent is not satisfied or, where feasible, waived, drawdown of the RCF, which is expected to be drawn down in tranches, cannot take place and the Company (itself or through its subsidiaries) may be unable to replace those amounts with alternative sources of funding on commercially attractive terms, or at all.



In circumstances where the Firm Placing and Placing and Open Offer have been completed, but the Stage 2 Debt Event has not occurred by the end of September 2019, the amount held in escrow in respect of the Escrow Bonds will not be available to the Company at that date and the Company will have no available cash to deploy into the Project beyond that date and, as a result, it will be required to cease all discretionary spending and simultaneously consider all options available to it. Unless the Company was able to secure alternative funding (if any such alternative funding were available to the Company, which it may not be) or a merger or acquisition transaction involving the Company by the end of September 2019, the Company would cease to operate as a going concern and the Board would be required to place the Company into administration or liquidation, which could result in Shareholders losing part of or all of their investment in the Company. There can be no assurance, however, that the Company would be successful in securing any such alternative funding or completing any merger or acquisition transaction on commercially acceptable terms, or at all, and the Company is not confident either could be achieved.

## **Litigation**

6. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either the Issuer or the Guarantor is aware) covering the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor or the Group.

## **Auditors**

7. The auditors of the Guarantor are PricewaterhouseCoopers LLP (the **Auditors**), who have audited the Guarantor's financial statements as at and for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 (together, the **Financial Statements**) in accordance with the International Standards on Auditing, and issued an unqualified audit report on those Financial Statements. However, the unqualified opinion for the financial statements as at the year ended 31 December 2018 includes an emphasis of matter paragraph, in which the Company's auditors noted the existence of uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The business address of the Auditors is Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom. The Auditors have no material interest in the Issuer or the Guarantor.

The auditors of the Issuer are PricewaterhouseCoopers LLP which is authorised as an auditor of a Jersey incorporated company pursuant to the Companies (Jersey) Law 1991, as amended.

## **Documents Available**

8. For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection during normal business hours from the registered office of the Issuer and from the specified office of the Principal Paying, Transfer and Conversion Agent for the time being in London:
  - (a) the constitutional documents of the Issuer and the Guarantor;
  - (b) the audited financial statements of the Guarantor in respect of the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, in each case, together with the audit reports in connection therewith;
  - (c) each Relevant Trust Deed;
  - (d) the Agency Agreements;
  - (e) the Calculation Agency Agreement;
  - (f) the Initial Escrow Agency Agreement;
  - (g) the Secured Escrow Agency Agreement (upon execution);
  - (h) the Deed Poll;
  - (i) Security Determination Advisory Agreement;
  - (j) a copy of this Offering Circular; and

- (k) any future supplements to this Offering Circular and any other documents incorporated herein or therein by reference.

**Sole Bookrunner transacting with the Issuer and the Guarantor**

9. The Sole Bookrunner and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services to the Issuer, the Guarantor and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Sole Bookrunner and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their affiliates. The Sole Bookrunner and/or any of its affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and the Guarantor consistent with their customary risk management policies. Typically, the Sole Bookrunner and/or affiliate, as applicable, would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer and/or the Guarantor, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds offered hereby. The Sole Bookrunner and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Yield**

10. On the basis of the issue price of the Bonds of 100 per cent. of their principal amount, the yield to maturity on the Bonds is 10 per cent. on an annual basis.

The yield is calculated on the Closing Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

**Interests of natural legal persons involved in the issue of the Bonds**

11. Save for the commissions described under “*Subscription and Sale*” above, so far as each of the Issuer and the Guarantor is aware, no person involved in the issue of the Bonds has an interest material to the offer.

**LEI**

12. The Legal Entity Identifier code of the Guarantor is 2138004ATVA9GVUAGA82.
13. The Legal Entity Identifier code of the Issuer is 213800AEIUFREGVNZZ49.

**REGISTERED OFFICE OF THE ISSUER**

**Sirius Minerals Finance No.2 Limited**

47 Esplanade  
St Helier  
Jersey  
JE1 0BD

**REGISTERED OFFICE OF THE GUARANTOR**

**Sirius Minerals Plc**

3rd Floor  
Greener House  
68 Haymarket  
London SW1Y 4RF

**TRUSTEE**

**BNY Mellon Corporate Trustee Services Limited**

One Canada Square  
London E14 5AL

**PRINCIPAL PAYING, TRANSFER AND  
CONVERSION AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL

**REGISTRAR**

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

Vertigo Building - Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**LEGAL ADVISERS**

*To the Issuer and Guarantor as to English law*

**Allen & Overy LLP**

One Bishops Square  
London E1 6AD

*To the Issuer as to Jersey law*

**Carey Olsen Jersey LLP**

47 Esplanade  
St. Helier  
Jersey  
JE1 0BD

*To the Sole Bookrunner and the Trustee as to English law*

**Linklaters LLP**

1 Silk Street  
London EC2Y 8HQ

**AUDITORS TO THE ISSUER AND GUARANTOR**

**PricewaterhouseCoopers LLP**

Central Square  
29 Wellington Street  
Leeds LS1 4DL