

Prospectus dated 16 August 2024



**DIAGEO plc**

(Incorporated with limited liability in England and Wales with registered number 23307)

**as Issuer and Guarantor**

**DIAGEO FINANCE plc**

(Incorporated with limited liability in England and Wales with registered number 213393)

**as Issuer**

**DIAGEO CAPITAL B.V.**

(Incorporated with limited liability in the Netherlands registered with the Dutch trade register under number 78747929 and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands)

**as Issuer**

**Programme for the Issuance of Debt Instruments**

---

This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the “FCA”), in its capacity as competent authority under Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom (the “UK”) by virtue of the European Union (Withdrawal) Act 2018, as amended (the “EUWA”) (the “UK Prospectus Regulation”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or the quality of the Instruments that are the subject of this Prospectus (the “Instruments”). Investors should make their own assessment as to the suitability of investing in the Instruments.

Application has been made to the FCA for Instruments issued under the Programme to be admitted to the Official List of the FCA (the “Official List”). Application has also been made to the London Stock Exchange plc (the “London Stock Exchange”) for Instruments issued under the Programme during the period of the twelve months from on or about the date of this document to be admitted to trading on the London Stock Exchange’s Main Market (the “Market”). The Market is a regulated market for the purposes of Regulation (EU) No. 600/2014 on markets in financial instruments, as it forms part of UK domestic law by virtue of the EUWA (“UK MiFIR”). References in this Prospectus to Instruments being “listed” (and all related references) shall mean that such Instruments have been admitted to trading on the Market and have been admitted to the Official List.

The Instruments and any guarantee thereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any other United States jurisdiction and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless the Instruments are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Registered Instruments (as defined herein) are subject to certain restrictions on transfer (see “Subscription and Sale”).

In the case of any Instruments which are to be admitted to trading on a regulated market in the UK or offered to the public in the UK in circumstances which would otherwise require the publication of a prospectus under the UK Prospectus Regulation (as applicable), the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Instruments). All Instruments issued by Diageo Capital B.V. (the “Dutch Issuer”) will have a minimum denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the Instruments). The Instruments may be held in a manner which will allow Eurosystem eligibility. This simply means that the Instruments may upon issue be deposited with Clearstream Banking S.A., or Euroclear Bank SA/NV as one of the international central securities depositories (“ICSDs”) as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

As at the date of this Prospectus, Diageo plc’s long term senior debt ratings are A3 by Moody’s Investors Service Ltd (“Moody’s”) and A- by S&P Global Ratings UK Limited (“S&P”). The Programme has been rated A3 by Moody’s (obligations rated ‘A’ are judged to be upper-medium grade and are subject to low credit risk, and the modifier 3 indicates a ranking in the lower end of that generic rating category). The Programme has been rated A- (senior unsecured debt maturing in one year or more), A-2 (senior unsecured debt maturing in less than one year) by S&P (an obligation rated ‘A’ is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitments on the obligation is still strong. The minus (-) sign shows relative standing within the rating categories). Each of Moody’s and S&P are established in the UK and registered under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (as amended, the “UK CRA Regulation”). Each of Moody’s and S&P is not established in the European Economic Area (“EEA”) and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “EU CRA Regulation”). However, S&P Global Ratings Europe Limited has endorsed the ratings of S&P and Moody’s Deutschland GmbH has endorsed the ratings of Moody’s. Each of S&P Global Ratings Europe Limited and Moody’s Deutschland GmbH is established in the EEA and registered under the EU CRA Regulation. As such, each of S&P Global Ratings Europe Limited and Moody’s Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “ESMA”) on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the EU CRA Regulation. The rating of certain Series of Instruments to be issued under the Programme may be specified in the applicable Final Terms. Where an issue of Instruments is rated, such rating will be specified in the relevant Final Terms and its rating will not necessarily be the same as the rating applicable to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

Amounts payable on Floating Rate Instruments (as defined herein) will be calculated by reference to one of the Sterling Overnight Index Average (“SONIA”) or the Euro Interbank Offered Rate (“EURIBOR”), as specified in the applicable Final Terms. As at the date of this Prospectus, the Bank of England (as the administrator of SONIA) does not appear on the register of administrators and benchmarks established and maintained by the FCA (the “UK Benchmarks Register”) pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “UK Benchmarks Regulation”). As far as the Issuers are aware, the Bank of England (as the administrator of SONIA) is not required to be registered by virtue of Article 2 of the UK Benchmarks Regulation. The European Money Markets Institute (“EMMI”) (as the administrator of EURIBOR) appears on the UK Benchmarks Register. The registration status of any administrator under the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the Final Terms to reflect any change in the registration status of the administrator.

See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Instruments

---

**Arranger for the Programme**  
**MORGAN STANLEY**  
**Dealers**

**BARCLAYS**  
**BNP PARIBAS**  
**DEUTSCHE BANK**  
**HSBC**  
**NATWEST MARKETS**  
**SANTANDER CORPORATE & INVESTMENT BANKING**  
**UBS INVESTMENT BANK**

**BOFA SECURITIES**  
**CITIGROUP**  
**GOLDMAN SACHS BANK EUROPE SE**  
**MORGAN STANLEY**  
**RBC CAPITAL MARKETS**  
**STANDARD CHARTERED BANK**

*The date of this Prospectus is 16 August 2024*

This Prospectus constitutes a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation.

Each of Diageo plc (“**Diageo**”), Diageo Finance plc and Diageo Capital B.V. (each an “**Issuer**” and, as the case may be, Diageo Capital B.V. as the “**Dutch Issuer**”, and together the “**Issuers**”) and Diageo as guarantor (the “**Guarantor**”) (together with the Issuers, the “**Obligors**” and each an “**Obligor**”) accepts responsibility for the information contained in this Prospectus and any applicable Final Terms in relation to Instruments issued by it. To the best of the knowledge of each Obligor, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Any reference in this Prospectus to “**Base Prospectus**” means this Prospectus including the information incorporated by reference as detailed on page 8. The Issuers and the Guarantor have confirmed that the exhibits expressly excluded from being incorporated by reference in the information incorporated by reference at (6) on page 8, has not been and does not need to be included in this Prospectus to satisfy the requirements of the UK Prospectus Regulation.

Each of the Obligors has confirmed to the dealers (the “**Dealers**”) named under “*Subscription and Sale*” below that this Prospectus contains all such information as investors and their professional advisers could reasonably require, and reasonably expect to find here, for the purpose of making an informed assessment of: (a) the assets and liabilities, financial position, profits and losses and prospects of each Obligor; and (b) the rights attaching to the relevant Instruments, that this Prospectus is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and based on reasonable assumptions and that there are no other facts in relation thereto the omission of which would, in the context of the Programme or the issue of the relevant Instruments, make any statement in this Prospectus or the opinions or intentions expressed herein misleading in any material respect, and all reasonable enquiries have been made to verify the foregoing.

Copies of each Final Terms (in the case of Instruments admitted to the Official List or Instruments listed otherwise than on the Official List) will be available from the registered office of the relevant Obligor and from the offices of the Issue and Paying Agent (as defined herein) for the time being in London and set out at the end of this Prospectus. Copies of each Final Terms (where the Instruments to which such Final Terms relate are not admitted to trading on a regulated market in the UK in circumstances where a prospectus is required to be published under the UK Prospectus Regulation) will be available for inspection at the offices of the relevant Issuer and the Issue and Paying Agent for the time being in London by the holder of such an Instrument upon production of evidence satisfactory to the Issuer or the Issue and Paying Agent (as the case may be) as to the identity of such holder.

This Prospectus should be read and construed with any amendment or supplement hereto and with any other documents incorporated herein by reference (see “*Documents Incorporated by Reference*” below). Further, in relation to any Series (as defined herein) of Instruments, this Prospectus should be read and construed together with the relevant Final Terms(s) (as defined herein). Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*” below), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

No person has been authorised by the Obligors to give any information or to make any representation not contained in or not consistent with this Prospectus and the relevant Final Terms or any other document entered into in relation to the Programme or any information supplied by the Obligors or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Obligors or any Dealer.

NO REPRESENTATION OR WARRANTY IS MADE OR IMPLIED BY ANY OF THE DEALERS OR ANY OF THEIR RESPECTIVE AFFILIATES AND NONE OF THE DEALERS OR THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATION OR WARRANTY OR ACCEPTS ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY RESPONSIBILITY FOR THE ACTS OR OMISSIONS OF THE OBLIGORS OR ANY OTHER PERSON (OTHER THAN THE RELEVANT DEALER) IN CONNECTION WITH THE ISSUE AND THE OFFERING OF THE INSTRUMENTS. NEITHER THE DELIVERY OF THIS PROSPECTUS OR

ANY FINAL TERMS NOR THE OFFERING, SALE OR DELIVERY OF ANY INSTRUMENT SHALL, IN ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE SUBSEQUENT TO THE DATE HEREOF OR THE DATE UPON WHICH THIS PROSPECTUS HAS BEEN MOST RECENTLY AMENDED OR SUPPLEMENTED OR THAT THERE HAS BEEN NO ADVERSE CHANGE IN THE FINANCIAL SITUATION OF ANY OBLIGORS SINCE THE DATE HEREOF OR, IF LATER, THE DATE UPON WHICH THIS PROSPECTUS HAS BEEN MOST RECENTLY AMENDED OR SUPPLEMENTED OR THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROGRAMME IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Instruments may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Instruments may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Obligors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Instruments see "*Subscription and Sale*" below. In particular, Instruments and any guarantee thereof have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Instruments includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the

EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Instruments includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Instruments 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or (ii) a customer within the meaning of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (as modified or amended from time to time, the “SFA”)** – Unless otherwise stated in this Prospectus, all Instruments issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”)) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by any of the Obligors or the Dealers that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of each Obligor. Neither this Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.**

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

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

Some Instruments are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall

portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

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

## **STABILISATION**

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT INSTRUMENTS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS OF THE SERIES OF WHICH SUCH TRANCHE OF INSTRUMENTS FORMS PART AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF INSTRUMENTS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF INSTRUMENTS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF INSTRUMENTS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

1. the audited annual financial statements (on a consolidated basis and including the independent auditor's report thereon and notes thereto) of Diageo as of 30 June 2024 and for the financial year ended 30 June 2024 (as set out at pages 152 to 213 of the Annual Report of Diageo for the year ended 30 June 2024) (the "**2024 Financial Statements**") and as of 30 June 2023 and for the financial year ended 30 June 2023 (as set out at pages 158 to 218 of the Annual Report of Diageo for the year ended 30 June 2023 (the "**2023 Financial Statements**")), as well as the explanation of the Alternative Performance Measures ("APMs") used in the Annual Reports (as set out at pages 227 to 235 of the Annual Report of Diageo for the year ended 30 June 2024 and pages 232 to 239 of the Annual Report of Diageo for the year ended 30 June 2023);
2. the selected unaudited re-presented historical consolidated financial information of the Diageo group as of and for the years ended 30 June 2021, 30 June 2022 and 30 June 2023 and the six months ended 31 December 2021 and 31 December 2022 as published on 9 October 2023 (the "**October 2023 Re-presented Historical Financial Information**");
3. the selected unaudited re-presented historical consolidated financial information of the Diageo group as of and for the years ended 30 June 2021, 30 June 2022 and 30 June 2023 as published on 30 January 2024 (the "**January 2024 Re-presented Historical Financial Information**" and together with the October 2023 Re-presented Historical Financial Information, the "**Re-presented Historical Financial Information**"), in each case which reflect the change in the presentation currency of Diageo from Sterling to U.S. dollars with effect from 1 July 2023 (and which each has been produced to help the understanding of Diageo's past performance and financial position on a re-presented basis, in U.S. dollar);
4. the audited annual financial statements (on an entity basis and including the independent auditor's report thereon and notes thereto) of Diageo Finance plc as of 30 June 2023 and for the financial year ended 30 June 2023 and as of 30 June 2022 and for the financial year ended 30 June 2022;
5. the audited annual financial statements (on an entity basis and including the independent auditor's report thereon and notes thereto) of Diageo Capital B.V. as of 30 June 2023 and for the financial year ended 30 June 2023 and as of 30 June 2022 and for the financial year ended 30 June 2022 (the "**Diageo Capital B.V. Financial Statements**");
6. the audited annual financial statements (on a consolidated basis and including the report of the independent registered public accounting firm thereon and notes thereto) of Diageo as of 30 June 2024 and 30 June 2023 and for each of the three years in the period ended 30 June 2024 (as set out at pages 230 to 310 of the Annual Report on Form 20-F of Diageo in respect of the financial year ended 30 June 2024);
7. the terms and conditions of the Instruments as set out at pages 39 to 76 of the prospectus dated 17 August 2023 prepared by the Issuers and the Guarantor in connection with the Programme;
8. the terms and conditions of the Instruments as set out at pages 40 to 75 of the prospectus dated 22 August 2022 prepared by the Issuers and the Guarantor in connection with the Programme;
9. the terms and conditions of the Instruments as set out at pages 35 to 64 of the prospectus dated 20 August 2021 prepared by the Issuers and the Guarantor in connection with the Programme;
10. the terms and conditions of the Instruments as set out at pages 32 to 65 of the prospectus dated 26 August 2020 prepared by the Issuers and the Guarantor in connection with the Programme;



11. the terms and conditions of the Instruments as set out at pages 26 to 55 of the prospectus dated 28 August 2019 prepared by the Issuers (excluding Diageo Capital B.V. as not incorporated at the time) and the Guarantor in connection with the Programme;
12. the terms and conditions of the Instruments as set out at pages 24 to 48 of the prospectus dated 10 August 2018 prepared by the Issuers (excluding Diageo Capital B.V. as not incorporated at the time) and the Guarantor in connection with the Programme; and
13. the terms and conditions of the Instruments as set out at pages 21 to 43 of the prospectus dated 9 May 2014 prepared by the Issuers (excluding Diageo Capital B.V. as not incorporated at the time) and the Guarantor in connection with the Programme.

Save that any statement contained in this Prospectus or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement provided that such modifying or superseding statement is made by way of supplement to the Prospectus pursuant to Article 23 of the UK Prospectus Regulation.

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

The consolidated financial statements for Diageo as detailed in paragraph 1 were prepared in accordance with United Kingdom-adopted international accounting standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) (together “IFRS”) and the parent company financial statements for Diageo were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law). The financial statements for Diageo Finance plc as detailed in paragraph 4 above were prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law). The financial statements of Diageo Finance plc which are incorporated by reference in this part of the Prospectus are presented and prepared in a form materially consistent with that which will be adopted in Diageo Finance plc's next published financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements. The audited financial statements (on an entity basis and including the independent auditor's report thereon and notes thereto) of Diageo Capital B.V. as detailed in paragraph 5 above as of 30 June 2023 and for the financial year ended 30 June 2023 and as of 30 June 2022 and for the financial year ended 30 June 2022 were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and as issued by the IASB and with Part 9 of Book 2 of the Dutch Civil Code.

The parts of the above mentioned documents which are not incorporated by reference into this Prospectus are either not relevant for investors or covered elsewhere in the Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained: (i) by a request in writing to the relevant Issuer at its registered office as set out at the end of this Prospectus and marked for the attention of Company Secretariat; (ii) from the offices of the Issue and Paying Agent (as defined herein) for the time being in London; or (iii) from the website of the Regulatory News Service operated by the London Stock Exchange at: [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html). Unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

## **ALTERNATIVE PERFORMANCE MEASURES**

To supplement its consolidated financial statements presented in accordance with IFRS, the Diageo group uses certain ratios and measures included or referred to in this Prospectus that would be considered APMs as defined in the European Securities and Markets Authority Guidelines. These measures are considered useful to investors to enhance their understanding of the Diageo group's financial performance. The APMs should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. An

explanation of each APM's components and calculation method can be found on pages 227 to 235 of the Annual Report of Diageo for the year ended 30 June 2024 and on pages 232 to 239 of the Annual Report of Diageo for the year ended 30 June 2023 (incorporated by reference herein).

## **FORWARD-LOOKING STATEMENTS**

This document contains 'forward-looking' statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to Diageo, anticipated cost savings or synergies, expected investments, the completion of Diageo's strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including, among others, competitive pricing and activities, economic slowdown, industry consolidation, access to credit markets, recruitment levels, reputational risks, commodity prices, continued availability of raw materials, prioritisation of projects, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned restructuring activities, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Obligor operates and new or changed priorities of the board of directors of each of the Obligor.

## **SUPPLEMENTAL PROSPECTUS**

Each Obligor will in the event of any significant new factor, material mistake or inaccuracy relating to information included in the Prospectus, prepare a further supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Instruments in compliance with Article 23 of the UK Prospectus Regulation.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

All references in this document to "U.S.\$", "\$" and "U.S. dollars" are to United States dollars, those to "Sterling" and "£" are to pounds sterling and those to "euro", "Euro", "Euros", "€" and "EUR" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended.

The functional currency of Diageo is determined by using management judgment that considers the parent company as an extension of its subsidiaries. From 1 July 2023, Diageo changed its functional currency from sterling to U.S. dollar in line with reporting requirements, which is applied prospectively. Diageo also changed its presentation currency to US dollar with effect from 1 July 2023, applied retrospectively, to provide better alignment of the reporting of performance with the Diageo group's business exposures. For further information, please see note 1 to the 2024 Financial Statements.

## TABLE OF CONTENTS

	PAGE
OVERVIEW OF THE PROGRAMME .....	12
RISK FACTORS .....	17
TERMS AND CONDITIONS OF THE INSTRUMENTS .....	37
PROVISIONS RELATING TO THE INSTRUMENTS WHILST IN GLOBAL FORM .....	75
USE OF PROCEEDS .....	80
DIAGEO PLC .....	81
DIAGEO FINANCE PLC .....	87
DIAGEO CAPITAL B.V.....	88
TAXATION .....	89
SUBSCRIPTION AND SALE .....	94
FORM OF FINAL TERMS.....	100
GENERAL INFORMATION.....	112

## OVERVIEW OF THE PROGRAMME

The following is a brief overview only and should be read in conjunction with the rest of this Prospectus, including “*Risk Factors*”, for a discussion of certain factors to be considered in connection with an investment in the Instruments and, in relation to any Instruments, in conjunction with the relevant Final Terms and, to the extent applicable, the “*Terms and Conditions of the Instruments*” set out herein.

This overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of Commission Delegated Regulation (EU) 2019/980, as it forms part of UK domestic law by virtue of the EUWA.

Words and expressions defined in “*Terms and Conditions of the Instruments*” below or elsewhere in this Prospectus have the same meanings in this overview.

**Issuers:** Diageo, Diageo Finance plc and Diageo Capital B.V. In the event of any other subsidiary being appointed as an issuer, a new prospectus will be prepared on behalf of that subsidiary amending and restating the Prospectus.

**Guarantor:** Diageo (in the case of an issue of Instruments by Diageo Finance plc or Diageo Capital B.V.).

**Legal Entity Identifier (LEI) of Diageo:** 213800ZVIELEA55JMJ32.

**Legal Entity Identifier (LEI) of Diageo Finance plc:** BPF79TJMIH3DK8XCKI50.

**Legal Entity Identifier (LEI) of Diageo Capital B.V.:** 213800YHFC48VOL6JY40.

**Description of Issuers and Guarantor:** Diageo was incorporated as Arthur Guinness Son & Company Limited on 21 October 1886. The group was formed by the merger of Grand Metropolitan Public Limited Company and Guinness PLC in December 1997. Diageo is incorporated as a public limited company in England and Wales with registered number 23307. It is the holding company of the Diageo group (as defined below).

Diageo Finance plc is a wholly owned subsidiary of Diageo and was incorporated as a private limited company in England and Wales in 1926 and re-registered as a public limited company in 1981. Diageo Finance plc acts as a financing vehicle for the Diageo group’s operating companies.

Diageo Capital B.V. is a direct wholly owned subsidiary of Diageo with its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Dutch trade register under number 78747929. It was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands in 2020. Diageo Capital B.V. acts as a financing vehicle for the Diageo group’s operating companies.

Detailed descriptions of the Issuers and the Guarantor are set out below in “*Diageo plc*”, “*Diageo Finance plc*” and “*Diageo Capital B.V.*”.

**Arranger:** Morgan Stanley & Co. International plc.

**Dealers:** Banco Santander, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs Bank Europe SE, HSBC Bank plc, HSBC Continental Europe, Merrill Lynch International, Morgan Stanley Europe SE, Morgan Stanley & Co. International plc, NatWest Markets Plc, RBC Europe Limited, Standard Chartered Bank, UBS AG London Branch and any other dealer appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Instruments. Each issue of Instruments denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see under “*Subscription and Sale*”).

**Issue and Paying Agent:** Citibank, N.A., London Branch.

**Paying Agent:** The Bank of New York Mellon SA/NV, Luxembourg Branch.

**Registrar:** Citibank, N.A., London Branch.

**Programme Amount:** There is no limit on the amount of Instruments that may be issued under the Programme.

**Issuance in Series:** Instruments will be issued in series (each, a “**Series**”). Each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) with the same maturity date. The Instruments of each Series will all be subject to identical terms, except that the issue date, the issue price and the amount of the first payment of interest may be different in respect of different Tranches. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments of different denominations and Instruments in bearer form or registered form. Further Instruments may be issued as part of any existing Series.

**Form of Instruments:** Instruments may be issued in bearer form or in registered form. Instruments issued in bearer form may be issued in New Global Note (“**NGN**”) form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument (a “**Temporary Global Instrument**”) or (if so specified in the relevant Final Terms in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) applies (as so specified in such Final Terms)) a permanent global Instrument (a “**Permanent Global Instrument**”). Each such global Instrument will either (i) if the global Instruments are not intended to be issued in NGN form (as so specified in the relevant Final Terms) be deposited on or before the relevant issue date therefor with a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system or (ii) if the global Instruments are intended to be issued in NGN form (as so specified in the relevant Final Terms) be deposited on or before the relevant issue date therefor with a common safekeeper (the “**Common Safekeeper**”) for Euroclear and Clearstream, Luxembourg and the relevant clearing system(s) will be notified whether or not such global Instruments are intended to be held in a manner which would allow Eurosystem eligibility. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or if so specified in the relevant Final Terms, for Instruments in definitive bearer form (“**Definitive Instruments**”) and/or (if so specified in the relevant Final Terms) registered form in accordance with its terms (“**Registered Instruments**”). Each Permanent Global Instrument will be exchangeable for Definitive Instruments and/or (if so specified in the relevant Final Terms) Registered Instruments in accordance with its terms. (See further under “*Provisions Relating to the Instruments whilst in Global Form*” below). Definitive Instruments will, if interest-bearing, either have interest coupons (“**Coupons**”) attached and, if appropriate, a talon (“**Talon**”) for further Coupons. Each Instrument issued in registered form shall represent the entire holding of Registered Instruments by the same holder. A Registered Instrument may be registered in the name of a nominee for one or more clearing systems and such an Instrument is referred to herein as a “**Global Registered Instrument**”. Instruments in registered form may not be exchanged for Instruments in bearer form.

**Currencies:** Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Instruments may, subject to compliance as aforesaid, be issued as multi-currency Instruments.

Payments in respect of Instruments may, subject to compliance as aforesaid, be made in, and/or linked to, any currency or currencies other than the currency in which such Instruments are denominated.

**Status of Instruments:** Instruments will be issued on an unsubordinated basis.

**Guarantee:** Under the terms of the Guarantee (as defined below), the Guarantor irrevocably and unconditionally guarantees the due and punctual payment of all amounts due by Diageo Finance plc or Diageo Capital B.V.

**Status of Guarantee:** The obligations of the Guarantor under the Guarantee constitute direct, unsubordinated and (subject to the provisions of Condition 5 in “*Terms and Conditions of the Instruments*”) unsecured obligations of the Guarantor and claims under the Guarantee will rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor, present and future, save only for such obligations as may be preferred by mandatory provisions of applicable law.

**Issue Price:** Instruments may be issued at any price and on a fully paid basis, as specified in the relevant Final Terms.

**Maturities:** Any maturity subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Redemption:** Instruments may be redeemable at par or at such other redemption amount as may be specified in the relevant Final Terms.

Unless permitted by then current laws and regulations, Instruments (including Instruments denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies) or be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the relevant Issuer.

**Early Redemption:** Early redemption will be permitted for taxation reasons as mentioned in “*Terms and Conditions of the Instruments – Early Redemption or Substitution for Taxation Reasons*”, but will otherwise be permitted only to the extent specified in the relevant Final Terms.

**Interest:** Instruments may be interest-bearing or non-interest-bearing. Interest (if any) may accrue on the Instruments at a fixed or floating rate (respectively, “**Fixed Rate Instruments**” and “**Floating Rate Instruments**”) and may vary during the lifetime of the relevant Series of Instruments. If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions provide for any Interest Rate (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread (which may be positive, negative or zero) and any Benchmark Amendments as further described in “*Terms and Conditions of the Instruments – Interest – Benchmark Discontinuation*” below.

**Denominations:** Instruments will be issued in such denominations as may be specified in the relevant Final Terms (subject to compliance with all applicable legal and/or regulatory and/or central bank requirements), save that (i) in the case of any Instruments which are to be admitted to trading on a regulated market within the UK in circumstances which would otherwise require the publication of a prospectus under the UK Prospectus Regulation, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Instruments); and (ii) unless otherwise permitted by then current laws and regulations, Instruments (including Instruments denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the UK whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies as at the date of issue of the Instruments). All Instruments issued by the Dutch Issuer will have a minimum denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the Instruments).

**Taxation:** Payments in respect of Instruments and the Guarantee will be made without withholding or deduction 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 the country of incorporation of the relevant Issuer or (if applicable) the Guarantor or, if different, the country of tax residence of the relevant Issuer or (if applicable) the Guarantor, or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or by the administration or official interpretation thereof. In that event, the relevant Issuer or the Guarantor will (subject to certain exceptions set out in Condition 9 of the Terms and Conditions of the Instruments) pay such additional amounts as will result in the holders of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required.

**Governing Law:** The Instruments and all non-contractual obligations arising out of or in connection with the Instruments will be governed by English law.

**Listing:** Each Series may be admitted to the Official List and admitted to trading on the Market and/or listed or traded on any other stock exchange as may be agreed between the relevant Issuer and the relevant Dealer and specified in the relevant Final Terms.

**Terms and Conditions:** A Final Terms will be prepared in respect of each Tranche of Instruments, a copy of which, in the case of Instruments to be listed on the Official List, will be delivered to the FCA on or before the date of issue (the closing date) of such Instruments. The terms and conditions applicable to each Tranche will be those set out herein under “*Terms and Conditions of the Instruments*” as supplemented by the relevant Final Terms.

**Enforcement of Instruments in Global Form:** In the case of Instruments in global form, individual investors’ rights will be governed, in respect of each Issuer, by a Deed of Covenant dated 26 August 2020, a copy of which is available for inspection at the specified office of the relevant Issuer and the Issue and Paying Agent for the time being in London.

**Negative Pledge:** “*Terms and Conditions of the Instruments*” below includes a negative pledge by the Guarantor and each Restricted Subsidiary as set forth therein.

**Events of Default:** The events of default under the Instruments and as specified in “*Terms and Conditions of the Instruments*” below.

**Clearing Systems:** Euroclear, Clearstream, Luxembourg and/or any other clearing system as may be specified in the relevant Final Terms.

**Ratings:** As at the date of this Prospectus, Diageo plc's long term senior debt ratings are A3 by Moody's and A- by S&P.

The Programme has been rated A3 by Moody's and A- (senior unsecured debt maturing in one year or more), A-2 (senior unsecured debt maturing in less than one year) by S&P.

Moody's and S&P are established in the UK and registered under the UK CRA Regulation. Each of Moody's and S&P is not established in the EEA and has not applied for registration under the EU CRA Regulation. However, S&P Global Ratings Europe Limited has endorsed the ratings of S&P and Moody's Deutschland GmbH has endorsed the ratings of Moody's. Each of S&P Global Ratings Europe Limited and Moody's Deutschland GmbH is established in the EEA and registered under the EU CRA Regulation.

The rating of certain Series of Instruments to be issued under the Programme may be specified in the applicable Final Terms.

Where an issue of Instruments is rated, such rating will be specified in the relevant Final Terms and its rating will not necessarily be the same as the rating applicable to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency

established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

**Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the UK, the Netherlands, France, Japan, the EEA, Singapore, Switzerland and elsewhere see under “*Subscription and Sale*”.



## RISK FACTORS

The Obligors believe that the following factors are the risks which are specific to the Obligors and/or to the Instruments and which are material for taking an informed investment decision. Most of these factors are contingencies which may or may not occur. In the ongoing uncertain economic environment, certain risks may gain more prominence either individually or when taken together. If any of these risks occur, the Diageo group's business, financial condition and performance could suffer, and the trading price and liquidity of the Instruments could decline.

The Obligors believe that the factors described below represent the material risks inherent in investing in the Instruments issued under the Programme, but the inability of the Obligors to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons and the Obligors do not represent that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decisions.

Words and expressions defined in "*Terms and Conditions of the Instruments*" below or elsewhere in this Prospectus have the same meanings in this section.

The risk factors are presented in categories which are numbered 1 to 6 below, with the most material risk factors appearing first in each numbered category.

A. Risks which are specific and material to each Obligor and which may have a material effect on each Obligor's ability to fulfil its obligations under Instruments issued under the Programme, including Diageo's obligations under the guarantees

**1. Risks related to the business activities and industry of Diageo and its consolidated subsidiaries, which includes each of the Obligors (the "Diageo group")**

*The Diageo group's business has been and may, in the future, be adversely impacted by unfavourable economic, political, social or other developments and risks (including those resulting from a public health threat, increases in geopolitical instability, including in relation to Russia's invasion of Ukraine and the conflict in the Middle East, and/or inflationary pressures) in the countries in which it operates*

The Diageo group's products are sold in nearly 180 countries worldwide, and the Diageo Group may be adversely affected by global economic volatility or unfavourable economic developments in any of the countries or regions where it has distribution networks, marketing companies or production facilities. In particular, the Diageo group's business is dependent on general economic conditions in its major markets, which include the United States, the UK, the countries that form the European Union, and certain countries within the Latin American region, India and China, and failure to react quickly enough to changes in those economies could have an adverse effect on financial performance.

The markets in which the Diageo group operates have been significantly impacted, and could be impacted in the future, by public health threats, such as the Covid-19 pandemic. Similarly, Russia's invasion of Ukraine and the ongoing conflict in the Middle East has, among other things, resulted in elevated geopolitical instability and economic volatility. The economic volatility attributable to these conflicts is part of, and contributing to, a larger trend of high inflation and a higher interest rate environment globally, which has had and may continue to have a significant adverse effect on economic activity that could have a material adverse impact on the Diageo group's business, financial condition, results of operations, and/or the price of the Instruments. For more information on how rising inflation may impact the Diageo group, see the risk factor entitled "*Any increases in the cost of production could affect the Diageo group's profitability, including increases in the cost of commodities, labour and/or energy due to inflation*" below.

Any future significant deterioration in economic conditions globally or in any of the Diageo group's important markets, including economic slowdowns, global, regional or local recessions or depressions, currency instability, increased unemployment levels, increased custom duties, tariffs and/or other tax rates, increased inflationary pressures and/or disruptions to credit and capital markets, could lead to eroded consumer confidence

and decreased consumer spending more generally, which in turn could reduce consumer demand for the Diageo group's products. For more information on how consumer demand for the Diageo group's products may be impacted, see the risk factor entitled *"Demand for the Diageo group's products may be adversely affected by many factors, including disruptive market forces, changes in consumer preferences and tastes and the adverse impacts of declining economies"*.

Unfavourable economic conditions could also negatively impact the Diageo group's customers, distributors, suppliers and financial counterparties, who may experience cash flow problems, increased credit defaults, decreases in disposable income or other financial issues, which could lead to changes to ordinary customer stocking patterns, including destocking or stocking ahead of potential price increases as well as an increase in Diageo group's bad debt expense. In addition, volatility in the capital and credit markets caused by unfavourable economic developments and uncertainties, including the heightened geopolitical instability caused by Russia's invasion of Ukraine, the conflict in the Middle East and/or inflationary pressures, could result in a reduction in the availability of, or a further increase in the cost of, financing to the Diageo group.

The Diageo group's business could also be affected by other economic developments such as fluctuations in currency exchange rates, the imposition of any import, investment or currency restrictions (including the potential impact of any global, regional or local trade wars or any tariffs, customs duties or other restrictions or barriers imposed on the import or export of goods between territories, including but not limited to, imports into and exports from the United States, China, the UK and/or the European Union), the imposition of economic or trade sanctions, or any restrictions on the repatriation of earnings and capital. Any of these developments may have a material adverse effect on the Diageo group's financial performance.

The Diageo group's operations are also subject to a variety of other risks and uncertainties related to its global operations, including adverse political, social or other developments. Political and/or social unrest or uncertainties, natural disasters, public health threats (including the Covid-19 pandemic and any future epidemics or pandemics, and government responses thereto), politically-motivated violence and terrorist threats and/or acts, including those which are specifically directed at the alcohol industry, may also occur in countries where the Diageo group has operations. Additionally, recent and upcoming elections in key countries including the United States, UK, Europe and India may lead to increased political, economic, social, consumer and regulatory volatility.

Many of the above risks are heightened, or occur more frequently, in emerging markets, such as Nigeria, Ghana and Türkiye. In general, emerging markets are also exposed to relatively higher risks attributable to unstable governments, corruption, crime and lack of law enforcement, undeveloped or biased legal systems, expropriation of assets, sovereign default, military conflicts, liquidity constraints, inflation, devaluation, price volatility and currency convertibility issues, as well as other legal and regulatory risks and uncertainties. Developments in emerging markets can affect the Diageo group's ability to import or export products and to repatriate funds, as well as impact levels of consumer demand (for example, in duty-free outlets at airports or in on-trade premises in affected regions) and therefore the Diageo group's levels of sales or profitability. Any of these factors may affect the Diageo group disproportionately or in a different manner from its competitors, depending on the Diageo group's specific exposure to any particular emerging market, and could have a material adverse effect on the Diageo group's business and financial results.

*Demand for the Diageo group's products may be adversely affected by many factors, including disruptive market forces, changes in consumer preferences and tastes and the adverse impacts of declining economies*

The Diageo group's portfolio of brands includes some of the world's leading beverage alcohol brands, as well as a number of brands that are prominent in certain regional and/or country-specific markets. Any inability by the Diageo group to respond and adapt either its products or its processes to disruptive market forces including e-commerce, artificial intelligence, digital, and new formats could impact the Diageo group's ability to effectively service its customers and consumers with the required agility, thereby threatening market share, revenue, profitability and growth ambitions. While the Diageo group is focussed on expanding its digital platforms and effectively using technology in its supply chains, there is no guarantee that these efforts will help the Diageo group gain and/or maintain a competitive advantage over its peers.

Consumer preferences on a global, regional and/or local scale may shift due to a variety of factors, including changes in demographics, evolving social trends (including any shifts in consumer tastes towards at-home consumption occasions, premiumisation, small-batch craft alcohol, lower or no alcohol beverages, or other

alternative products), changes in travel, holiday or leisure activity patterns, weather conditions, public health regulations and/or health and wellness concerns, any or all of which may reduce consumers' willingness to purchase beverage alcohol products from large producers such as the Diageo group or at all. There is also a risk to the Diageo group's brands emerging from consumers making brand choices that reflect their increasingly polarised socio-political views, including with respect to environmental, social and governance (together "ESG") matters.

The market share, profitability and growth ambitions of the Diageo group's brands, as well as the Diageo group's reputation more generally, could also be adversely affected by any failure by the Diageo group to service its customers and consumers with the required agility or to provide consistent, reliable quality in its products or in its service levels to customers.

Economic pressures in the markets the Diageo group serves may also reduce consumer demand for the Diageo group's products. In particular, inflation, as measured by the consumer price index remains elevated in advanced and emerging market economies, including in the UK, Europe and the United States, driven mainly by supply chain issues (including input shortages, labour constraints, rising commodity prices and soaring shipping costs), excess demand for goods and services, and significant increases in energy prices. Rising costs of living have negatively impacted the spending habits of consumers in various markets which the Diageo group serves and have caused some consumers to choose products which have lower price points, including those of the Diageo group's competitors. Changes in consumers' spending habits due to inflation and rising costs of living have had and may continue to have an adverse effect on the Diageo group's business and financial results.

In addition, the social acceptability of the Diageo group's products may decline due to regulatory action, negative publicity surrounding, and/or public concerns about, alcohol consumption. For example, a number of jurisdictions, such as Canada, are updating their guidance around alcohol. Such anti-alcohol publicity or sentiment could also result in regulatory action, litigation or customer complaints against companies in the beverage alcohol industry and have an adverse effect on the Diageo group's business and financial results. Further detail as to the potential regulatory risks regarding constraints on the selling or consumption of alcohol is set out in the "Legal and regulatory" risks below.

The Diageo group's business has historically benefited from the launch of new-to-world products or variants of existing brands (with recent examples including premium ready-to-serve cocktails, such as The Cocktail Collection and Crown Royal Blackberry), and continuing product innovation and the creation of extensions to existing brands remain significant elements of the Diageo group's growth plans. The launch and ongoing success of new-to-world products or global brand extensions is inherently uncertain, especially with respect to such products' initial and continuing appeal to consumers. Similarly, brands that the Diageo group acquires may not deliver the expected benefits and/or may not scale as expected. The failure to successfully launch a new product or an extension of an existing brand, or to maintain the product's initial popularity, can give rise to inventory write-offs and other costs, as well as negatively impact the consumer perception of and thus the growth of an existing brand. There can be no assurance of the Diageo group's continuing ability to develop and launch successful new products or variants of existing products, or to ensure or extend the profitable lifespan of its existing products.

*Any increases in the cost of production could affect the Diageo group's profitability, including increases in the cost of commodities, labour and/or energy due to inflation*

The components that the Diageo group uses for the production of its beverage alcohol products are largely commodities purchased from suppliers which are subject to price volatility caused by factors outside of the Diageo group's control, including inflation, changes in global and regional supply and demand, weather and/or agricultural conditions, fluctuations in relevant exchange rates and/or governmental controls. Fluctuations in the prices of various commodities, including energy prices, may result in unexpected increases in the cost of the raw materials the Diageo group uses in the production of its products, including the prices of the agricultural commodities, flavourings and other raw materials necessary for the Diageo group to produce its various beverages, as well as glass bottles and other packaging materials, thus increasing the Diageo group's production costs.

The Diageo group may also be adversely affected by shortages of any such materials, by increases in energy costs resulting in higher transportation, freight or other related operating costs, by inflation in any of the jurisdictions in which it produces its products. The Diageo group may not be able to increase its prices or create

sufficient efficiencies to offset these increased costs without suffering reduced volumes of products sold and/or decreased operating profit. While the Diageo group continues to closely monitor its operating environment, it is possible that the ongoing volatility related to significant cost inflation along with a potential weakening of consumer spending power may have an adverse effect on the Diageo group's business financial condition and results of operations.

*Contamination, counterfeiting or other events could harm the integrity of customer support for the Diageo group's brands and adversely affect the sales of those brands*

The success of the Diageo group's brands depends upon the positive image that consumers have of those brands, and contamination, whether arising accidentally, or through deliberate third party action, or other events that harm the integrity of, or consumer support for those brands, could adversely affect their sales and the Diageo group's corporate and brand reputation. The Diageo group purchases most of the raw materials for the production and packaging of its products from third party producers or on the open market. The Diageo group may be subject to liability if contaminants in those raw materials or defects in the distillation, fermentation or bottling process lead to reduced beverage quality or illness among, or injury to, the Diageo group's consumers, or if the products do not otherwise comply with applicable food safety regulations.

The Diageo group has had to recall products in the past due to contamination or damage and may have to do so again in the future. A significant product liability judgment or a widespread product recall may cause harm to consumers and negatively and materially impact sales and profitability of the affected brand or all of the Diageo group's brands for a period of time depending on product availability, competitive reaction and consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, any resulting negative publicity could materially adversely affect the Diageo group's reputation with existing and potential customers as well as its corporate and individual brand image.

Additionally, third parties sell products which are either counterfeit versions of the Diageo group brands or inferior brands that look like the Diageo group brands, and consumers of the Diageo group brands could confuse the Diageo group products with such counterfeit products. A negative consumer experience with such a product could cause them to refrain from purchasing the Diageo group brands in the future and impair the Diageo group's brand equity, thus adversely affecting the Diageo group's business. There is also a risk of physical threats to the Diageo group's employees due to the illicit nature of the type of organisations or individuals involved in counterfeit activities.

*The value of the Diageo group's brands and its net sales may be negatively affected by its failure to maintain its brand image and corporate reputation or adapt to a changing media environment*

The value of the Diageo group's brands and its profitability depends heavily on its ability to maintain its brand image and corporate reputation. Adverse publicity, whether or not justified, may tarnish the Diageo group's reputation and cause consumers to purchase products offered by its competitors instead of by the Diageo group. Such adverse publicity could arise as a result of a perceived failure by the Diageo group to make adequate positive social contributions, including in relation to the level of taxes paid by the Diageo group, or ESG-related performance, or by any failure of internal controls or compliance breaches leading to violations of the Diageo group's Code of Business Conduct, Code of Ethics, its other key policies, or the laws or regulations of the jurisdictions in which it operates. The Diageo group has also established and may continue to establish relationships with brand founders and/or other public figures to develop and promote its brands, and to establish brand equity, history and authenticity with consumers. If certain such individuals were to stop promoting a Diageo group brand or brands contrary to their agreements, the Diageo group's business could be adversely affected. In addition, certain such individuals could engage in behaviour, make statements or use their platforms in a manner that reflects poorly on the Diageo group's brand image and corporate reputation or otherwise adversely affects the Diageo group. The Diageo group may be unable to prevent such actions, and the actions that the Diageo group takes to address them may not be effective in all cases. Negative claims or publicity involving the Diageo group, its culture and values, brands, or any of its key employees or brand endorsers could also damage the Diageo group's brands and/or reputation, regardless of whether such claims are accurate, causing the Diageo group to lose existing customers or fail to attract new customers, and may have a material adverse effect on the Diageo group's business and financial results.

In addition, the Diageo group's ability to maintain, extend, and expand its brand image depends on its

ability to adapt to a rapidly changing media environment. The Diageo group also maintains an online presence as part of its business operations, and increasingly relies on social media and online dissemination of advertising campaigns. The Diageo group's reputation may suffer if it is perceived to fail to appropriately restrict access to its online content or if it breaches any marketing regulation, code or policy. In addition, the growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative posts or comments about the Diageo group, its brands or its products on social or digital media, whether or not valid, could seriously damage the Diageo group's brands and reputation.

Any failure to maintain, extend, and expand the Diageo group's brand image or adapt to a changing media environment may have a material adverse effect on the Diageo group's business and financial results and reputation, as well as the price of the Diageo group's securities.

*The Diageo group may not be able to derive the expected benefits from its business strategies, including in relation to expansion in emerging markets, acquisitions, investments in joint ventures, productivity initiatives or inventory forecasting*

There can be no assurance that the Diageo group's business strategies will result in opportunities for growth and improved margins. Part of the Diageo group's growth strategy includes expanding its business in certain emerging market countries where the Diageo group believes there are strong prospects for growth. There is no guarantee that this strategy will be successful, and some of these markets may represent a higher risk in terms of their changing regulatory environments and higher degrees of uncertainty over levels of consumer spending. There could be a material adverse impact on the Diageo group's growth and margins if the Diageo group's business strategies were unsuccessful.

As part of its growth strategy, the Diageo group also made a number of acquisitions in recent years, and it is possible that the Diageo group may not be able to derive the expected benefits from these acquisitions and/or may experience unexpected integration challenges. In the future, the Diageo group's business strategies will, almost certainly, give rise to further business combinations, acquisitions, disposals, joint ventures and/or partnerships (including any associated financing or the assumption of actual or potential liabilities, depending on the transaction contemplated). However, there can be no assurance that any such transaction would be completed and/or that it would deliver the anticipated benefits, cost savings or synergies. The success of any transaction also depends in part on the Diageo group's ability to successfully integrate new businesses with its existing operations. Acquisitions may also expose the Diageo group to liabilities it may not be aware of at the time of the acquisition, for example if acquired companies and business do not act, or have not acted, in compliance with applicable laws and regulations. For additional information on the challenges of integration please see note 8 to the 2024 Financial Statements.

The Diageo group may from time to time hold interests and investments in joint ventures and associated companies in which it has a non-controlling interest and may continue to do so. In these cases, the Diageo group may have limited influence over, and limited or no control of, the governance, performance and cost of operations of the joint ventures and associated companies. Some of these joint ventures and associated companies may represent significant investments, and these investee entities or other joint venture partners or equity holders may make business, financial or investment decisions contrary to the Diageo group's interests (including with respect to the distribution of profits and dividends) or may make decisions different from those that the Diageo group itself may have made.

To strengthen the resilience and agility of the Diageo group's supply chain, the Diageo group has recently initiated a supply chain agility programme, expected to be implemented over the five years starting from the fiscal year ended 30 June 2023. There can be no assurance that these programmes or other programmes designed to improve the effectiveness and efficiency of end-to-end operations, will deliver the expected benefits. Such programmes may also result in significant costs to the Diageo group or may have other adverse impacts on the business and operations of the Diageo group. Certain of the Diageo group's aged product categories may mature over decades, and forecasts of demand for such products in future periods are subject to significant uncertainty. There is an inherent risk of forecasting error in determining the quantity of maturing stock to lay down in a given year for future consumption as a result of changes in business strategy, market demand and unplanned shifts in consumer preferences, introductions of competing products and other changes in market conditions. Any forecasting error could lead to the Diageo group being unable to meet the objectives of its business strategy, future demand or lead to a future surplus of inventory and consequent write-down in value of maturing stocks. If the

Diageo group is unable to accurately forecast demand for its products or efficiently manage its inventory, this may have a material adverse effect on the Diageo group's business and financial results.

*The Diageo group faces competition that may reduce its market share and margins*

The Diageo group faces substantial competition from several international companies as well as regional and local companies (including craft breweries and micro distilleries) in the countries in which it operates, and competes with other drinks companies across a wide range of consumer drinking occasions. Within a number of categories, the beverage alcohol industry has experienced consolidation among major global producers, as evidenced by business combinations of substantial value carried out by significant competitors in recent years. Consolidation is also taking place among the Diageo group's customers in many countries. In addition, there has been a recent increase in competition for distribution channels, notably e-commerce channels. These trends may lead to stronger competitors, increased competitive pressure from customers, negative impacts on the Diageo group's distribution network (including sub-optimal routes to customers and consumers), downward pressure on prices, predatory marketing tactics by the Diageo group's competitors and/or a decline in the Diageo group's market share in any of these categories. For example, expansion in the seltzer and ready-to-drink categories has increased competitive pressures across product categories and in certain markets (such as in the United States). Adverse developments in economic conditions or declines in demand or consumer spending may also result in intensified competition for market share, with potentially adverse effects on sales volumes and prices. Any of these factors may adversely affect the Diageo group's results and potential for growth.

*The Diageo group's business may be adversely affected by increased costs for, or shortages of, talent, or by labour strikes or disputes*

The Diageo group's business could be adversely affected by labour or skill shortages or increased labour costs due to increased competition for employees, higher employee turnover or increased employee benefit costs. There is no guarantee that the Diageo group will continue to be able to recruit, retain and develop personnel possessing the skill sets that it requires to deliver its strategy, for example in relation to sales, marketing and innovation capability within markets, or in its senior management. The loss of senior management or other key personnel or the inability to identify, attract and retain qualified personnel in the future could make it difficult to manage the Diageo group's operations and adversely affect the Diageo group's business and financial results. In addition, labour strikes, work stoppages or slowdowns within the Diageo group's operations or those of the Diageo group's suppliers could adversely impact the Diageo group.

*The Diageo group's operations may be adversely affected by failure to maintain or renegotiate distribution, supply, manufacturing or licence agreements on favourable terms*

The Diageo group's business has a number of distribution, supply, manufacturing or licence agreements for brands owned by it or by other companies. These agreements vary depending on the particular brand, but tend to be for a fixed number of years. There can be no assurance that the Diageo group will be able to renegotiate its rights on favourable terms when these agreements expire or that they will not be terminated. Failure to renew these agreements on favourable terms, or any disputes with distributors of the Diageo group's products or suppliers of raw materials, could have an adverse impact on the Diageo group's business and financial results.

## **2. Risks related to the Diageo group's financial situation**

*The Diageo group's operations and financial results may be adversely affected by fluctuations in exchange rates and fluctuations in interest rates*

The Diageo group is engaged in an international business that operates in, and makes sales into, countries with different currencies. As a result, the Diageo group is subject to foreign currency risk due to exchange rate movements, which affects the U.S. dollar value of its transactions, as well as the translation of the results and underlying net assets of its operations to the U.S. dollar. Movements in exchange rates used to translate foreign currencies into U.S. dollars may have a significant impact on the Diageo group's reported results of operations from year to year. Exchange rate fluctuations may also expose the Diageo group to increased interest expense on borrowings denominated in currencies which appreciate against U.S. dollars. As a result, the Diageo group's business and financial results may be materially adversely affected by fluctuations in exchange rates.

In addition, the Diageo group may be adversely impacted by fluctuations in interest rates, mainly through increased interest expense. Accommodative monetary policy had generally made borrowings less expensive in the markets in which the Diageo group operates until recent years. However, the global economy has experienced persistently high levels of inflation, while benchmark interest rates, such as the UK base rate, have risen. Such inflationary pressures stem from and are compounded by ongoing disruptions in the global supply chain due to geopolitical tensions, including the conflicts in Ukraine and the Middle East and rising energy prices (particularly for oil and gas). As a result, the availability and prices of inputs available to the Diageo group from its first- and second-tier suppliers are expected to be volatile and inflationary pressures more broadly are expected to persist. As a result, market expectations are currently that benchmark interest rates could continue to rise and may be accompanied by other measures to reverse accommodative policy, such as quantitative tightening. Sharp increases and/or unexpected moves in interest rates due to any of the foregoing factors could have macroeconomic effects that materially adversely affect the Diageo group's business and its financial results. In particular, rising interest rates could lead to a material increase in the Diageo group's funding costs. In addition, if there is an extended period of constraint in the capital markets and, at the same time, cash flows from the Diageo group's business are under pressure, the Diageo group's ability to fund its long-term strategies may be materially adversely impacted.

*Any failure by the Diageo group to execute its strategic business transformation projects could adversely affect the Diageo group's business processes, or operating and financial performance*

Failure to execute strategic business transformation projects effectively, namely the implementation of SAP S/4 Hana, the Spirit of Progress ESG action plan and the supply chain agility programme, could result in delays or changes to their expected benefits or negatively affect the Diageo group's ability to continuously improve its internal control and reporting environment. Any delay or disruption in the Diageo group's strategic business transformation projects may have a negative impact on its critical business processes or on its operating and financial performance. As the external environment continues to change, including those changes driven by evolving stakeholder expectations, consumer behaviours and preferences, and heightened regulatory requirements, the ambition and objectives of the Diageo group's strategic transformation initiatives may need to adapt, which may require new and different capabilities and skills within its workforce and may negatively impact its ability to deliver the anticipated benefits in the time period expected, or at all. Given the state of volatility and disruption in the external environment in recent years and the increased pace of change being experienced in the business and industry in which the Diageo group operates, the Diageo group has been very focused on ensuring it has the right skills and human resources to deliver its strategic business transformation initiatives. However, failure to have the right strategic partnerships and talent in key positions to deliver and sustain these initiatives going forward may result in delays, unforeseen costs and other disruptions to the Diageo group's business, competitive positioning and financial performance.

*The Diageo group's operations and financial results may be adversely affected by movements in the value of assets and liabilities related to its pension plans*

The Diageo group operates a number of pension plans throughout the world, which vary in accordance with local conditions and practices. The majority of these pension plans are defined benefit plans and are funded by payments to separately administered trusts or insurance companies. The ability of these pension plans to meet their pension obligations may be affected by, among other things, the performance of assets owned by these pension plans, the liabilities in connection with the pension plans, the underlying actuarial assumptions used to calculate the surplus or deficit in the plans, in particular the discount rate and long term inflation rates used to calculate the liabilities of the pension funds, and any changes in applicable laws and regulations. If there are significant declines in financial markets and/or deterioration in the value of fund assets or changes in discount rates or inflation rates, the Diageo group may need to make substantial contributions to these pension funds in the future which could have a material adverse effect on the Diageo group's results of operation and financial condition.

Furthermore, if the market values of the assets held by the Diageo group's pension funds decline, the valuations of assets by the pension trustees decline or the valuation of liabilities in connection with pension plans increase, pension expenses may increase which, as a result, could materially adversely affect the Diageo group's financial position. There is no assurance that interest rates or inflation rates will remain constant, that pension fund assets can earn the assumed rate of return annually or that the value of liabilities will not fluctuate significantly. The Diageo group's actual experience may also be significantly more negative than the assumptions used.

### 3. Legal and regulatory risk

*The Diageo group is subject to tax uncertainties, including changes in tax obligations, tax laws, regulations and interpretations, as well as enforcement actions by tax authorities*

Changes in the political and economic climate have resulted in an increased focus on tax collection in recent years, leading to greater uncertainty for multinational groups such as the Diageo group. In recent years, tax authorities have shown an increased appetite to challenge the methodology used by multinational enterprises, even where an enterprise complies with international best practice guidelines. Changes in tax law (including tax rates), tax treaties, accounting policies and accounting standards, including as a result of the Organisation for Economic Co-operation and Development's review of base erosion and profit shifting and the European Union's anti-tax abuse measures, combined with increased investments by governments in the digitisation of tax administration, could also result in increased levels of audit activity, investigations, litigation or other actions by relevant tax authorities. The Diageo group also operates in a large number of jurisdictions with complex tax and legislative regimes and whose related laws and regulations are open to subjective interpretation. These countries include Brazil, India and countries in East Africa, where the Diageo group is currently involved in a large number of tax cases, including some cases that could potentially create significant exposure or liability for the Diageo group. The Diageo group may be subject to further future tax assessments in these jurisdictions based on the same or similar matters. Assessing the potential financial exposure arising from these and other cases is particularly challenging due to the uncertain fiscal environment in these jurisdictions. Any such investigations, litigation or other actions may result in damages, penalties or fines as well as reputational damage to the Diageo group or its brands and, as a result, adversely impact the Diageo group's business and financial results. For additional information with respect to legal proceedings, including the potential tax liabilities in Brazil and India, see note 19 to the 2024 Financial Statements.

Beverage alcohol products are also subject to national excise taxes, import duties, sales or value-added taxes and other types of direct and indirect taxes in most countries around the world, most of which are specific to individual jurisdictions. Increases in any such taxes, or the imposition of new taxes, have had and could continue to have a material adverse impact on the Diageo group's revenue from sales or its margin, either through reducing the overall level of beverage alcohol consumption, having a disproportionate impact on certain categories and/or by encouraging consumers to switch to lower-taxed categories of beverage alcohol.

In addition to the above, other significant changes in tax law, tax treaties, related accounting policies and accounting standards could also increase the Diageo group's cost of doing business and lead to a rise in the Diageo group's effective tax rate and/or unexpected tax exposures, thus adversely affecting the Diageo group's business and financial results.

*The Diageo group is subject to litigation specifically directed at the beverage alcohol industry, as well as to other litigation*

The Diageo group and other companies operating in the beverage alcohol industry are, from time to time, exposed to class action or other private or governmental litigation and claims relating to product liability, alcohol marketing, advertising or distribution practices, alcohol abuse problems or other health consequences arising from the excessive consumption of or other misuse of alcohol, including underage drinking. The Diageo group may also be subject to litigation arising from legacy and discontinued activities, as well as other litigation in the ordinary course of its operations, including in connection with commercial disputes and the acquisition or disposal of businesses or other assets. The Diageo group is further subject to the risk of litigation, enforcement or other regulatory actions by tax, customs, competition, environmental, anti-corruption and other relevant regulatory authorities, including with respect to the methodology for assessing importation value, transfer pricing or compliance matters. The Diageo group's listing in the United States may also expose it to a higher risk of securities-related class action suits, particularly following any significant decline in the price of the Diageo group's securities. Any such litigation or other actions may be expensive to defend and result in damages, penalties or fines as well as reputational damage to the Diageo group or its brands, and/or impact the ability of management to focus on other business matters, and may adversely affect the Diageo group's business and financial results. For additional information with respect to legal proceedings see note 19 to the 2024 Financial Statements.

*Regulatory decisions and changes in the legal and regulatory environment could increase the Diageo group's costs and liabilities or limit its business activities*



The Diageo group's operations are subject to extensive regulatory requirements relating to production, distribution, importation, marketing, advertising, sales, pricing, labelling, packaging, product liability, antitrust, labour, pensions, compliance and control systems, and environmental issues. Changes in any such applicable laws, regulations or governmental or regulatory policies and/or practices could cause the Diageo group to incur material additional costs or liabilities that could adversely affect its business. In particular, governmental bodies in jurisdictions where the Diageo group operates may impose new product, production or labelling requirements (for example, Ireland from 2026), limitations on the marketing, advertising and/or promotion activities used to market beverage alcohol, restrictions on retail outlets, restrictions on importation and distribution or other restrictions on the locations or occasions where beverage alcohol is sold which directly or indirectly limit the sales of the Diageo group's products. Regulatory authorities under whose laws the Diageo group operates may also have enforcement power that can subject the Diageo group to actions such as product recalls, product seizures or other sanctions, which could have an adverse effect on the Diageo group's sales or damage its reputation.

The Diageo group is also subject to antitrust and competition laws in many of the jurisdictions in which it operates. In a number of these jurisdictions, there has been an increase in the enforcement of these laws during recent years. Should this trend continue, this may, among other things, result in increased regulatory scrutiny of the Diageo group, potential reputational damage and/or increased costs related to compliance.

The Diageo group is required to comply with data privacy laws and regulations in many of the markets in which it operates. For example, the Diageo group is subject to the General Data Protection Regulation ("GDPR") in the European Union, the United Kingdom General Data Protection Regulation ("UK GDPR"), data privacy legislation in the United States, the Personal Information Protection Law ("PIPL") in China and the Digital Personal Data Protection Act 2023 ("DPDP") in India. Breach of any of these laws or regulations could lead to significant penalties (including, under the GDPR and the UK GDPR, a fine of up to 4% of annual global turnover), other types of government enforcement actions, private litigation and/or damage to the Diageo group's reputation, as well as impact the Diageo group's ability to deliver on its digital productivity and growth plans.

In many of the markets in which the Diageo group operates, the overall legal and regulatory landscape has become more complex in recent years and changes to the regulatory environment in which the Diageo group operates could also cause the Diageo group to incur material additional costs or liabilities, which could adversely affect the Diageo group's business and financial performance. For additional information on the increased complexity of the legal and regulatory landscape, see the risk factor entitled "*Climate change, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect the Diageo group's business or operations, and water scarcity or water quality issues could negatively impact the Diageo group's production costs and capacity*" below.

*As a result of agreement between the competent authorities in the UK and the Netherlands, the Dutch Issuer is regarded as solely tax resident in the UK under the applicable double-tax treaty. However, if circumstances change or the agreement between the relevant competent authorities is withdrawn, the Dutch Issuer's tax residency could change, potentially leading to a change in tax treatment.*

The Dutch Issuer is a company incorporated in the Netherlands and, as such by default, tax resident in the Netherlands for Dutch domestic tax purposes, but is also, by virtue of having its place of central management and control in the UK, considered tax resident in the UK for UK domestic tax purposes. For the purposes of the Netherlands-UK double tax treaty, the Dutch and UK competent authorities have entered into a mutual agreement that the Dutch Issuer is to be considered solely UK tax resident, limiting Dutch taxing rights.

Notwithstanding that the Dutch Issuer is solely UK tax resident for the purposes of the Netherlands-UK double tax treaty, the Dutch Issuer, as an entity incorporated in the Netherlands, is and will continue to be resident in the Netherlands, for example, for Dutch conditional interest and royalty withholding tax purposes.

A change in facts such as the Dutch Issuer's place of management, or any withdrawal of the mutual agreement between the Dutch and UK competent authorities, may affect the Dutch Issuer's tax residency and/or the taxing rights of the Netherlands, the UK or any other jurisdiction.

*Any failure by the Diageo group to comply with anti-corruption laws, anti-money laundering laws, economic sanctions laws, trade restrictions or similar laws or regulations, or any failure of the Diageo group's related internal policies and procedures designed to comply with applicable law, may have a material adverse*

*effect on the Diageo group's business and financial results, the Diageo group's reputation and the price of the Diageo group's securities*

The Diageo group produces and markets its products on a global scale, including in certain countries that, as a result of political and economic instability, a lack of well-developed legal systems and/or potentially corrupt business environments, have a higher level of corruption risk than other countries. There is increasing scrutiny and enforcement by regulators in many jurisdictions of anti-corruption laws, including pursuant to the US Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and certain jurisdictions' equivalent local laws. Such enforcement has been enhanced by applicable regulations in the United States, which offer substantial financial rewards to whistleblowers for reporting information that leads to monetary fines, and the UK, which has enacted the Economic Crime and Corporate Transparency Act 2023 introducing a new corporate criminal offence of failure to prevent fraud.

If the Diageo group or any of its associates fails to comply with anti-corruption laws (including anti-bribery laws), anti-money laundering laws or with existing or new economic sanctions or trade restrictions imposed by the United States, the European Union, the UK or other national or international authorities that are applicable to the Diageo group or its associates, including any sanctions introduced in response to Russia's invasion of Ukraine, the Diageo group may be exposed to the costs associated with investigating potential misconduct as well as significant financial penalties and/or reputational damage.

While the Diageo group has implemented and maintains internal practices, procedures and controls designed to ensure compliance with anti-corruption laws, sanctions, trade restrictions or similar laws and regulations, and routinely conducts investigations, either at its own initiative or in response to requests from regulators in connection with compliance with such internal controls, there is no guarantee that such procedures will be effective in preventing compliance failures at the Diageo group or at third parties with whom the Diageo group maintains business relationships. In addition, any lack of an embedded business integrity culture and associated control framework in any market could increase the risk of non-compliance with relevant laws and regulations.

Any investigations and lawsuits, regardless of the ultimate outcome of the proceeding, are time consuming and expensive and can divert the time and effort of the Diageo group's personnel, including senior management, from its business. Adverse publicity, legal and enforcement proceedings, and enhanced government scrutiny can also have a negative impact on the Diageo group's reputation. To the extent that violations of anti-corruption, sanctions and/or trade restriction laws and regulations, and/or the Diageo group's internal policies and procedures, are found, or if the Diageo group's internal policies and procedures are found not to comply with applicable law, possible regulatory sanctions, fines and other penalties or consequences, including reputational damage, may also be material. For additional information with respect to legal proceedings, see note 19 to the 2024 Financial Statements.

*The Diageo group may not be able to protect its intellectual property rights*

Given the importance of brand recognition to its business, the Diageo group has invested considerable effort in protecting its intellectual property rights, including trademark registration and domain names. The Diageo group's patents cover some of its process technology, including some aspects of its bottle marking technology. The Diageo group also uses security measures and agreements to protect its confidential information and trade secrets. However, the Diageo group cannot be certain that the steps it has taken will be sufficient or that third parties will not infringe on or misappropriate its intellectual property rights in its brands or products or, indeed, that the Diageo group will not inadvertently infringe a third party's intellectual property rights. Moreover, some of the countries in which the Diageo group operates offer less intellectual property protection than Europe or North America. Given the attractiveness of the Diageo group's brands to consumers, it is not uncommon for counterfeit products to be manufactured and traded in certain jurisdictions. The Diageo group cannot be certain that the steps it takes to assist the authorities to prevent, detect and eliminate counterfeit products will be effective in preventing material loss of profits or erosion of brand equity resulting from lower quality or even dangerous counterfeit products reaching the market. If the Diageo group is unable to protect its intellectual property rights against infringement or misappropriation, this could materially harm its future financial results and ability to develop its business.

#### **4. Internal control risk**

*Defective internal controls could adversely affect the Diageo group's financial reporting and management processes, as well as the accuracy of public disclosures*

The Diageo group has in place internal control and risk management systems in relation to its financial reporting process and its process for the preparation of consolidated financial statements. In addition, management undertakes a review of the consolidated financial statements in order to ensure that the financial position and results of the group are appropriately reflected therein. The Diageo group is required by the laws of various jurisdictions to publicly disclose its financial results, as well as developments that could materially affect its financial results. Accurate disclosures provide investors and other market professionals with information to understand the Diageo group's business. In addition, the reliability of financial reporting is important in ensuring that the business' management and its results are based on reliable data. Regulators routinely review the financial statements of listed companies such as the Diageo group for compliance with existing, new or revised accounting and regulatory requirements. Should the Diageo group be subject to an investigation into potential non-compliance with accounting and disclosure requirements or be found to have breached any such requirements, this may, among other things, lead to restatements of previously reported results, significant penalties, public censure and/or litigation. Any such regulatory action could adversely affect the Diageo group's business and financial results, reputation and the price of the Diageo group's securities. In addition, defective internal controls could result in inaccuracies or lack of clarity in public disclosures and could result in a material misstatement of financial reporting. This could create market uncertainty regarding the reliability of the data presented and have an adverse impact on the Diageo group's reputation and the price of the Diageo group's securities.

*The Diageo group may be adversely affected by cyber-attacks and IT threats or other disruptions to core business operations including manufacturing and supply, business service centres and/or information systems*

The Diageo group relies on information technology ("IT") systems, networks and services, including internet sites, data hosting and processing tools, hardware (including laptops and mobile devices), software, and technical platforms and applications, to process, store and transmit large amounts of data and to help it manage its business. The Diageo group uses its IT systems, networks and services for, among other key business functions, the hosting of its primary and brand-specific websites and its internal network and communications systems; supply and production planning, execution and shipping; the collection and storage of customer, consumer, investor relations and employee data; processing various types of transactions, including summarising and reporting its results of operations; the development and storage of strategic corporate plans; and ensuring compliance with various legal, regulatory and tax requirements. As with all large systems, the Diageo group's IT systems, including those managed or hosted by third parties, could be subject to sophisticated cyber-attacks (including phishing and ransomware attacks), IT threats by external or internal parties intent on disrupting production or other business processes or otherwise extracting or corrupting information, or other cyber incidents such as the CrowdStrike incident in July 2024 where computers were affected on a global basis (including at Diageo). The sophistication of cybersecurity threat actors also continues to grow and evolve, including the risks associated with emerging technologies, such as artificial intelligence used for nefarious purposes. In recent years, ransomware attacks against some of Diageo's peers have become more frequent, which has increased the likelihood of Diageo being targeted for a similar cyber-attack. The Diageo group's vulnerability to such cyber-attacks could also be increased due to a significant proportion of its employees working remotely. Unauthorised access to the Diageo group's IT systems could disrupt the Diageo group's business, including its beverage alcohol and other production capabilities, and/or lead to theft, loss or misappropriation of critical assets or to outside parties having access to confidential or even highly confidential information, including privileged data, personal data or strategic information of the Diageo group and its current or former employees, customers and consumers. Such information could also be made public in a manner that harms the Diageo group's reputation and financial results and, particularly in the case of personal data, could lead to regulators imposing significant fines on the Diageo group.

The Diageo group's use of shared business services centres, located in Hungary, Colombia, the Philippines and India, to deliver transaction processing activities for markets and operational entities also means that any sustained any disruption to a centre or issue impacting the reliability of the information systems used could impact a large portion of the Diageo group's business operations. The captive shared business services centres in Hungary and India also perform certain central finance activities, including elements of financial planning and reporting, treasury and HR services. Any transitions of transaction processes to, from or within shared business services centres, as well as other projects which impact the Diageo group's IT systems, could lead to business disruption. In addition, if the Diageo group does not allocate and properly manage the resources

necessary to build, sustain and protect these centres or its wider IT systems, it could be subject to losses attributable to processing inefficiencies, the unexpected failure of computer systems, devices and software used by its IT platforms, production or supply chain disruptions, the unintended disclosure of sensitive business or personal data and the corruption or loss of accounting data necessary for it to produce accurate and timely financial reports. In certain circumstances, such disruptions or failures could also result in property damage, breaches of regulations, litigation, legal liabilities and reparation costs, thereby having a material adverse effect on the Diageo group's business and financial results.

*Loss, operational disruptions to or closure of a production site, office or other key facility due to unforeseen or catastrophic events or otherwise, could have a material adverse effect on the Diageo group's business and financial results*

International and domestic security risks including terrorism and military conflicts, as well as natural hazards, also pose a threat to the safety of the Diageo group's employees and third parties at its offices, sites and events, as well as its property and products. The Diageo group operates production facilities around the world. If there was a technical failure, or a fire, explosion, flood or other significant event, at one or more of the Diageo group's production facilities, this could result in significant damage to the facilities, plant or equipment, their surroundings and/or the local environment and/or injury or loss of life. Such an event could also lead to a loss of production capacity, result in regulatory action or legal liability, and/or damage the Diageo group's reputation.

The Diageo group has a substantial inventory of aged product categories, including Scotch whisky, which may mature over periods of up to 30 years or more. A substantial portion of this maturing inventory is stored in Scotland, and the loss through contamination, fire or other natural disaster of all or a portion of the stock of any one of those aged product categories, including as a result of climate change related severe weather events, could result in a significant reduction in supply of those products, and consequently, the Diageo group would not be able to meet consumer demand for those products as such demand arises. There can be no assurance that insurance proceeds would cover the replacement value of the Diageo group's maturing inventory or other assets in the event that such assets were lost due to contamination, fire or natural disasters, destruction resulting from negligence or the acts of third parties, or any failure of information systems or data infrastructure.

## **5. Environmental, social and governance risks**

*Climate change, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect the Diageo group's business or operations, and water scarcity or water quality issues could negatively impact the Diageo group's production costs and capacity*

Climate change is occurring around the world as a result of carbon dioxide and other greenhouse gases in the atmosphere having an adverse effect on global temperatures, weather patterns and the frequency and severity of extreme weather-related events and disasters. To the extent that weather patterns and climate change, or legal, regulatory or market measures enacted to address such climate change or other environmental concerns, have a negative effect on agricultural productivity in the various regions from which the Diageo group procures its raw materials, the Diageo group may be subject to decreased availability of, or increased prices for, a number of raw materials that are necessary in the production of the Diageo group's products, including wheat, maize, barley, sugar cane/molasses, vanilla, agave, rice, grapes, sorghum, and aniseed. Severe weather events or changes in the frequency or intensity of weather events could also pose physical risks to the Diageo group's production facilities, impair the Diageo group's production operations or disrupt the Diageo group's supply chain, which may affect production operations, delivery of its products to customers and insurance costs and coverage. For example, a number of the Diageo group's distilleries in Scotland are in lower coastal areas and, as a result, may suffer disruption due to coastal flooding and/or storms. Climate change and geographic limitations related to production may also expose the Diageo group to water scarcity and quality risks due to the water required to produce its products, including water consumed in the agricultural supply chain. If climate change leads to droughts or water over-exploitation or has a negative effect on water availability or quality in areas that are part of the Diageo group's supply chain, the price of water may increase in certain areas and certain jurisdictions may adopt regulations restricting the use of water or enact other unfavourable changes.

Water, which is the main ingredient in virtually all of the Diageo group's products and a major component within its agricultural supply chain, is also a limited resource in many parts of the world. As demand for water continues to increase, and as water becomes scarcer and the quality of available water deteriorates, including as a

result of climate change, the Diageo group may be affected by increased production costs (including as a result of increases in certain water-related taxes or related regulations), capacity constraints, or requests to cease production entirely in water-stressed areas, which in turn could adversely affect the Diageo group's business, financial results and reputation. A number of the Diageo group's production sites are in water-stressed areas and may be exposed to potential disruption if demand for water exceeds the available amount during a certain period or if the poor quality of available water restricts its use.

In addition, a failure by the Diageo group to respond appropriately to increased governmental or public pressure for further reductions in greenhouse gas emissions, water usage and/or to address any other perceived environmental issues could damage the Diageo group's reputation. Increased governmental or public pressure for further reductions in greenhouse gas emissions or water usage may also cause the Diageo group to incur increased costs for energy, transportation and raw materials, as well as potentially require the Diageo group to make additional investments in facilities and equipment, thus adversely impacting the Diageo group's business and financial results. As governments and business take action to reduce or mitigate the effects of climate change, the Diageo group and its supply chain are expected to incur increased costs, including those associated with required improvements to energy usage in agriculture and glass manufacturing, water efficiency and usage, land practices and competition for land from food crops, the rising cost of natural gas and rising worldwide carbon prices. It is possible these costs increase beyond what is currently expected or that other categories of costs increase unexpectedly, either or both of which could have an adverse impact on the Diageo group's financial results.

The Diageo group is also required to report greenhouse gas emissions, energy usage data and related environmental information to a variety of entities, and comply with the European Union Emissions Trading Scheme. Regulators in various jurisdictions, including Europe, the United States and the UK, have focused efforts on increased disclosures related to ESG matters, including climate change and mitigation efforts, and these regulations (if adopted) could expand the nature, scope and complexity of matters that companies are required to control, assess and report. This will require the Diageo group to make additional investments and implement new practices and reporting processes, and will entail additional compliance risk. Disparate and evolving standards for identifying, measuring and reporting ESG metrics, including ESG-related disclosures that may be required by the US Securities and Exchange Commission, the UK Financial Conduct Authority, and European and other regulators, will likely lead to a significant increase in compliance burdens and associated regulatory and reporting costs and complexity. Furthermore, while ESG reporting has improved, data remains of limited quality and consistency and is more uncertain than historical financial information. ESG data, methodologies and standards may evolve over time in line with market practice, regulation, or owing to scientific developments. The use of inconsistent or incomplete data and models could result in sub-optimal decision making. If the Diageo group is unable to accurately measure and disclose required ESG-related data in a timely manner, it could be subject to penalties in certain jurisdictions.

The Diageo group's operations are also subject to environmental regulations by national, regional and local agencies, including, in certain cases, regulations that impose liability without regard to fault. These regulations can result in liability that might adversely affect the Diageo group's operations and financial condition. As regulators in the Diageo group's markets continue to respond to rising concerns about the impact of climate change and other environmental threats, regulation and enforcement is becoming stricter. There can be no assurance that the Diageo group will not incur a substantial liability or that applicable laws and regulations will not change or become more stringent in the future.

*The Diageo group may incur significant cost in connection with attempting to achieve its environmental, societal and governance (ESG) ambitions, and may be subject to increased scrutiny and reputational risk if it is unable to make sufficient progress against or achieve its objectives*

The Diageo group has articulated certain ESG ambitions as part of its "Spirit of Progress" targets and is undertaking a number of strategic and operational initiatives in order to achieve those ambitions. In addition, from time to time, the Diageo group may introduce new initiatives in the future to make progress against those targets, as well as to address other ESG-related issues that arise. The Diageo group expects to incur significant costs and investments in connection with any such initiatives (including those related to human resources, technology, capital projects and operations), and as a result of compliance with new laws, regulations, reporting frameworks and industry practices. Consistent with many companies across the alcohol beverage industry, the Diageo group expects that future innovations and technological improvement, and increased collaboration with governments and other businesses, including those within the alcohol beverage industry which may compete with Diageo, will

be required in order to achieve and sustain its ESG-related ambitions. In addition, the data, methodologies and standards that the Diageo group has used to develop its targets will likely evolve over time. Any changes could result in revisions to the Diageo group's internal frameworks and reported data, and could mean that reported figures are not reconcilable or comparable year on year.

Furthermore, the Diageo group's own current expectations with respect to its expected pathway to achieve its Spirit of Progress ambitions (including achieving "net zero") are subject to change as underlying assumptions and its own operations change over time, including as a result of new information, changed expectations and innovation. In the event that the Diageo group is unable to make sufficient progress in a timely manner or achieve its ESG-related ambitions, it may be subject to additional scrutiny and criticism, and may face regulatory censure and/or fine. In addition, stakeholders and others who disagree with the Diageo group's approach may speak negatively or advocate against the Diageo group or its products, with the potential to harm the Diageo group's reputation or business through negative publicity, adverse government treatment, product boycotts or other means. The Diageo group could suffer reputational damage and a loss of trust from consumers, investors and other stakeholders, and/or the price of the Diageo group's securities could be adversely affected, if the Diageo group fails to achieve any of these goals for any reason or is otherwise perceived to be failing to act responsibly with respect to the environment or to effectively respond to regulatory requirements concerning climate change.

**B. Risks which are specific and material to the Instruments including the guarantee and which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme including the guarantee**

**6. Risks related to the nature of the Instruments**

*Certain Instruments may be subject to redemption by the Issuer*

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

The relevant Issuer may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Instruments. 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 Instruments 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.

Alternatively, Instruments may be issued with no maturity date and the relevant Issuer is under no obligation to redeem such Instruments and the holders of such Instruments have no right to call for their redemption (save as permitted pursuant to the relevant Final Terms).

Potential investors should also note that, if Clean-up Call is specified as applicable in the relevant Final Terms, in the event that at least 75 per cent. of the initial aggregate principal amount of the Instruments has been purchased and cancelled by the relevant Issuer, then such Issuer may, at its option, upon the expiry of the appropriate notice redeem all (but not some only) of the Instruments at their Early Redemption Amount (Clean-up Call). There is no obligation on the relevant Issuer to inform investors if and when the 75 per cent. threshold of the initial aggregate principal amount of a particular Series of Instruments has been reached or is about to be reached, and the relevant Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-up Call Option, the Instruments may have been trading significantly above the relevant Early Redemption Amount (Clean-up Call), thus potentially resulting in a loss of capital invested.

*The regulation and reform of "benchmarks" may adversely affect the value of Instruments linked to such "benchmarks"*

EURIBOR and other interest rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms generally may have caused, and may in the future cause, such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Instruments linked to or referencing such a “benchmark”.

The UK Benchmarks Regulation applies to, among other things, the provision of benchmarks and the use of a benchmark within the UK by (i) requiring benchmark administrators to be authorised or registered (or, if non-UK based, to be subject to an equivalent regime or otherwise recognised or endorsed), and (ii) preventing certain uses by UK supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-UK based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 (as amended, the “**EU Benchmarks Regulation**”) similarly applies to, among other things, the provision of benchmarks and the use of a benchmark within the EU by (i) requiring benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed), and (ii) preventing certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

These reforms (including the UK Benchmarks Regulation and/or the EU Benchmarks Regulation, as applicable), could have a material impact on any Instruments linked to a rate or index deemed to be a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the UK Benchmarks Regulation or EU Benchmarks Regulation respectively. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant “benchmark”.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain “benchmarks”, (i) discouraging market participants from continuing to administer or contribute to the “benchmark”, (ii) triggering changes in the rules or methodologies used in the “benchmark”, or (iii) lead to the discontinuance or unavailability of the “benchmark” altogether. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Instruments linked to a “benchmark”.

As an example of such benchmark reforms, the working group on Euro risk-free rates recommended the Euro short-term rate (“**€STR**”) as the risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation and UK Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6.12 (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Instruments linked to such benchmark (including Instruments whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to (i) the nature of alternative reference rates and (ii) potential changes to such benchmark, may adversely affect such benchmark during the term of the relevant Instruments, the return on the relevant Instruments and the trading market for securities (including the relevant Instruments) based on the same benchmark.

The Terms and Conditions of the Instruments provide for certain fall-back arrangements in the event that a Benchmark Event occurs. Such fall-back arrangements include the possibility that the Interest Rate could be set by reference to a Successor Rate or an Alternative Rate, with the application of an Adjustment Spread, and may include amendments to the Terms and Conditions of the Instruments that are necessary to follow market practice or to ensure the proper operation of the Successor Rate or Alternative Rate, all as determined by an Independent

Adviser (acting in good faith and in a commercially reasonable manner) and after consultation with the relevant Issuer. An Adjustment Spread could be positive, negative or zero. However, such Adjustment Spread may not be effective to reduce or eliminate any economic prejudice to investors. The use of a Successor Rate or Alternative Rate (with the application of an Adjustment Spread) will still result in any Instruments linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Interest Rate) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate (as applicable) and (in either case) Adjustment Spread is determined, the ultimate fall-back for the purposes of calculation of the Interest Rate for a particular Interest Accrual Period may result in the Original Reference Rate being used and, therefore, the applicable Interest Rate potentially becomes a fixed rate. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fall-back provisions may not operate as intended at the relevant time.

Any such consequences of the elimination of any benchmark, or changes in the manner of administration of any benchmark, could have a material adverse effect on the value of and return on any Instruments linked to a “benchmark”. Moreover, any of the above matters could affect the ability of the Diageo group to meet its obligations under the Instruments or could have a material adverse effect on the value or liquidity of, and the amount payable under, Instruments linked to a “benchmark”. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation or EU Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Instruments linked to a “benchmark”.

*The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates*

The market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as a replacement to the London Interbank Offered Rate (“LIBOR”) for sterling. SONIA is the current preferred replacement rate to sterling LIBOR. The use of risk-free rates - including those such as SONIA - as reference rates continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Instruments that reference risk-free rates issued under this Programme. In addition, the methodology for determining any overnight rate index by reference to which the Interest Rate in respect of certain Instruments may be calculated could change during the life of any Instruments. Furthermore, the Issuer may in the future issue Instruments referencing SONIA or the SONIA Compounded Index that differ materially in terms of interest determination when compared with any previous SONIA-referenced Instruments issued by it under the Programme. The nascent development of risk-free rates as interest reference rates for the Eurobond markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise adversely affect the market price of any such Instruments issued under the Programme from time to time.

In addition, the manner of adoption or application of overnight rates in the Eurobond markets may differ materially when compared with the application and adoption of the same overnight rates for the same currencies in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of overnight rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Instruments referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including any compounding formula in the Terms and Conditions, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different



measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Instruments, the trading price of such Instruments linked to such risk-free rates may be lower than those of Instruments referencing indices that are more widely used.

Investors should carefully consider these matters when making their investment decision with respect to any Floating Rate Instruments linked to or which reference SONIA or any related indices.

*Risk-free rates may differ from LIBOR, EURIBOR other inter-bank offered rates in a number of material respects and have a limited history*

Risk-free rates may differ from LIBOR, EURIBOR and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free and overnight rates whereas interbank offered rates are generally expressed on the basis of a forward-looking term and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Instruments.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Instruments may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Instruments which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Instruments which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Instruments, and some investors may be unable or unwilling to trade such Instruments without changes to their IT systems, both of which could adversely impact the liquidity of such Instruments. Further, in contrast to Instruments linked to interbank offered rates, if Instruments referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 8 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of such Instruments shall be determined by reference to a shortened period ending immediately prior to the date on which the Instruments become due and payable or are scheduled for redemption.

*The administrator of SONIA or any related indices may make changes that could change the value of SONIA or any related index, or discontinue SONIA or any related index*

The Bank of England (or its successor) as the administrator of SONIA (and the SONIA Compounded Index) may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or timing related to the publication of SONIA or any related indices. In addition, the Bank of England (as the administrator of SONIA) may alter, discontinue or suspend calculation or dissemination of SONIA or any related index (in which case a fallback method of determining the interest rate on the Instruments will apply). The administrator has no obligation to consider the interests of Holders when calculating, adjusting, converting, revising or discontinuing SONIA.

*An English court judgement may not be enforceable in the Netherlands*

The Dutch Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, and its assets may be located in the Netherlands, so any judgment obtained by Holders in respect of the Instruments in the English courts against the Dutch Issuer may need to be enforced in the Netherlands.

As at the date of this Prospectus, the UK and the Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for the payment of money rendered by any English court which is

enforceable in England, would not automatically be recognised or enforceable in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands the claim must be relitigated before a competent Dutch court and the judgment rendered by the English court must be submitted in the course of such proceedings, in which case the Dutch court will have to decide whether and to what extent, given the circumstances of the case, it will recognise the foreign judgment. A Dutch court will, under current practice, generally grant the same judgment without relitigation on the merits if (i) that judgment is – according to English law – formally capable of being enforced (for example, it has not been annulled on appeal or its enforceability has not been subject to a certain time frame), (ii) that judgment does not contravene public policy (*openbare orde*) of the Netherlands, (iii) the jurisdiction of the relevant English court has been based on an internationally acceptable ground and the judgment results from proceedings compatible with the Dutch concept of due process and (iv) the judgment by the relevant English court is not incompatible with a judgment rendered between the same parties by a Dutch court, or with an earlier judgment rendered between the same parties by a non-Dutch court in a dispute that concerns the same subject and is based on the same cause, provided that the earlier judgment qualifies for recognition in the Netherlands.

#### *The secondary market generally*

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

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

Each Issuer may issue Instruments at any price and may issue interest-bearing or non-interest bearing Instruments. The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities. The value of any Instruments issued at a substantial discount or premium to their nominal amount may therefore be at a materially higher risk of decreasing as compared with that of conventional interest bearing securities. The short, mid and long-term value of such Instruments may also be less predictable, and, typically, the longer the remaining term of such Instruments, the greater the price volatility.

#### *Modification, waivers and substitution*

The Terms and Conditions of the Instruments contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. To be bound in such a way could materially adversely affect the interests of Holders who did not attend and vote at the relevant meeting or who voted in a manner contrary to the majority.

#### *Change of law*

The relevant Terms and Conditions of the Instruments are based on English law in effect as at the date of issue of the relevant Instruments. 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 issue of the relevant Instruments and any such change could materially adversely impact the value of any Instruments affected by it.

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

In relation to any Instruments which have denominations consisting of a minimum Specified

Denomination plus one or more higher integral multiples of a smaller amount, it is possible that such Instruments may be traded in the clearing systems in amounts that are not integral multiples of the minimum Specified Denomination (or its equivalent). In such a case, should Definitive Instruments be required to be issued, holders of Instruments who hold Instruments in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination shown in the Final Terms may need to purchase or sell, on or before the relevant date on which a Global Instrument is exchanged for a Definitive Instrument, a principal amount of Instruments such that their holding is an integral multiple of a Specified Denomination shown in the Final Terms.

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

#### *Other parties*

The Issuers and/or the Guarantor may be a party to contracts with a number of other third parties that have agreed to perform services in relation to the Instruments. For example, a paying agent has agreed to provide payment and calculation services in connection with the Instruments. There is a risk that the relevant third parties may fail to perform adequately or at all under the relevant contracts, causing disruption to the services that such third parties have agreed to perform in relation to the Instruments. For example, the paying agent's failure to perform its payment services in respect of the Instruments may result in a material adverse impact on the value of such Instruments. A failure by the relevant third parties to perform may also require the Issuers and/or the Guarantor to source and agree replacement contracts with alternative third parties which could prolong any disruption and its impact.

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

An Issuer will pay principal and interest on the Instruments, and the Guarantor will make any payments under the Guarantee, in the currency specified in the applicable Final Terms (the "**Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (i) the Investor's Currency equivalent yield on the Instruments, (ii) the Investor's Currency equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency equivalent market value of the Instruments.

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

#### *Interest rate risks*

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

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

One or more independent credit rating agencies may assign credit ratings to an issue of Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. If the potential impact of all such risks is not reflected in a credit rating assigned to an issue of Instruments, and such potential impact, or part of it, later materialises, the credit rating could be suspended, reduced or withdrawn by the rating agency and the value of the relevant Instruments may be reduced. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time. If at any time a credit rating in respect of an issue of Instruments is suspended, reduced or withdrawn by a rating agency then the value of such Instruments could fall.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to certain exceptions. Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation, subject to certain exceptions. In the case of ratings issued by non-UK credit rating agencies, such non-UK credit ratings can either be endorsed by a UK registered credit rating agency or issued by a non-UK credit rating agency that is certified in accordance with the UK CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). In the case of non-UK ratings, for a certain limited period of time, transitional relief accommodates continued use, for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of a rating agency rating the Instruments changes, EEA and UK regulated investors may no longer be able to use the rating for regulatory purposes and Instruments may have a different regulatory treatment. This may result in EEA and UK regulated investors selling the Instruments which may have an impact on the Instruments and any secondary market.

#### *Fixed/Floating Rate Instruments*

Fixed/Floating Rate Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Each Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If an Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following is the text of the Terms and Conditions of the Instruments which (subject to completion) will be applicable to each Tranche of Instruments provided, however, that the relevant Final Terms in relation to any Tranche of Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these terms and conditions, replace the following terms and conditions for the purposes of such Tranche of Instruments.*

The Instruments will be issued pursuant to and in accordance with an issue and paying agency agreement (as amended, supplemented or replaced, the **“Issue and Paying Agency Agreement”**) dated 20 August 2021 and made between Diageo plc, Diageo Finance plc and Diageo Capital B.V. (with its official seat (*statutaire zetel*) in Amsterdam, the Netherlands) (the **“Issuers”** and each an **“Issuer”**), Diageo plc as guarantor (the **“Guarantor”**), Citibank, N.A., London Branch in its capacities as issue and paying agent (the **“Issue and Paying Agent”**, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and as registrar (the **“Registrar”**, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), and the paying agents named therein (the **“Paying Agents”**, which expression shall include the Issue and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series of Instruments (as defined below), the relevant Issuer may appoint a calculation agent (the **“Calculation Agent”**) for the purposes of such Instruments, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms. The Instruments of each Issuer will have the benefit of a deed of covenant (as amended, supplemented or replaced, the **“Deed of Covenant”**) dated 26 August 2020 and executed by each Issuer in relation to the Instruments. The Guarantor, for the benefit of the Holders from time to time of Instruments, has executed and delivered a deed of guarantee (as amended, supplemented or replaced, the **“Guarantee”**) dated 26 August 2020 under which it irrevocably and unconditionally guarantees the due and punctual payment of all amounts due by Diageo Finance plc, Diageo Capital B.V. or any other Issuer (other than the Guarantor) under the Instruments as and when the same shall become due and payable. Copies of the Issue and Paying Agency Agreement, the Deed of Covenant and the Guarantee are available (i) for inspection during normal business hours at the specified office of the relevant Issuer or the Paying Agent for the time being in London; or (ii) may be made available to Holders (upon request and satisfactory proof of holding) via email to the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement, the Deed of Covenant and the Guarantee insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a **“Series”**), and each Series may comprise one or more tranches (**“Tranches”** and each, a **“Tranche”**) of Instruments. Each Tranche will be the subject of a Final Terms (each, a **“Final Terms”**), a copy of which will be available for inspection during normal business hours at the specified office of the relevant Issuer and the Issue and Paying Agent for the time being in London. In the case of a Tranche of Instruments in relation to which application has not been made for listing on any stock exchange, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, an Accountholder (as defined in the Deed of Covenant), in respect of such Instruments.

References in these Terms and Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.02) are to Coupons relating to Instruments of the relevant Series.

References in these Terms and Conditions to the **“Issuer”** are to the Issuer of Instruments of the relevant Tranche or Series.

In respect of any Instruments, references herein to these Terms and Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Final Terms.

## 1. Form and Denomination

### *Form of Instruments*

**1.01** Instruments are issued in bearer form (“**Bearer Instruments**”) or in registered form (“**Registered Instruments**”), as specified in the Final Terms, and are serially numbered. Registered Instruments are not exchangeable for Bearer Instruments.

**1.02** Interest-bearing Bearer Instruments have attached thereto at the time of their initial delivery coupons (“**Coupons**”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, if so specified in the Final Terms, such Instruments have attached thereto at the time of their initial delivery a talon (“**Talon**”) for further coupons and the expression “**Coupons**” shall, where the context so requires, include Talons.

### *Denomination of Bearer Instruments*

**1.03** Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Instruments of one denomination will not be exchangeable after the initial delivery for Bearer Instruments of any other denomination.

### *Denomination of Registered Instruments*

**1.04** Registered Instruments are in the minimum denomination specified in the Final Terms or integral multiples thereof.

### *Currency of Instruments*

**1.05** The Instruments are denominated in such currency or currencies as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

## 2. Title and Transfer

**2.01** Title to Bearer Instruments and Coupons passes by delivery. References herein to the “**Holders**” of Bearer Instruments or of Coupons are to the bearers of such Bearer Instruments or such Coupons.

**2.02** Title to Registered Instruments passes by registration in the register which the Issuer shall procure to be held by the Registrar. For the purposes of these Terms and Conditions, “**Registrar**” means, in relation to any Series comprising Registered Instruments, the Registrar or any alternative Registrar, as specified in the Final Terms. References herein to the “**Holders**” of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.

**2.03** The Holder of any Bearer Instrument, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) 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 thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

### *Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments*

**2.04** A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

**2.05** If so specified in the Final Terms, a Bearer Instrument (provided that all unmatured Coupons appertaining to such Instrument are surrendered therewith) may be exchanged for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Issue and Paying Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Coupons and upon appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.06) where the exchange date would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 10B.03) for such payment of interest and the date on which such payment of interest falls due.

**2.06** Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date, be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Issue and Paying Agent after the Record Date in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Issue and Paying Agent until the day following the due date for such payment. For the purposes of these Terms and Conditions:

- (i) “**Relevant Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Issue and Paying Agent, in the place where the specified office of the Issue and Paying Agent is located;
- (ii) the “**exchange date**” shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04.

**2.07** The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Issue and Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Issue and Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

### **3. Status of the Instruments**

The Instruments constitute direct, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future but (in the event of insolvency) only to the extent permitted by applicable laws relating to creditors’ rights and applicable laws of mandatory application.

### **4. Status of the Guarantee**

The obligations of the Guarantor under the Guarantee constitute direct, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Guarantor and claims under the Guarantee will rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor, present and future, save only for such obligations as may be preferred by mandatory provisions of applicable law.

## 5. Negative Pledge

**5.01** So long as any Instrument remains outstanding (as defined in the Issue and Paying Agency Agreement), the Guarantor will not, and the Guarantor will procure that no Restricted Subsidiary will, create or permit to subsist any Encumbrance on the whole or any part of any Principal Property or upon any shares or stock of any Restricted Subsidiary to secure any present or future indebtedness for borrowed money without making, or causing such Restricted Subsidiary to make, effective provision whereby the Instruments (together with, if the Guarantor shall so determine, any other indebtedness of the Guarantor or such Restricted Subsidiary then existing or thereafter created which is not subordinate to the Instruments) shall be secured equally and rateably with (or, at the option of the Guarantor or such Restricted Subsidiary, prior to) such indebtedness for borrowed money, so long as such indebtedness for borrowed money will be so secured. However, such limitation will not apply to:

- (A) any Encumbrance subsisting on or prior to the date of the Issue and Paying Agency Agreement;
- (B) any Encumbrance arising by operation of law and not securing amounts more than 90 days overdue and otherwise being contested in good faith;
- (C) judgment Encumbrances not giving rise to an Event of Default;
- (D) any Encumbrance subsisting over a Principal Property, share or stock of any Restricted Subsidiary (which becomes a Restricted Subsidiary after the date of the Issue and Paying Agency Agreement) prior to the date of such Restricted Subsidiary becoming a Restricted Subsidiary, provided that such Encumbrance was not created in contemplation of such Restricted Subsidiary becoming a Restricted Subsidiary;
- (E) any Encumbrance over any Principal Property (or documents of title thereto), shares or stock of any Restricted Subsidiary acquired by the Guarantor or any Restricted Subsidiary as security for, or for indebtedness incurred, to finance all or part of the price of its acquisition, development, redevelopment, modification or improvement;
- (F) any Encumbrance over any Principal Property (or documents of title thereto), shares or stock of any Restricted Subsidiary which is acquired by the Guarantor or any Restricted Subsidiary subject to such Encumbrance;
- (G) any Encumbrance to secure indebtedness for borrowed money incurred in connection with a specifically identifiable project where the Encumbrance relates to a Principal Property involved in such project and acquired by the Guarantor or any Restricted Subsidiary after the date of the Issue and Paying Agency Agreement and the recourse of the creditors in respect of such indebtedness is limited to such project and Principal Property;
- (H) any Encumbrance arising solely by operation of law over any credit balance or cash held in any account with a financial institution;
- (I) rights of financial institutions to offset credit balances in connection with the operation of cash management programmes established for the benefit of the Guarantor and/or any Restricted Subsidiary;
- (J) any Encumbrance securing indebtedness of the Guarantor or any Restricted Subsidiary for borrowed money incurred in connection with the financing of accounts receivable;
- (K) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to:
  - (i) any mechanics', materialmen's, carriers', workmen's, vendor's or other like Encumbrances;



- (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security; and
  - (iii) any easements, rights-of-way, restrictions and other similar charges;
- (L) any Encumbrance upon specific items of inventory or other goods and proceeds of the Guarantor or any Restricted Subsidiary securing the Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (M) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;
- (N) any Encumbrance on any Principal Property of the Guarantor or any Restricted Subsidiary in favour of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or the European Communities, or any instrumentality of any of them, securing the obligations of the Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (O) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (P) any Encumbrance securing industrial revenue, development or similar bonds issued by or for the benefit of the Guarantor or any of its Restricted Subsidiaries, provided that such industrial revenue, development or similar bonds are non-recourse to the Guarantor or such Restricted Subsidiary;
- (Q) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Encumbrance referred to in paragraphs (A) to (P) (inclusive) for amounts not exceeding the principal amount of the borrowed money secured by the Encumbrance so extended, renewed or replaced, provided that such extension, renewal or replacement Encumbrance is limited to all or a part of the same Principal Property, shares or stock of the Restricted Subsidiary that secured the Encumbrance extended, renewed or replaced (plus improvements on such Principal Property); and
- (R) Encumbrances in favour of the Guarantor or any Subsidiary of the Guarantor.

**5.02** Notwithstanding Condition 5.01, the Guarantor or any Restricted Subsidiary may create or permit to subsist Encumbrances over any Principal Property, shares or stock of any of the Restricted Subsidiaries so long as the aggregate amount of indebtedness for borrowed money secured by all such Encumbrances (excluding therefrom the amount of the indebtedness secured by Encumbrances set forth in paragraphs (A) to (R) (inclusive) above) does not exceed 15% of the consolidated shareholders' equity of the Guarantor.

**5.03** So long as any Instruments remain outstanding, the Guarantor will not, and the Guarantor will procure that no Restricted Subsidiary will, enter into any arrangement with any bank, insurance company or other lender or investor (not including the Guarantor or any Subsidiary), or to which any such lender or investor is a party, providing for the leasing by the Guarantor or a Restricted Subsidiary for a period, including renewals, in excess of three years of any Principal Property which has been owned by the Guarantor or a Restricted Subsidiary for more than six months and which has been or is to be sold or transferred by the Guarantor or any Restricted Subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such Principal Property (herein referred to as a "**sale and leaseback transaction**") unless either:

- (A) the Guarantor or such Restricted Subsidiary could create indebtedness secured by an Encumbrance (pursuant to the provisions governing limitations on the creation of

Encumbrances set out above) on the Principal Property to be leased back in an amount equal to the indebtedness attributable to such sale and leaseback transaction without equally and rateably securing the Instruments; or

- (B) the Guarantor, within one year after the sale or transfer will have been made by the Guarantor or a Restricted Subsidiary, applies an amount equal to the greater of (i) the net proceeds of the sale of the Principal Property sold and leased back pursuant to such arrangement or (ii) the fair market value of the Principal Property so sold and leased back at the time of entering into such arrangement (as determined by any two Directors of the Guarantor) to the retirement of indebtedness for money borrowed, incurred or assumed by the Guarantor or any Restricted Subsidiary which by its terms matures at, or is extendible or renewable at the option of the obligor to, a date more than twelve months after the date of incurring, assuming or guaranteeing such indebtedness or to investment in any Principal Property.

**5.04** For the purposes of this Condition 5, the following terms have the following meanings:

<b>“Encumbrance”</b>	means any mortgage, pledge, security interest or lien;
<b>“Principal Property”</b>	means any building, structure or other facility together with the land upon which it is erected and fixtures comprising a part thereof, located in the United States or the United Kingdom, owned or leased by the Guarantor or any Restricted Subsidiary, the gross book value (without deduction of any depreciation reserves) of which on the date as of which the determination is being made exceeds 2% of the consolidated shareholders’ equity of the Guarantor, other than (i) any such building, structure or other facility or portion thereof which, in the opinion of the Board of Directors of the Guarantor, is not of material importance to the total business conducted by the Guarantor and its Subsidiaries as an entirety or (ii) any portion of any such property which, in the opinion of the Board of Directors of the Guarantor, is not of material importance to the use or operation of such property;
<b>“Restricted Subsidiary”</b>	means any Subsidiary (i) substantially all of the physical properties of which are located, or substantially all of the operations of which are conducted, within the United States or the United Kingdom and (ii) which owns a Principal Property. The term does not include any Subsidiary which is principally engaged in leasing or in financing instalment receivables or which is principally engaged in financing the operations of the Guarantor and its consolidated Subsidiaries; and
<b>“Subsidiary”</b>	means a company in respect of which more than 50% of the outstanding voting stock or equity interest having by the terms thereof ordinary voting power to elect a majority of the Board of Directors of such company (irrespective of whether at the time stock of any other class or classes of such company shall have or might have voting power by reason of the happening of the contingency) is at the time directly or indirectly owned or controlled by the Guarantor or by one or more Subsidiaries, or by the Guarantor and one or more Subsidiaries.

## **6. Interest**

### *Interest*

**6.01** Instruments may be interest-bearing or non-interest bearing, as specified in the Final Terms. Words and expressions appearing in this Condition 6 and not otherwise defined herein or in the Final Terms shall have the meanings given to them in Condition 6.14.

### *Interest-bearing Instruments*

**6.02** Instruments which are specified in the Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date.

### *Floating Rate Instruments*

**6.03** The Interest Rate in respect of Floating Rate Instruments for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to any ISDA Determination and/or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

#### *Screen Rate Determination for Floating Rate Instruments referencing EURIBOR*

**6.04** If the applicable Final Terms specify the Screen Rate Determination as the manner in which the Interest Rate is to be determined, and unless the Reference Rate in respect of the relevant Instruments is specified in the applicable Final Terms as being “SONIA”, the Interest Rate applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

- (i) the Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in Euros for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the relevant Issuer (or the Determination Agent appointed by the relevant Issuer) will request appropriate quotations and the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in Euros are offered by four major banks in the Eurozone interbank market selected by the relevant Issuer (or the Determination Agent appointed by the relevant Issuer), at approximately the Relevant Time on the Interest Determination Date to prime banks in the Eurozone interbank market for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted to the relevant Issuer (or the Determination Agent appointed by the relevant Issuer, as applicable); or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted to the relevant Issuer (or the Determination Agent appointed by the relevant Issuer, as applicable) by four major banks in such financial centre or centres in the Eurozone as selected by the relevant Issuer (or the Determination Agent appointed by the relevant Issuer), at approximately 11.00 a.m. local time at such financial centre or centres on the first day of the relevant Interest Accrual Period for loans in Euros to leading European banks for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time, and the Interest Rate applicable to such Instruments during each Interest Accrual Period will be the sum of the relevant margin (the “**Relevant Margin**”) specified in the Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined provided, however, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Instruments during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Instruments in respect of the last preceding Interest Accrual Period.

#### *Screen Rate Determination for Floating Rate Instruments referencing SONIA (Non-Index Determination)*

**6.05** Where (A) the Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined and (B) the Reference Rate is specified in the relevant Final Terms as being SONIA and (C) the Index Determination is specified in the relevant Final Terms as being “Not

Applicable" this condition 6.05 shall apply and the Interest Rate for each Interest Accrual Period will, subject to Condition 6.12, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent.

- (i) For the purposes of this Condition 6.05 the following terms have the following meanings:

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

"**d**" means the number of calendar days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Accrual Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**d<sub>o</sub>**" means the number of London Banking Days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Accrual Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**i**" means a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Accrual Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to, and including, the last London Banking Day in such period;

"**London Banking Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**" for any London Banking Day "i", in the relevant Interest Accrual Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Accrual Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Accrual

Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

"p" for any Interest Accrual Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

"SONIA<sub>i</sub>" means the SONIA Reference Rate for:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant London Banking Day "i"; and

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England's Website at [www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate)) on the London Banking Day immediately following such London Banking Day.

- (ii) If, in respect of any London Banking Day in the relevant Interest Accrual Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 6.12, be:
  - (a) the sum of (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) of the SONIA Reference Rate to the Bank Rate; or
  - (b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (A) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest determined rate under paragraph (a).

- (iii) Subject to Condition 6.12, if the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6.05, the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin relating to the relevant Interest Accrual Period, in place of the Margin relating to that last preceding Interest Accrual Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Instruments for the first Interest Accrual Period had such Instruments been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Accrual Period).
- (iv) If the relevant Instruments become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Instruments became due and payable and the Interest Rate on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

*Screen Rate Determination for Floating Rate Instruments referencing SONIA (Index Determination)*

**6.06**

- (i) Where (A) the Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined (B) the Reference Rate is specified in the relevant Final Terms as being SONIA and (C) the Index Determination is specified in the relevant Final Terms as being "Applicable" this condition 6.06 shall apply and the Interest Rate for each Interest Accrual Period will, subject to Condition 6.12, be calculated in accordance with the following formula:

$$\frac{(\text{Compounded Index End}}{\text{Compounded Index Start}} - 1) \times \frac{365}{d}$$

and rounded to the Relevant Decimal Place, plus or minus (as specified in the relevant Final Terms) the Margin (if any), all as determined and calculated by the Calculation Agent.

- (ii) For the purposes of this Condition 6.06 the following terms have the following meanings:

**"Compounded Index"** means the screen rate or index for compounded daily SONIA rates as published by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

**"d"** is the number of calendar days from (and including) the day on which the Compounded Index Start is determined to (but excluding) the day on which the Compounded Index End is determined;

**"Compounded Index End"** means the Compounded Index value on the day falling the Relevant Number of London Banking Days prior to the Interest Payment Date for such Interest Accrual Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period);

**"London Banking Day"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**"Relevant Decimal Place"** shall, unless otherwise specified in the applicable Final Terms, be the fifth decimal place rounded up or down, if necessary (with 0.000005 being rounded upwards);

**"Relevant Number"** is as specified in the applicable Final Terms, but, unless otherwise specified shall be five; and

**"Compounded Index Start"** means the Compounded Index value on the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Accrual Period.

- (iii) If, with respect to any Interest Accrual Period, the relevant Compounded Index is not published or displayed by the Bank of England (or a successor administrator of SONIA) by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the Bank of England (or a successor administrator of SONIA, as the case may be) on the relevant Interest Determination Date, then the Calculation Agent shall calculate the rate of interest for that Interest Accrual Period as if Index Determination was not specified as being “Applicable” in the applicable Final Terms and as if Index Determination had been specified as being “Not Applicable” instead in the Final Terms, and in each case “Observation Shift” had been specified as the Observation Method in the applicable Final Terms, and where the “Observation Shift Period” for the purposes of that definition in Condition 6.05 shall be deemed to be the same as the Relevant Number specified in the Final Terms and the Relevant Screen Page will be determined by the relevant Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the Compounded Index, the provisions of Condition 6.12 shall apply.
- (iv) If the relevant Instruments become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Instruments became due and payable and the Interest Rate on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

#### *ISDA Rate Instruments*

**6.07** If the ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, each relevant Instrument shall bear interest as from such date, and at such rate or in such amounts, and such interest will be payable on such dates, as would have applied (regardless of any Event of Default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Instrument under the terms of an agreement to which the ISDA Definitions applied and under which:

- (i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:
- (a) then the following shall apply (to the extent applicable):
- the Floating Rate Option (as defined in the applicable ISDA Definitions) is as specified in the relevant Final Terms;
  - the Designated Maturity (as defined in the applicable ISDA Definitions) is as specified in the relevant Final Terms;
  - the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer or the Floating Price Payer (as the case may be) is the Issuer (as specified in the Final Terms);
  - the Effective Date is the Interest Commencement Date;
  - the Termination Date is the Maturity Date;
  - the Calculation Agent is the Calculation Agent as specified in the Final Terms;
  - the Calculation Periods are the Interest Accrual Periods;
  - the Period End Dates are the Interest Period End Dates;
  - the Payment Dates are the Interest Payment Dates;



- the Reset Dates, unless otherwise specified in the relevant Final Terms, are the Interest Period End Dates;
  - the ISDA Calculation Amount is the principal amount of such Instrument;
  - the Day Count Fraction applicable to the calculation of any amount is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the applicable ISDA Definitions;
  - the Applicable Business Day Convention applicable to any date is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the applicable ISDA Definitions;
  - the Confirmation is the relevant Final Terms; and
  - the other terms are as specified in the Final Terms.
- (b) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:
- (A) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method (as defined in the ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms;
  - (B) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method (as defined in the ISDA Definitions), (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
  - (C) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method (as defined in the ISDA Definitions), (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
- (c) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:
- (A) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method (as defined in the ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in relevant Final Terms; and
  - (B) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method (as defined in the ISDA Definitions), (b) Observation Period Shift is the number of Observation

Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

- (C) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method (as defined in the ISDA Definitions), (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
  - (d) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; and
  - (e) for the avoidance of doubt, if the applicable ISDA Definitions specify that the Calculation Agent must exercise any discretion or make any determinations, (including, but not limited to, determinations of alternative or substitute benchmarks, successor reference rates, screen pages, interest adjustment factors/fractions or spreads, market disruptions, benchmark amendment conforming changes or selection and polling of reference banks) when calculating the Interest Rate, the relevant Issuer (or the Determination Agent appointed by the relevant Issuer) will exercise such discretions or make such determinations in place of the Calculation Agent.
- (ii) if the Final Terms specify the "2021 ISDA Definitions" as being the applicable ISDA Definitions:
    - (a) the "Administrator/Benchmark Event" shall be dis-applied; and
    - (b) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

#### *Maximum or Minimum Interest Rate*

**6.08** If any Maximum or Minimum Interest Rate is specified in the Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

#### *Accrual of Interest*

**6.09** Interest shall accrue on the Outstanding Principal Amount of each interest-bearing Instrument during each Interest Accrual Period from and including the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 7.10) is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant

Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent, or as the case may be, the Registrar having received the funds required to make such payment, give notice to the Holders of the Instruments in accordance with Condition 15 that the Issue and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

#### *Interest Amount(s), Calculation Agent and Reference Banks*

**6.10** If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in respect of each denomination of the Instruments (in the case of Bearer Instruments) and the minimum denomination (in the case of Registered Instruments) for the relevant Interest Accrual Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount to be notified to the Issue and Paying Agent, the Registrar (in the case of Registered Instruments), the Issuer, the Holders in accordance with Condition 15 and, if the Instruments are listed on a stock exchange and such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to stock exchange, the time required by the relevant stock exchange. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of an Instrument having the minimum Specified Denomination. If the Instruments become due and payable under Condition 8, the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition. The determination of each Interest Rate, Interest Amount and Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent, shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it. The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Instruments and a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

#### *Calculations and Adjustments*

**6.11** The amount of interest payable in respect of any Instrument for any period shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount by the Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Instrument divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than Euros, the lowest amount of such currency that is available as legal tender in the country of such currency, and in the case of euro means one cent, save that if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such Instrument for such period will be equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods. For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to

0.00001%), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

#### *Benchmark Discontinuation*

##### **6.12 (A) Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any Interest Rate (or any component part thereof) to be determined by reference to such Original Reference Rate then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.12(B)) and, in either case, an Adjustment Spread (in accordance with Condition 6.12(C)) and any Benchmark Amendments (in accordance with Condition 6.12(D)).

An Independent Adviser appointed hereunder shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Issue and Paying Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Interest Rate, or the Holders of Instruments for any determination made by it pursuant to this Condition 6.12.

##### *(B) Successor Rate or Alternative Rate*

If the Independent Adviser acting in good faith and in a commercially reasonable manner and, following consultation with the Issuer, determines that:

- (i) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 6.12(C)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate(s) (or the relevant component part(s) thereof) for the immediately following Interest Period and all subsequent Interest Periods (subject to the further operation of this Condition 6.12); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 6.12(C)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant subsequent payments of interest on the Instruments (subject to the further operation of this Condition 6.12).

##### *(C) Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 6.12(B), the Independent Adviser, acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and for the avoidance of doubt an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

##### *(D) Benchmark Amendments*

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 6.12 and the Independent Adviser acting in good faith and in a commercially reasonable manner and, following consultation with the Issuer, determines:

- (i) that amendments to these Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention or Relevant Screen Page) are necessary to follow market practice or to ensure the proper operation of such

Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and

(ii) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.12(E), without any requirement for the consent or approval of the Holders of Instruments, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice for all relevant future payments of interest on the Instruments (subject to the further operation of this Condition 6.12). For the avoidance of doubt, the Issue and Paying Agent, the Registrar and the other paying agents named in the Issue and Paying Agency Agreement shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Issue and Paying Agency Agreement and these Conditions as may be required in order to give effect to this Condition 6.12.

(E) *Notices, etc.*

The Issuer shall notify the Issue and Paying Agent, any other party specified in the Final Terms as being responsible for calculating the Interest Rate, the Issue and Paying Agent and, in accordance with Condition 15, the Holders of Instruments promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6.12. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and the applicable Adjustment Spread and the Benchmark Amendments (if any) will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the applicable Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Issue and Paying Agent, any other party specified in the Final Terms as being responsible for calculating the Interest Rate, the Paying Agents and the Holders.

(F) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under the provisions of this Condition 6.12, the Original Reference Rate and the relevant fall-back provisions provided for in Conditions 6.04 to 6.06 will (as applicable) continue to apply unless and until a Benchmark Event has occurred.

(G) *Fall-backs*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Interest Rate on the relevant Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) the applicable Adjustment Spread is determined and notified to the Issue and Paying Agent or any other party specified in the Final Terms as being responsible for calculating the Interest Rate (as applicable), in each case pursuant to this Condition 6.12, prior to such Interest Determination Date, the Original Reference Rate will continue to apply for the purposes of determining such Interest Rate on such Interest Determination Date, with the effect that the relevant fall-back provisions provided for in Conditions 6.04 to 6.06 will (as applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 6.12(G) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date only, and the Interest Rate applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.12.

*Final Interest Bearing Instruments*

**6.13** If any Redemption Amount (as defined in Condition 7.10) in respect of any Instrument which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in, or determined in accordance with the provisions of, the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent or, as the case

may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 15 that the Issue and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 6.11 as if the Interest Rate was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 6.14).

## *Definitions*

### **6.14**

**“2006 ISDA Definitions”** means, in relation to any Series of Instruments, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Instruments of the relevant Series) as published by the International Swaps and Derivatives Association Inc.

**“2021 ISDA Definitions”** means, in relation to any Series of Instruments, the latest version of the 2021 ISDA Definitions, including each Matrix (as defined therein (and any successor Matrix thereto)), each as published by the International Swaps and Derivatives Association Inc on the date of issue of the first Tranche of Instruments of the relevant Series.

**“Adjustment Spread”** means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in either case, which is to be applied to the relevant Successor Rate or Alternative Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of an Alternative Rate or where (i) above does not apply in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iii) if the Independent Adviser determines that neither (i) nor (ii) above applies, the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Holders of the Instruments as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**“Alternative Rate”** means an alternative benchmark or screen rate to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 6.12 has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Instruments, or if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Original Reference Rate.

**“Applicable Business Day Convention”** means the “Business Day Convention” which may be specified in the Final Terms as applicable to any date in respect of the Instruments. Where the Final Terms specifies “No Adjustment” in relation to any date, such date shall not be adjusted in accordance with any Business Day Convention. Where the Final Terms fails either to specify an applicable Business Day Convention or “No Adjustment” for the purposes of an Interest Payment Date or an Interest Period End Date, then in the case of Instruments which bear interest at a fixed rate, “No Adjustment” shall be deemed to have been so specified and in the case of Instruments which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

**“Banking Day”** means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

**“Benchmark Amendments”** has the meaning given to it in Condition 6.12.

**“Benchmark Event”** means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate), and (b) the date falling six months prior to the specified date referred to in (ii)(a); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed; or
- (v) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued, and (b) the date falling six months prior to the specified date referred to in (v)(a); or
- (vi) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date, and (b) the date falling six months prior to the specified date referred to in (vi)(a); or
- (vii) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the Issue and Paying Agent or any other party specified in the applicable Final Terms as being responsible for calculating the Interest Rate or any Paying Agent to calculate any payments due to be made to any Instrument holder using the Original Reference Rate.

**“Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settle payments in the Relevant Financial Centre in respect of the relevant Instruments or, in relation to Instruments payable in Euros, which is a TARGET Settlement Day.

**“Business Day Convention”** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Instruments, shall have the following meanings:

- (i) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and

- (iv) **“FRN Convention” or “Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred *provided that*:
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

**“Calculation Amount”** has the meaning given to it in the relevant Final Terms.

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if **“Actual/Actual (ICMA)”** is so specified, means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **“30/360”** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows



$$[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)$$

$$\text{Day Count Fraction} = \frac{\quad}{360}$$

where:

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

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

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

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

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

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

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

$$[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)$$

$$\text{Day Count Fraction} = \frac{\quad}{360}$$

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

*provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.*

**"Determination Agent"** means an investment bank, financial institution of international standing or an independent financial adviser with appropriate expertise selected by the relevant Issuer.

**"EURIBOR"** means the Euro inter-bank offered rate.

**"Eurozone"** means the region comprising the Member States of the European Union which adopt or have adopted the Euro as their lawful currency in accordance with the Treaty establishing the European Community, as amended.

**"Floating Rate Instrument"** means interest-bearing Instruments where the relevant Final Terms specify that the Interest Rate applicable to such Instruments is a Floating Rate.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 6.12.

**"Interest Accrual Period"** means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of final maturity.

**"Interest Commencement Date"** means the date of issue of the Instruments (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

**“Interest Determination Date”** means, in respect of any Interest Accrual Period, the date specified in the Final Terms, or if none is specified:

- (i) in the case of Floating Rate Instruments denominated in Pounds Sterling where the Reference Rate is specified in the relevant Final Terms as being “SONIA”, means the date falling “p” London Banking Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Instruments are due and payable); or
- (ii) in the case of Floating Rate Instruments denominated in Euros, the date falling two TARGET Settlement Days prior to the first day of such Interest Accrual Period; or
- (iii) in any other case, the date falling two London Banking Days prior to the first day of such Interest Accrual Period.

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the date of issue of the Instruments (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

**“Interest Period”** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

**“Interest Period End Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

**“Interest Rate”** means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Instruments specified in, or calculated or determined in accordance with the provisions of, the Final Terms.

**“ISDA Definitions”** has the meaning given to it in the applicable Final Terms.

**“Margin”** has the meaning given to it in the applicable Final Terms.

**“Original Reference Rate”** means the originally specified Reference Rate in the Final Terms used to determine the relevant Interest Rate (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate).

**“Outstanding Principal Amount”** means, in respect of an Instrument in the denomination specified in the Final Terms, its principal amount.

**“Reference Banks”** means such banks as may be specified in the Final Terms as the Reference Banks or, if none specified, **“Reference Banks”** has the meaning given in the ISDA Definitions, *mutatis mutandis*.

**“Reference Rate”** means the rate as specified in the applicable Final Terms, being either of SONIA or EURIBOR. The term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 6.12, include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate.

**“Regular Period”** means:

- (i) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**“Relevant Financial Centre”** means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of “Business Day” in the ISDA Definitions, as modified or supplemented in the Final Terms.

**“Relevant Nominating Body”** means, in respect of an Original Reference Rate:

- (i) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Original Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**“Relevant Time”** means the time as of which any rate is to be determined as specified in the Final Terms or, if none is specified, at which it is customary to determine such rate.

**“Successor Rate”** means a successor to, or replacement of, the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

**“TARGET Settlement Day”** means any day on which T2 is open for the settlement of payments in euro.

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system thereto.

## 7. Redemption and Purchase

### *Redemption at Maturity*

**7.01** Unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the Final Terms as having no fixed maturity date, each Instrument shall be redeemed at its maturity redemption amount (the “**Maturity Redemption Amount**”) (which shall be its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the Final Terms) on the date or dates (or, in the case of Instruments which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

### *Early Redemption or Substitution for Taxation Reasons*

**7.02** If, in relation to any Series of Instruments as a result of any change in the laws, regulations or rulings of either (or both) of the country of incorporation and, if different, the country of tax residence of the Issuer or (if applicable) the Guarantor, or of any political subdivision thereof or any authority or agency therein or thereof having power to tax, or in the official interpretation or administration of any such laws, regulations or rulings which become effective on or after the date of issue of the first Tranche of such Instruments, the Issuer or, if any payment were then due under the Guarantee, the Guarantor, would be required to pay additional amounts as provided in Condition 9, the Issuer or, as the case may be, the Guarantor may, at its option and having given no less than 30 nor more than 60 days’ notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holder of the Instruments in accordance with Condition 15 (which notice shall be irrevocable):

- (A) redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the “**Early Redemption Amount (Tax)**”) (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.12) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Instruments or the Guarantee then due; or
- (B) substitute, without the consent of any Holders of Instruments provided that no payment in respect of any such Series is overdue, an Affiliate of the Guarantor to assume liability for the due and punctual payment of all payments on all Instruments then outstanding in the relevant Series and the performance of all the Issuer’s other obligations under all the Instruments then outstanding in the relevant Series, the Issue and Paying Agency Agreement and the Deed of Covenant.

Upon any substitution pursuant to Condition 7.02(B), the assuming company shall succeed to the rights and obligations of the Issuer (or any previous assuming company) under the Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant and the Issuer (or any previous assuming company) shall be released from its liability on the Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant. Such assumptions shall be permitted only if the assuming company and the Guarantor enter into a deed poll (the “**Deed Poll**”) whereby (i) the assuming company assumes the obligations of the Issuer (or any previous assuming company) under the Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant, (ii) the assuming company and the Guarantor agree to indemnify each Holder and, if appropriate, each Accountholder (as defined in the Deed of Covenant) against (A) any tax, duty, fee or governmental charge which is imposed on such

Holder with respect to such Instrument or, as the case may be, the Deed of Covenant and which would not have been so imposed had such assumption not been made, (B) any tax, duty, fee or governmental charge imposed on or relating to the act of assumption and (C) any costs or expenses of the act of assumption, (iii) the Guarantor shall unconditionally guarantee (irrespective of the validity, regularity or enforceability against the assuming company of any Instrument, the Deed of Covenant, the Issue and Paying Agency Agreement or of any action to enforce the same), all payments in respect of the Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed Poll (upon the terms of the original guarantee in respect of the original Issuer's obligations) and (iv) the assuming company and the Guarantor shall warrant that all necessary governmental approvals and consents for the assumption by the assuming company of its obligations and the giving and implementation of the guarantee have been obtained and are in full force and the obligations of the assuming company under the Instruments, the Deed of Covenant, the Issue and Paying Agency Agreement and the Deed Poll and of the Guarantor under its guarantee to guarantee payments in respect of the Instruments, the Deed of Covenant, the Issue and Paying Agency Agreement and the Deed Poll are legal, valid, binding and enforceable provided that no substitution shall take place pursuant to Condition 7.02(B) unless the assuming company, the Issuer (or any previous assuming company) and the Guarantor shall have obtained legal opinions containing no untoward qualifications from independent legal advisers in the country of incorporation of the assuming company, the country of incorporation of the Issuer and in England to the effect that the obligations of the assuming company and of the Guarantor are legal, valid and binding and that all consents and approvals as aforesaid have been obtained.

As used herein "**Affiliate**" means any entity controlled, directly or indirectly, by the Guarantor, any entity that controls the Issuer, directly or indirectly, or any entity under common control with the Issuer. For this purpose "control" of the Issuer or any entity means ownership of a majority of the voting power of the Issuer or such entity.

Not less than 30 nor more than 90 days prior to the effective date of the assumption by the assuming company, the Issuer shall procure the notification to the Holders, in accordance with Condition 15, of the assumption and stating that copies, or pending execution thereof final drafts, of the Deed Poll and other relevant documents and of the legal opinions are available for inspection by Holders at the specified offices of the Issue and Paying Agent and the Registrar. The originals of the Deed Poll and other documents will be delivered to the Issue and Paying Agent to hold until there are no claims outstanding in respect of the Instruments, the Deed of Covenant, the Issue and Paying Agency Agreement or the Deed Poll. The assuming company and the Guarantor shall in the Deed Poll acknowledge the right of every Holder of any Instrument or, as the case may be, every Accountholder to inspect such documents at the offices of the Issue and Paying Agent.

Upon the assumption becoming effective, references in these Conditions to the country of incorporation of the Issuer and, if different, the country of tax residence of the Issuer, shall be read and construed as including references to the country of incorporation and, if different, the country of tax residence of the assuming company instead of or in addition to (as the case may be) references to the country of incorporation of the Issuer and, if different, the country of tax residence of the Issuer.

The Issuer or, as the case may be, the Guarantor may not exercise the options referred to in this Condition 7.02 in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.07.

#### *Optional Early Redemption (Call)*

**7.03** If this Condition 7.03 is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specifies otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the "**Early Redemption Amount (Call)**") (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.12) or such other redemption amount as may be specified in, or determined in accordance with the provisions of the Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.07.

**7.04** The appropriate notice referred to in Condition 7.03 is a notice given by the Issuer to the Issue and Paying Agent, the Registrar (in the case of Registered Instruments) and the Holders of the Instruments of the relevant Series in accordance with Condition 15, which notice shall be irrevocable (other than in the circumstances specified in Condition 7.04(E) below) and shall specify:

- (A) the Series of Instruments subject to redemption;
- (B) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;
- (C) the due date for such redemption, which shall be not less than ten days nor more than 30 days after the date on which such notice is given and which shall be such date or the next of such dates, each being a “**Call Option Date**”, or a day falling within such period (“**Call Option Period**”), as may be specified in the Final Terms and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable;
- (D) the applicable amount specified in the relevant Final Terms as the Early Redemption Amount (Call) at which such Instruments are to be redeemed; and
- (E) whether the notice shall be made subject to one or more conditions precedent, in which case the notice shall state that, in the Issuer’s sole discretion, the Call Option Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Call Option Date, or by the Call Option Date so delayed.

**7.05** If, in respect of any Call Option Date, either the Spens Amount or the Make Whole Redemption Amount is specified in the applicable Final Terms as the Early Redemption Amount (Call), and due notice is given in accordance with Condition 7.04, the Early Redemption Amount (Call) shall, in respect of Instruments to be redeemed, be:

- (i) if Spens Amount is specified in the applicable Final Terms, an amount equal to the higher of (A) 100 per cent. of the principal amount outstanding of such Instruments and (B) the principal amount outstanding of such Instruments multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Calculation Agent (if applicable), at which the Gross Redemption Yield on such Instruments on the Reference Date is equal to the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, as determined by the Calculation Agent; or
- (ii) if Make Whole Redemption Amount is specified in the applicable Final Terms, an amount equal to the higher of (A) 100 per cent. of the principal amount outstanding of such Instruments and (B) the principal amount outstanding of such Instruments multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Calculation Agent (if applicable), at which the yield to Maturity on such Instruments on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin, as determined by the Calculation Agent.

In this Condition 7.05:

“**DA Selected Bond**” means the government security or securities selected by the relevant Issuer (or the Determination Agent appointed by the relevant Issuer) as having an actual or interpolated maturity comparable with the Maturity of the Instruments, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Instruments and of a comparable maturity to the remaining term of the Instruments;

**“Gross Redemption Yield”** means, with respect to a security, the gross redemption yield on such security to Maturity, expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper *“Formulae for Calculating Gilt Prices from Yields”*, page 4, Section One: Price/Yield Formulae *“Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date”* (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Calculation Agent;

**“Maturity”** means, with respect to a security, its maturity date or, if Par Call Period is specified in the applicable Final Terms, to the Par Call Commencement Date;

**“Quotation Time”** has the meaning given in the applicable Final Terms;

**“Redemption Margin”** has the meaning given to it in the applicable Final Terms;

**“Reference Bond”** has the meaning given in the applicable Final Terms or, if not so specified or to the extent that such Reference Bond specified in the applicable Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

**“Reference Bond Price”** means, with respect to any Reference Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if fewer than four such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

**“Reference Bond Rate”** means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

**“Reference Date”** has the meaning given in the applicable notice of redemption;

**“Reference Government Bond Dealer”** means each of four banks selected by the Issuer (following, where practicable, consultation with the Calculation Agent, if applicable), or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues; and

**“Reference Government Bond Dealer Quotations”** means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer.

#### *Partial Redemption*

**7.06** If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 7.03:

- in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot in such European city as the Issue and Paying Agent may specify or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair; and
- in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof,



subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.09 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

#### *Optional Early Redemption (Put)*

**7.07** If this Condition 7.07 is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date or the next of the dates specified in the relevant Put Notice (as defined below) at its put early redemption amount (the “**Early Redemption Amount (Put)**”) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.12) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (“**Put Date(s)**”) or a day falling within such period (“**Put Period**”) as may be specified in the Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Instrument in bearer form, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 10A.06 apply) during normal business hours at the specified office of, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed early redemption price (“**Put Notice**”) in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). No Instrument so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.07 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 7.02 or 7.03.

#### *Purchase of Instruments*

**7.08** The Issuer or any of its subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price.

#### *Cancellation of Redeemed and Purchased Instruments*

**7.09** All unmatured Instruments and Coupons and unexchanged Talons redeemed or purchased in accordance with this Condition 7 may be held, cancelled, reissued or resold.

#### *Other Provisions applicable to Redemption Amount*

**7.10** References herein to “**Redemption Amount**” shall mean, as appropriate, the Maturity Redemption Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put), Early Redemption Amount (Clean-up Call) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of the Final Terms.

**7.11** The provisions of Condition 6.10 and Condition 6.11 shall apply to any determination or calculation of the Redemption Amount required by the Final Terms to be made by the Calculation Agent.

**7.12** In the case of any Instrument which is non-interest bearing, the “**Amortised Face Amount**” shall be an amount equal to the sum of:

- (i) the Reference Price (as specified in the Final Terms); and
- (ii) the product of the Amortisation Yield (as specified in the Final Terms) (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 6.11) specified in the Final Terms for the purposes of this Condition 7.12.

**7.13** In the case of any Instrument which is non-interest bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 7.12 but as if references in sub-paragraph (ii) to the date fixed for redemption or the date upon which such Instrument becomes due and repayable were replaced by references to the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 15 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

#### *Clean-up Call Option*

**7.14** If this Condition 7.14 is specified in the Final Terms as being applicable, then the Issuer may, at its option, having given not less than ten nor more than 30 days' notice (or such other notice period as may be specified in the applicable Final Terms) to the Holders of the Instruments in accordance with Condition 15 (which notice shall be irrevocable), redeem all (but not some only) of the Instruments of the relevant Series for the time being outstanding, if, immediately prior to the date that such notice is given, 75 per cent. or more of the aggregate nominal amount originally issued of the Instruments of such Series have been redeemed or purchased and cancelled, provided that those Instruments that are no longer outstanding have not been redeemed (and subsequently cancelled) by the Issuer. Any such redemption shall be at their clean-up call early redemption amount (the “**Early Redemption Amount (Clean-up Call)**”) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.12) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

## **8. Events of Default**

**8.01** The following events constitute Events of Default in relation to the Instruments of any Series:

- (A) failure to pay any interest or additional amounts in respect of interest on any such Instruments when due, and such failure continues for 30 days;

- (B) failure to pay principal or additional amounts with respect to payment of principal of any such Instruments when due (and, in the case of technical or administrative difficulties only, such failure continues for five days);
- (C) failure to perform any other covenant of the Issuer or the Guarantor under such Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant, and such failure continues for 90 calendar days after written notice to the Issue and Paying Agent by the holders of at least 10% in aggregate principal amount of the outstanding Instruments of such Series specifying such default or breach and requiring it to be remedied;
- (D) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, examination, reorganisation or other similar law, or (ii) a decree or order adjudging the Issuer or the Guarantor bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, examination, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law of the jurisdiction of incorporation of the Issuer or, in the case of the Guarantor, England and Wales, or appointing a custodian, receiver, liquidator, examiner, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstated and in effect for a period of 90 consecutive days;
- (E) the commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, examination, reorganisation or other similar law of the jurisdiction of incorporation of the Issuer or, in the case of the Guarantor, England and Wales or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, examination, reorganisation or other similar law of the jurisdiction of incorporation of the Issuer or, in the case of the Guarantor, England and Wales, or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganisation, examination or relief under any applicable law of the jurisdiction of incorporation of the Issuer or, in the case of the Guarantor, England and Wales, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, examiner, assignee, trustee, sequestrator or other similar official of the Issuer or of the Guarantor or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer or the Guarantor in furtherance of any such action; or
- (F) the Guarantee is not, or is claimed by the Guarantor not to be, in full force and effect.

**8.02** If an Event of Default with respect to any Series of Instruments shall occur and be continuing, the Holders of at least 25% in aggregate principal amount of the outstanding Instruments of the relevant Series may give notice to the Issuer (which notice shall be accompanied by the certificate referred to in Condition 8.03 below) that the Instruments of the relevant Series and (if the Instruments are interest-bearing) all interest then accrued on such Instruments are to be forthwith due and payable, whereupon each such Instrument shall become immediately due and payable at its early termination amount (the “**Early Termination Amount**”) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.12) (or at such other amount as will be specified in the relevant Final Terms) together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind and of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless prior to the time when the Issuer receives such notice all Events of Default in respect of all such Instruments shall have been cured.

**8.03** In order to give the notice referred to in Condition 8.02 above, a Holder shall, in the case of Bearer Instruments, deposit such Instruments with the Issue and Paying Agent and obtain a certificate from the Issue and Paying Agent in the form of the Eleventh Schedule to the Issue and Paying Agency Agreement or, in

the case of Registered Instruments, obtain a certificate from the Registrar in the form of the Eleventh Schedule to the Issue and Paying Agency Agreement. In either case, no transfer of the Instruments specified in such certificate shall be permitted for a period of 15 days from the date of such certificate.

## 9. Taxation

**9.01** All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Instruments and the Guarantee will be made free and clear of and without withholding or deduction 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 the country of incorporation of the Issuer or the Guarantor and, if different, the country of tax residence of the Issuer or the Guarantor (the “**Taxing Jurisdiction**”), or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or by the administration or official interpretation thereof. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) presented for payment by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Taxing Jurisdiction other than the mere holding of such Instrument or Coupon;
- (ii) in relation only to any Bearer Instrument or Coupon, presented for payment more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of 30 days;
- (iii) presented for payment by or on behalf of a Holder who would not be liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon if such Holder had made a declaration of non-residence or similar claim for exemption to any relevant tax authority; and
- (iv) for or on account of any deduction or withholding arising under the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), as amended, on payments due by the Dutch Issuer to a holder of Instruments or Coupons affiliated (*gelieerd*) to it within the meaning of the Dutch Withholding Tax Act 2021 as at the date of this Prospectus.

**9.02** For the purposes of these Terms and Conditions, the “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means in relation to such unreceived part the first date on which the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 15.

**9.03** If the Issuer or, as the case may be, the Guarantor becomes subject generally at any time to any taxing jurisdiction other than or in addition to the Taxing Jurisdiction, references in Condition 9.01 to the Taxing Jurisdiction shall be read and construed as references to the Taxing Jurisdiction and/or to such other jurisdiction(s).

**9.04** Any reference in these Terms and Conditions to “**principal**” and/or “**interest**” in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 9. Unless the context otherwise requires, any reference in these Terms and Conditions to “principal” shall include any premium payable in respect of an Instrument, any Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “interest” shall include all amounts payable pursuant to Condition 6 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

## **10. Payments**

### **10A Payment – Bearer Instruments**

**10A.01** This Condition 10A is applicable in relation to Instruments in bearer form. If the Final Terms specifies that a Bearer Instrument may be exchanged for a Registered Instrument, Condition 10B below will be applicable to any payments after such exchange.

**10A.02** Payment of amounts (including accrued interest) due in respect of the redemption of Bearer Instruments will be made against presentation and surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

**10A.03** Payment of amounts due in respect of interest on Bearer Instruments will be made:

- (i) in the case of Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Instruments at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States; and
- (ii) in the case of Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States.

**10A.04** Conditions 10A.02 and 10A.03 notwithstanding, payments of amounts due in respect of interest on the Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 10A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

**10A.05** If the due date for payment of any amount due in respect of any Instrument is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day (or as otherwise specified in the Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions (in which event interest shall continue to accrue as provided in Condition 6.09 or, if appropriate, Condition 6.13).

**10A.06** Each Instrument initially delivered with Coupons or Talons attached thereto should be presented and surrendered for final redemption together with all unmatured Coupons and Talons relating thereto, failing which:

- (i) if the Final Terms specifies that this paragraph (i) of Condition 10A.06 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified

office of any of the Paying Agents at any time within five years of the Relevant Date applicable to payment of such Redemption Amount;

- (ii) if the Final Terms specifies that this paragraph (ii) of Condition 10A.06 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or at a margin above or below a floating rate or, otherwise, in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 10A.06 notwithstanding, if any Instruments should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to an Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

**10A.07** In relation to Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 10A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 11 below. Each Talon shall, for the purpose of these Conditions be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **10B Payments – Registered Instruments**

**10B.01** This Condition 10B is applicable in relation to Instruments in registered form.

**10B.02** Payment of the Redemption Amount (together with accrued interest) due in respect of Registered Instruments will be made against presentation and surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the Redemption Amount of any Registered Instrument is not a Relevant Financial Centre Day (as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 6.09 or, as appropriate, Condition 6.13.

**10B.03** Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.06) before the due date for such payment (the “**Record Date**”).

**10B.04** Notwithstanding the provisions of Condition 10C.02, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due by cheque and posted at the Holder's risk to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in each case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these each Terms and Conditions in which event interest shall continue to accrue as provided in Condition 6.09 or, as appropriate, Condition 6.13.

## **10C Payments – General Provisions**

**10C.01** Save as otherwise specified in these Terms and Conditions, this Condition 10C is applicable in relation to Instruments whether in bearer or in registered form.

**10C.02** Payments of amounts due (whether principal, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; but, in either case, without prejudice to the provisions of Condition 9.

**10C.03** For the purposes of these Terms and Conditions:

- (i) “**Relevant Financial Centre Day**” means, in the case of any currency other than Euros, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other Relevant Financial Centre specified in the Final Terms or in the case of payment in Euros, a day which is a TARGET Settlement Day; and
- (ii) “**Local Banking Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

**10C.04** No commissions or expenses shall be charged to the Holders of Instruments or Coupons in respect of such payments.

## **11. Prescription**

**11.01** Claims against the Issuer or the Guarantor for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 9.02) for payment thereof.

**11.02** In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 10A.06 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 11 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

## **12. The Paying Agents, the Registrar and the Calculation Agent**

**12.01** The initial Paying Agents and Registrar and their respective initial specified offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent), the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or Calculation Agent provided that they will at all times maintain (i) an Issue and Paying Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) so long as the Instruments are listed on the Official List of the Financial Conduct Authority and the rules of the Financial Conduct Authority so require, a Paying Agent (which may be the Issue and Paying Agent) and a Registrar each with a specified office in the United Kingdom (iv) in the circumstances described in Condition 10A.04, a Paying Agent with a specified office in New York City, (v) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments (in the case of (i), (ii) and (v) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 15.

**12.02** The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and the Guarantor and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

## **13. Replacement of Instruments**

If any Instrument, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Final Terms (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments) ("**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange or listing authority on which the Instruments are traded or listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer, the Guarantor and the Replacement Agent may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

## **14. Meetings of Holders and Modification**

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. An Extraordinary Resolution passed by a written resolution or at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series, except that any modification, *inter alia*, varying the date of maturity of Instruments of any Series or any date for payment of interest thereon, or reducing or cancelling the principal amount or the redemption amount, as the case may be, or the interest payment in respect of such Instruments or Coupons or altering the currency or payment of Instruments of any Series or the Coupons thereto to be effected by the Extraordinary Resolution passed at a meeting of the Holders of such Instruments, will only be binding if passed at a meeting of Holders of such Instruments (or at any adjournment thereof) at which a special quorum provided for in the Issue and Paying Agency Agreement is present.

The Issue and Paying Agency Agreement may be amended by further agreement among the parties thereto without the consent of the Holders of any Instruments or Coupons.

The Issuer may, with the consent of the Issue and Paying Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions and the Deed of Covenant insofar



as they may apply to such Instruments and modify the Instruments if such amendment or modification is not materially prejudicial to the interests of the Holders of such Instruments or Coupons or which is of a formal, minor or technical nature or to any modification which is necessary to correct a manifest error. Subject as aforesaid, no other modification may be made to these Terms and Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

In addition, pursuant to Condition 6.12, certain changes may be made to these Terms and Conditions in the circumstances and as otherwise set out in such Condition without the requirement for the consent of the Holders of the Instruments of any Series or Coupons.

## **15. Notices**

### *To Holders of Bearer Instruments*

**15.01** Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and/or, if such publication is not practicable if published in a leading English language daily newspaper having general circulation in Europe (or, if permitted by the relevant stock exchange, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Instruments are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

### *To Holders of Registered Instruments*

**15.02** Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the second Business Day after the date of such mailing or, if posted from another country, on the fifth such Business Day.

## **16. Further Issues**

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons but with the consent of the Guarantor, if applicable, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) and having the benefit of the Guarantee so as to form a single series with the Instruments of any particular Series.

## **17. Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **18. Law and Jurisdiction**

**18.01** The Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Guarantee and all non-contractual obligations arising out of or in connection therewith are governed by English law.

**18.02** The courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Instruments (including any non-contractual obligation arising out of or in connection with any of them) (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, the Issuer and the Guarantor irrevocably submit to the jurisdiction of such courts.

**18.03** The Issuer irrevocably waives and the Guarantor has waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and the Issuer agrees, and the Guarantor has agreed, not to claim that any such court is not a convenient or appropriate forum.

**18.04** The Issuer (if incorporated outside England and Wales) agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the Guarantor at 16 Great Marlborough Street, London, W1F 7HS or its registered office for the time being or any address of the Issuer in Great Britain on which process may be served on it in accordance with section 1139 of the Companies Act 2006 (as modified or re-enacted from time to time). If the appointment of the person mentioned in this Condition 18.04 ceases to be effective, such Issuer shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to the Issue and Paying Agent and, failing such appointment within 15 days, any Holder of an Instrument shall be entitled to appoint such a person by written notice addressed to such Issuer and delivered to such Issuer or to the specified office of the Issue and Paying Agent. Nothing contained herein shall affect the right of any Holder of an Instrument to serve process in any other manner permitted by law.

**18.05** The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Instruments or any one of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

## **19. Third Parties**

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

## 7. PROVISIONS RELATING TO THE INSTRUMENTS WHILST IN GLOBAL FORM

### (A) Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of an Instrument represented by a “**Global Instrument**” (which expression includes a Temporary Global Instrument and a Permanent Global Instrument and any Global Instrument issued in NGN form) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person’s share of each payment made by the relevant Issuer (the “**Issuer**”) or the Guarantor to the bearer of such Global Instrument (or the registered holder of the Global Registered Instrument, as the case may be), and in relation to all other rights arising under the Global Instruments, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Instruments for so long as the Instruments are represented by such Global Instrument or Global Registered Instrument and such obligations of the Issuer and the Guarantor will be discharged by payment to the bearer of such Global Instrument (or the registered holder of the Global Registered Instrument, as the case may be), in respect of each amount so paid. References in these provisions relating to the Instruments in global form to “**holder**” or “**accountholder**” are to those persons shown in the records of the relevant clearing system as a holder of an Instrument.

### (B) Form and Exchange – Bearer Global Instruments

- (1) *TEFRA D or TEFRA C*: The Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) shall apply. Each Tranche of Bearer Instruments is represented upon issue by a temporary global Instrument (a “**Temporary Global Instrument**”), unless the Final Terms specifies otherwise and the TEFRA D Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Instruments specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Instrument.

Interests in a Temporary Global Instrument may be exchanged for:

- (i) (if the Temporary Global Instrument is not in NGN form) interests in a permanent global Instrument (a “**Permanent Global Instrument**”) or (if the Temporary Global Instrument is in NGN form) interests in a Permanent Global Instrument, as recorded in the records of Euroclear and Clearstream, Luxembourg; or
- (ii) if so specified in the Final Terms, definitive Instruments in bearer form (“**Definitive Instruments**”),

and/or (if so specified in the Final Terms) Registered Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, interests in a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Instruments will be made at any time or from such date as may be specified in the Final Terms, in each case without any requirement for certification.

- (2) *Limitation on entitlement under a Temporary Global Instrument after exchange date*: Holders of interests in any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent

Global Instrument or for delivery of Definitive Instruments and/or Registered Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the exchange date or be entitled to exercise any option on a date after the exchange date.

- (3) *Certification of non-U.S. beneficial ownership:* Unless the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments and subject to paragraph (2) above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Instrument or (subject to paragraph (2) above) a Temporary Global Instrument (if the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.
  
- (4) *Exchange for Definitive Instruments:* Interests in a Permanent Global Instrument will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the Holder of such Global Instrument, for Definitive Instruments and/or (if so specified in the Final Terms) Registered Instruments (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 occurs. Whenever a Permanent Global Instrument is to be exchanged for Definitive Instruments and/or Registered Instruments, the Issuer shall procure the prompt delivery of such Definitive Instruments and/or Registered Instruments, duly authenticated and where and to the extent applicable, with Coupons and Talons attached (each as defined in Condition 1.02), in an aggregate principal amount equal to the principal amount of such Permanent Global Instrument to the Holder of the Permanent Global Instrument against its surrender at the specified office of the Issue and Paying Agent within 30 days of the Holder requesting such exchange. Furthermore, if:
  - (i) Definitive Instruments have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the Holder has requested exchange, or
  - (ii) the Permanent Global Instrument (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Instrument has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in Condition 7.10) together with all accrued interest thereon has not been made to the Holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Instrument (including the obligation to deliver Definitive and/or Registered Instruments) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the Holder of the Permanent Global Instrument will have no further rights thereunder (but without prejudice to the rights which such Holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Instruments will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Instrument became void, they

had been the Holders of Definitive Instruments in an aggregate principal amount equal to the principal amount of Instruments they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

**(C) Form and Exchange – Global Registered Instruments**

- (1) *Global Registered Instrument:* Registered Instruments held in Euroclear and/or Clearstream, Luxembourg (or any other clearing system) will be represented by a Global Registered Instrument which will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg (or such other relevant clearing system).
- (2) *Exchange:* The Global Registered Instrument will become exchangeable in whole, but not in part, for individual Registered Instruments if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, (b) any of the circumstances described in Condition 8 occurs, or (C) at any time at the request of the registered Holder if so specified in the Final Terms.

Whenever the Global Registered Instrument is to be exchanged for Registered Instruments, such Registered Instruments will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Instrument within five business days of the delivery, by or on behalf of the registered Holder of the Global Registered Instrument, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Registered Instruments (including, without limitation, the names and addresses of the persons in whose names the Registered Instruments are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Instrument at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Issue and Paying Agency Agreement and the regulations concerning the transfer and registration of Instruments scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If (a) Registered Instruments have not been issued and delivered by 5.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Registered Instrument or (b) any of the Instruments evidenced by the Global Registered Instrument has become due and payable in accordance with the Conditions or the date for final redemption of the Instruments has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the Holder of the Global Registered Instrument on the due date for payment in accordance with the terms of the Global Registered Instrument, then the Global Registered Instrument (including the obligation to deliver Registered Instruments) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the Holder will have no further rights thereunder (but without prejudice to the rights which the Holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Instruments will acquire directly against the Issuer and the Guarantor all those rights to which they would have been entitled if, immediately before the Global Registered Instrument became void, they had been the registered Holders of Instruments in an aggregate principal amount equal to the principal amount of Instruments they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

**(D) Amendment to Conditions**

The Temporary Global Instruments, Permanent Global Instruments and Global Registered Instruments contain provisions that apply to the Instruments that they represent, some of which modify the effect of the Terms

and Conditions of the Instruments set out in this Prospectus. The following is a summary of certain of those provisions:

- (1) *Meetings:* The holder of a Permanent Global Instrument or of the Instruments represented by a Global Registered Instrument shall (unless such Permanent Global Instrument or Global Registered Instrument represents only one Instrument) be treated as being two persons for the purposes of any quorum requirements of a meeting of holders and, at any such meeting, the holder of a Permanent Global Instrument shall be treated as having one vote in respect of each unit of currency in which the Instruments that he holds are denominated. (All holders of Registered Instruments are entitled to one vote in respect of each Instrument comprising such holder's holding, whether or not represented by a Global Registered Instrument.)
- (2) *Cancellation:* Cancellation of any Instrument represented by a Permanent Global Instrument that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Instrument.
- (3) *Purchase:* Instruments represented by a Permanent Global Instrument may be purchased by the Issuer or any of its subsidiaries at any time in the open market or otherwise and at any price.
- (4) *Issuer's Options:* Any option of the Issuer provided for in the Conditions of the Instruments while such Instruments are represented by a Permanent Global Instrument or a Global Registered Instrument shall be exercised by the Issuer giving notice to the holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Instruments drawn in the case of a partial exercise of an option and accordingly no drawing of Instruments shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Instruments of any Series, the rights of accountholders with a clearing system in respect of the Instruments will be governed by the standard procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).
- (5) *Holders' Options:* Any option of the holders provided for in the Conditions of any Instruments while such Instruments are represented by a Permanent Global Instrument or a Global Registered Instrument may be exercised by the Holder of such Permanent Global Instrument or Global Registered Instrument, giving notice to the Issue and Paying Agent within the time limits relating to the deposit of Instruments with a Paying Agent or the Registrar, in the case of a Global Registered Instrument substantially in the form of the notice available from any Paying Agent (or the Registrar, in the case of a Global Registered Instrument), except that the notice shall not be required to contain the serial numbers of the Instruments in respect of which the option has been exercised, and stating the principal amount of Instruments in respect of which the option is exercised and at the same time presenting for notation the Permanent Global Instrument (in the case of a Permanent Global Instrument which is not in NGN form) or the Global Registered Instrument to the Issue and Paying Agent, or to a Paying Agent acting on behalf of the Issue and Paying Agent (or the Registrar, in the case of Global Registered Instrument).
- (6) *Notices:* So long as any Instruments are represented by a Temporary Global Instrument, Permanent Global Instrument or Global Registered Instrument and such Temporary Global Instrument, Permanent Global Instrument or Global Registered Instrument is held on behalf of a clearing system, notices to the holders of Instruments of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Holder of the Permanent Global Instrument or Global Registered Instrument.
- (7) *Record Date:* So long as any Instruments are represented by a Global Registered Instrument, with respect to the definition of "Record Date" in Condition 10B.03, the words "opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant

Banking Day (as defined in Condition 2.06) before” shall be deemed to be deleted and replaced by “the close of business on the Clearing System Business Day before” where “Clearing System Business Day” means any day on which Euroclear and Clearstream, Luxembourg or any other clearing system indicated in the applicable Final Terms are open for business.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be used for the general corporate purposes of the Diageo group unless otherwise specified in the applicable Final Terms.

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.



## DIAGEO PLC

### Overview

Diageo was incorporated as Arthur Guinness Son and Company Limited on 21 October 1886. The Diageo group was formed by the merger of Grand Metropolitan Public Limited Company and Guinness PLC in December 1997. Diageo is incorporated as a public limited company in England and Wales with registered number 23307. It is the holding company of the Diageo group. The registered office of Diageo is 16 Great Marlborough Street, London, W1F 7HS and its telephone number is +44 (0) 20 7947 9100.

Diageo is a major participant in the global beverage alcohol industry, producing and distributing a leading collection of branded premium spirits and beer. It brings together world-class brands and a management team that seeks to maximise shareholder value over the long term. The management team expects to continue the strategy of investing behind the Diageo group's strategic brands, expanding production capacity, adding new customer experiences and seeking to expand selectively either through partnerships or acquisitions that add long term value for shareholders.

Diageo is the leading premium spirits business in the world by volume, by net sales and by operating profit and is one of a small number of premium drinks companies that operate globally across spirits and beer.

As at 30 June 2024, there were approximately 2,432,411,924 ordinary shares of 28 <sup>101</sup>/<sub>108</sub> pence each in issue with an approximate nominal value of \$886,817,044.

### Organisational Structure of the Diageo Group

The companies listed below include those which principally affect the profits and assets of the Diageo group. The operating companies listed below may carry on the business described in the countries listed in conjunction with their subsidiaries and other Diageo group companies.

	Country of incorporation	Country of operation	Percentage of equity owned <sup>(i)</sup>	Business description
<b>Subsidiaries</b>				
<b>Diageo Ireland Unlimited Company</b>	<b>Republic of Ireland</b>	<b>Worldwide</b>	<b>100%</b>	<b>Production, marketing and distribution of premium drinks</b>
<b>Diageo Great Britain Limited</b>	<b>England</b>	<b>Great Britain</b>	<b>100%</b>	<b>Marketing and distribution of premium drinks</b>
<b>Diageo Scotland Limited</b>	<b>Scotland</b>	<b>Worldwide</b>	<b>100%</b>	<b>Production, marketing and distribution of premium drinks</b>
<b>Diageo Brands B.V.</b>	<b>Netherlands</b>	<b>Worldwide</b>	<b>100%</b>	<b>Marketing and distribution of premium drinks</b>
<b>Diageo North America, Inc.</b>	<b>United States</b>	<b>Worldwide</b>	<b>100%</b>	<b>Production, importing, marketing and distribution of premium drinks</b>
<b>United Spirits Limited<sup>(ii)</sup></b>	<b>India</b>	<b>India</b>	<b>55.88%</b>	<b>Production, importing, marketing and distribution of premium drinks</b>
<b>Diageo Capital plc<sup>(iii)</sup></b>	<b>Scotland</b>	<b>UK</b>	<b>100%</b>	<b>Financing company for the group</b>
<b>Diageo Capital B.V. <sup>(iii)</sup></b>	<b>The Netherlands</b>	<b>The Netherlands</b>	<b>100%</b>	<b>Financing company for the group</b>
<b>Diageo Finance plc<sup>(iii)</sup></b>	<b>England</b>	<b>UK</b>	<b>100%</b>	<b>Financing company for the group</b>
<b>Diageo Investment Corporation</b>	<b>United States</b>	<b>United States</b>	<b>100%</b>	<b>Financing company for the US group</b>

<b>Mey İçki Sanayi ve Ticaret A.Ş. Associates</b>	<b>Turkey</b>	<b>Turkey</b>	<b>100%</b>	<b>Production, marketing and distribution of premium drinks</b>
<b>Moët Hennessy, SAS<sup>(iv)</sup></b>	<b>France</b>	<b>France</b>	<b>34%</b>	<b>Production, marketing and distribution of premium drinks</b>

(i) All percentages, unless otherwise stated, are in respect of holdings of ordinary share capital and are equivalent to the percentages of voting rights held by the group.

(ii) Percentage ownership excludes 2.38% owned by the USL Benefit Trust.

(iii) Directly owned by Diageo plc.

(iv) French limited liability company.

Diageo, consistent with its current strategy, expects to continue to focus on growing its brands on a worldwide basis and expects to make selective acquisitions in both its developed and emerging markets. Diageo explores the potential to make acquisitions on an ongoing basis and is currently evaluating a number of such opportunities, some of which may be significant. Funds for any such acquisitions would be drawn from internally generated cash, bank borrowings or the issuance of equity or debt securities (in an amount that cannot now be determined) and the proceeds of any potential disposals. No material disposals are currently contemplated.

In evaluating financing of any such acquisitions, Diageo's management remains committed to enhancing shareholder value in the long term, both by investing in the businesses and brands so as to improve the return on investment and by managing the Diageo group's capital structure. Diageo manages its capital structure to achieve capital efficiency, provide flexibility to invest through the economic cycle and give efficient access to debt markets at attractive cost levels. This is achieved by targeting an adjusted net borrowings (net borrowings aggregated with post-employment benefit liabilities) to adjusted EBITDA leverage of 2.5 – 3.0x, this range for Diageo being currently broadly consistent with an A band credit rating. Diageo would consider operating outside of this range in order to effect strategic initiatives within its stated goals, which could have an impact on its rating. If Diageo's leverage was to be negatively impacted by the financing of an acquisition, it would seek over time to return to the range of 2.5 – 3.0x.

## Principal Markets

Diageo owns over 200 brands and operates in a number of geographically based markets around the world with its products being sold in nearly 180 countries.

- Diageo **North America** is headquartered in New York, and is comprised of US Spirits, Diageo Beer Company USA (DBC USA) and Diageo Canada, headquartered in Toronto. North America is the largest market for Diageo and represents over one-third of Diageo's net sales.
- Diageo's six market operating model in **Europe** is comprised of Great Britain, Ireland, Northern Europe, Eastern Europe, Southern Europe and Turkey, with all of these markets now operating with end-to-end accountability. Diageo engages directly with customers and consumers in these markets through its marketing programmes with the goal of delivering growth across categories, and with a focus on premiumisation.
- In **Africa**, Diageo's strategy is increasingly focused on bringing consumers into spirits categories, with the operating model seeking to build resilience, agility and strength across the African businesses as they develop. Smart investments are driven through local manufacturing, innovation and partnerships in order to unlock growth.
- In **Latin America and Caribbean**, Diageo's strategic priority is to continue gaining share of total beverage alcohol while expanding margin, driven by scotch, and complemented by a broader base of spirits brands. The region is grouped into the five markets of Brazil, Mexico, CCA (Central America and Caribbean), Andean (Colombia and Venezuela), and South LAC (Peru, Ecuador, Bolivia, Argentina, Chile, Uruguay and Paraguay).

- Diageo's focus in **Asia Pacific** is to grow in both developed and emerging markets across its entire portfolio ranging from international and local spirits to ready to drink formats and beer. In Asia Pacific, the middle class is growing and their expectations are becoming increasingly demanding. As a result, the Diageo group manages its portfolio strategically, focusing on developing its premium and super deluxe segments and encouraging consumers to drink better, not more. Asia Pacific comprises India, Greater China, Australia, South East Asia, North Asia (South Korea and Japan) as well as Travel Retail Asia and Middle East.

## Principal Brands

Diageo is a global leader in beverage alcohol with an outstanding collection of brands including Johnnie Walker, Crown Royal, J&B and Buchanan's whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray, Casamigos and Guinness.

## Major shareholders and significant changes in ownership

The Disclosure and Transparency Rules published by the FCA provide that a person or corporate entity that acquires an interest of 3% or more in Diageo's ordinary shares is required to notify Diageo of that interest. Any subsequent increase or decrease of 1% or more must also be notified. Similarly, a notification is required once the interest falls below 3%. At 30 June 2024, the following substantial interests (3% or more) in Diageo's ordinary share capital (voting securities) had been notified to Diageo: BlackRock Investment Management (UK) Limited (indirect holding) – 147,296,928 ordinary shares (being 5.89% of the issued ordinary share capital (excluding treasury shares) of Diageo at 3 December 2009)<sup>1</sup>; Capital Research and Management Company (indirect holding) – 124,653,096 ordinary shares (being 4.99% of the issued ordinary share capital (excluding treasury shares) of Diageo at 28 April 2009); and Massachusetts Financial Services Company (indirect holding) – 111,560,606 ordinary shares (being 4.99% of the issued ordinary share capital (excluding treasury shares) of Diageo at 29 February 2024). Diageo has not been notified of any other substantial interests in its securities. Diageo's substantial shareholders do not have different voting rights. Diageo, so far as is known by Diageo, is not directly or indirectly owned or controlled by another corporation or by any government.

Diageo knows of no arrangements, the operation of which may at a subsequent date result in a change of control of Diageo.

As at the close of business on 24 July 2024, 325,119,456 ordinary shares, including those held through American Depositary Shares ("ADSs"), were held by approximately 2,598 holders (including American Depositary Receipt ("ADR") holders) with registered addresses in the United States, representing approximately 14.6% of the outstanding ordinary shares (excluding treasury shares). At such date, 81,092,735 ADSs were held by 2,140 registered ADR holders. Since certain of such ordinary shares and ADSs are held by nominees or former Grand Metropolitan Public Limited Company or Guinness Group PLC ADR holders who have not re-registered their ADSs, the number of holders may not be representative of the number of beneficial owners in the United States or the ordinary shares held by them.

## Guarantees and related matters

As of 30 June 2024, the Diageo group has no material unprovided guarantees or indemnities in respect of liabilities of third parties.

## Corporate Governance

---

<sup>1</sup> On 25 January 2024, BlackRock Inc. filed an Amendment to Schedule 13G with the SEC in respect of the calendar year ended 31 December 2023, reporting that, as of 25 January 2024, 192,713,107 ordinary shares representing 8.6% of the issued ordinary share capital were beneficially owned by BlackRock Inc. and its subsidiaries (including BlackRock Investment Management (UK) Limited).

During the financial year ended 30 June 2024, Diageo has applied the Principles and complied with the Provisions of the United Kingdom Corporate Governance Code (the “**Code**”) (published in July 2018 by the Financial Reporting Council), with the exception of Provision 38 in respect of company pension contributions for incumbent Executive Directors. In this respect, it is noted that:

- The maximum company pension contribution under the 2020 Remuneration Policy is 14% of salary for any new Executive Director appointments.
- The Chief Financial Officer, Lavanya Chandrashekar, who was appointed on 1 July 2021, receives a pension contribution of 14% of salary. Lavanya Chandrashekar will step down from her role as Chief Financial Officer on 31 August 2024.
- Nik Jhangiani, who will assume the role of Chief Financial Officer from 1 September 2024, will receive a pension contribution of 14% of salary.

The board of Diageo has established Nomination, Remuneration and Audit Committees, with formally delegated duties and responsibilities, and written terms of reference. From time to time, separate committees may be set up by the board to consider specific issues when the need arises.

The terms of reference of the committees, including their objectives and the authority delegated to them by the board, are available upon request or via Diageo’s website and are reviewed at least annually by the relevant committee and the board. All committees have access to independent expert advice.

The Nomination Committee is responsible for succession planning for the Board, maintaining a pipeline of strong candidates for potential nomination as Non-Executive Directors and Executive Directors, while also ensuring robust succession planning and talent strategy for the Executive Committee. It makes recommendations to the board concerning appointments to the board. The members of the committee are the chairman of the board and all independent non-executive directors. The chairman of the committee is Javier Ferrán. The other members are Melissa Bethell, Karen Blackett, Susan Kilsby, Valérie Chapoulaud-Floquet, Sir John Manzoni, Alan Stewart, Ireena Vittal and Julie Brown. The composition of the Nomination Committee complies with the recommendations of the Code.

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policy for Executive Directors and Executive Committee members, setting, reviewing and approving individual remuneration arrangements for the Chairman, Executive Directors and Executive Committee members, determining arrangements in relation to termination of employment of the Executive Directors and other designated senior executives and ensuring that remuneration outcomes are appropriate in the context of underlying business reviewing workforce pay and related policies and the alignment of incentives with culture. All the members of the Remuneration Committee are independent non-executive directors, namely Melissa Bethell, Karen Blackett, Susan Kilsby, Valérie Chapoulaud-Floquet, Sir John Manzoni, Alan Stewart, Ireena Vittal and Julie Brown. The chair of the Remuneration Committee is Susan Kilsby. The composition of the Remuneration Committee complies with the recommendations of the Code.

The role of the Audit Committee is monitoring and reviewing the integrity of Diageo’s financial statements and reporting, its internal control and risk management processes, its audit and risk activities, business conduct and integrity, whistleblowing and breach allegation investigations, and appointing and monitoring the performance of the external auditor. All the members of the Audit Committee are independent non-executive directors, namely Melissa Bethell, Karen Blackett, Susan Kilsby, Valérie Chapoulaud-Floquet, Sir John Manzoni, Alan Stewart, Ireena Vittal and Julie Brown. Julie Brown is the chair of the Audit Committee. The composition of the Audit Committee complies with the recommendations of the Code.

## **Directors**

The officers of Diageo and their respective business occupations are set out below. The business address of each of the officers is at 16 Great Marlborough Street, London, W1F 7HS.

<b>Name</b>	<b>Business occupation</b>
Javier Ferrán	Chairman, non-executive director (until 5 February 2025) <sup>2</sup>
Debra Crew	Chief executive, executive director
Lavanya Chandrashekar	Chief financial officer, executive director (until 31 August 2024) <sup>3</sup>
Susan Kilsby	Senior independent director
Melissa Bethell	Non-executive director
Karen Blackett	Non-executive director
Valérie Chapoulaud-Floquet	Non-executive director
Sir John Manzoni	Non-executive director
Alan Stewart	Non-executive director (until 26 September 2024)
Ireena Vittal	Non-executive director
Julie Brown	Non-executive Director
Tom Shropshire	General Counsel & Company Secretary

The principal activities of the following officers performed by them outside the Diageo group are directorships and memberships of the companies or institutions as set out below:

<b>Name</b>	<b>Company/Institution</b>
Javier Ferrán	International Consolidated Airlines Group, S.A.
Debra Crew	Stanley Black & Decker, Inc.
Lavanya Chandrashekar	None
Nik Jhangiani	None <sup>4</sup>
Susan Kilsby	Unilever PLC Fortune Brands Innovations, Inc. COFRA Holding AG The Takeover Panel
Melissa Bethell	Atauros Europe Tesco PLC Exor N.V.
Karen Blackett	University of Portsmouth Black Equity Organisation Creative UK
Valérie Chapoulaud-Floquet	Danone S.A. Acné Studios A.B. Agrolimen S.A. Nextstage S.C.A. Sofisport
Sir John Manzoni	SSE plc Atomic Weapons Establishment KBR, Inc.
Alan Stewart	Burberry Group PLC Altair Advisory LLP
Ireena Vittal	Compass Group PLC Asian Paints Limited Godrej Consumer Products Limited UrbanClap Technologies India Private Limited Russell Reynolds Associates
Julie Brown	GSK plc

<sup>2</sup> Javier Ferrán will step down as Chairman and non-executive director on 5 February 2025. Sir John Manzoni will assume the role of Chairman on 5 February 2025.

<sup>3</sup> Lavanya Chandrashekar will step down as Chief Financial Officer and Executive Director on 31 August 2024. On 1 September 2024, Nik Jhangiani will assume the role of Chief Financial Officer and will join Diageo's Board and Executive Committee.

<sup>4</sup> As of 1 September 2024.

	Oxford University Women in Business CFO Leadership Network, Accounting for Sustainability
Tom Shropshire	Steering Committee for The Parker Review Charity Projects Limited (Comic Relief) Bank of England New York University School of Law

At 30 June 2024 the aggregate interests of directors in the ordinary shares of Diageo including their share options and conditional rights to acquire shares, was less than 1% of the total issued share capital of Diageo. There are no existing or potential conflicts of interest between any duties of the directors of Diageo and/or their private interests and other duties. In accordance with Diageo's articles of association, the board has authorised the chairman or the company secretary, as appropriate to receive notifications of conflicts of interest on behalf of the board and to make recommendations as to whether the relevant matters should be authorised by the board.

## DIAGEO FINANCE PLC

### Introduction

Diageo Finance plc, a wholly owned subsidiary of Diageo, was incorporated as a private limited company in England and Wales on 23 April, 1926 under the Company Acts 1908 to 1917 (registered number 213393) under the name The Mayfair Hotel Company Limited. Diageo Finance plc changed its name to Grand Metropolitan (Finance) Limited on 26 January, 1973. On 2 November, 1981 Diageo Finance plc re-registered as a public limited company under the name of Grand Metropolitan (Finance) Public Limited Company. On 10 December, 1981 Diageo Finance plc changed its name to Grand Metropolitan Finance Public Limited Company and on 16 December, 1997 changed its name to Diageo Finance plc. The registered office of Diageo Finance plc is at 16 Great Marlborough Street, London, W1F 7HS with telephone number +44 (0) 20 7947 9100.

The issued share capital of Diageo Finance plc comprises 73,200,000,000 ordinary shares of 5 pence each, all of which are held by Diageo. Diageo Finance plc does not know of any arrangements which may at a subsequent date result in a change of control of Diageo Finance plc.

Diageo Finance plc acts as a financing vehicle for the Diageo group's operating companies and has no independent operations apart from the management of the Diageo group's foreign exchange exposure.

### Directors

The officers of Diageo Finance plc and their respective business occupations are set out below. The business address of each officer is 16 Great Marlborough Street, London, W1F 7HS.

<b>Name</b>	<b>Business occupation</b>
Kara Major	Director
Monika Pais	Director
Ian Thrustle	Director
Gyorgy Geiszl	Director
Claire-Louise Jordan	Director
James Edmunds	Director and Company Secretary

The following directors hold directorships of companies or institutions outside the Diageo group as set out below:

<b>Name</b>	<b>Company/Institution:</b>
Kara Major	None
Monika Pais	None
Ian Thrustle	None
Gyorgy Geiszl	None
Claire-Louise Jordan	Kingston House (Odiham) Management Limited
James Edmunds	None

There are no existing or potential conflicts of interest between any duties of the directors of Diageo Finance plc and/or their private interests and other duties. At 30 June 2024 the directors had no direct interests in the share capital of Diageo Finance plc. At 30 June 2024 the aggregate interests of directors in the ordinary shares of Diageo including their share options and conditional rights to acquire shares, was less than 1% of the total issued share capital of Diageo.

## DIAGEO CAPITAL B.V.

### Introduction

Diageo Capital B.V., a direct wholly owned subsidiary of Diageo with its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) in the Netherlands on 3 August 2020 (registered with the Dutch trade register under number 78747929). The registered office of Diageo Capital B.V. is Molenwerf 12, 1014 BG, Amsterdam with telephone number +31 (0) 20 774 5000.

The issued share capital of Diageo Capital B.V. comprises 10,000 shares of GBP 1 each, all of which are held by Diageo. Diageo does not know of any arrangements which may at a subsequent date result in a change of control of Diageo Capital B.V.

Diageo Capital B.V. acts as a financing vehicle for the Diageo group's operating companies and has no independent operations.

On 28 September 2020, Diageo Capital B.V. issued €700 million 0.125 per cent. Instruments due 28 September 2028 under the Programme. On 11 April 2022, Diageo Capital B.V. issued €750 million 1.500 per cent. Instruments due 8 June 2029 and €900 million 1.875 per cent. Instruments due 8 June 2034 under the Programme. Diageo Capital B.V. has not undertaken any other business activity in the period from 3 August 2020 (being the date of its incorporation) to the date of the Prospectus.

### Directors

The officers of Diageo Capital B.V. and their respective business occupations are set out below. The business address of each officer is 16 Great Marlborough Street, London, W1F 7HS.

<b>Name</b>	<b>Business occupation</b>
Ian Thrustle	Director
James Edmunds	Director
Kara Major	Director
Gyorgy Geiszl	Director
Claire-Louise Jordan	Director

The following directors hold directorships of companies or institutions outside the Diageo group as set out below:

<b>Name</b>	<b>Company/Institution:</b>
Ian Thrustle	None
James Edmunds	None
Kara Major	None
Gyorgy Geiszl	None
Claire-Louise Jordan	Kingston House (Odiham) Management Limited

There are no existing or potential conflicts of interest between any duties of the directors of Diageo Capital B.V. and/or their private interests and other duties. At 30 June 2024 the directors had no direct interests in the share capital of Diageo Capital B.V. At 30 June 2024 the aggregate interests of directors in the ordinary shares of Diageo including their share options and conditional rights to acquire shares, was less than 1% of the total issued share capital of Diageo.



## TAXATION

### UK TAXATION

*The following is a general summary, based on the Issuers' understanding of current UK tax law and His Majesty's Revenue and Customs ("HMRC") published practice as at the date hereof (both of which may be subject to change, sometimes with retrospective effect), of certain withholding taxation treatments at the date hereof in relation to payments of interest in respect of the Instruments. The comments are not exhaustive and do not deal with other UK tax aspects of acquiring, holding or disposing of Instruments. The comments relate only to the position of persons who are absolute beneficial owners of the Instruments and do not deal with the position of certain classes of Holders of Instruments (such as dealers, persons connected with the Issuer, professional investors, insurance companies, charities and persons who have acquired their Instruments by reason of their employment) to whom special rules may apply. Further, the comments do not deal with Holders of Instruments who are individuals treated as non-domiciled and resident in the UK for UK tax purposes. Prospective Holders of Instruments should be aware that the particular terms of issue of any series of Instruments as specified in the relevant Final Terms may affect the tax treatment of that and other series of Instruments. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all the tax considerations that may be relevant to a prospective purchaser. Holders of Instruments who are in any doubt as to their tax position should consult their independent professional advisers.*

*Holders who may be liable to taxation in jurisdictions other than the UK or are treated as non-domiciled and resident in the UK for UK tax purposes in respect of their acquisition, holding or disposal of the Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain UK taxation aspects of payments of interest in respect of the Instruments. In particular, Holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Instruments even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.*

#### **A. UK withholding tax on UK-source interest**

The Instruments issued by the relevant Issuer which carry a right to interest with a UK source ("**UK Instruments**") will constitute "quoted Eurobonds" provided they are, and continue to be, listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**") for the purposes of section 987 of the Act) or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of section 987 of the Act). Whilst the UK Instruments are and continue to be "quoted Eurobonds" payments of interest on the UK Instruments may be made without withholding or deduction for or on account of UK income tax.

The London Stock Exchange is a recognised stock exchange, and accordingly the UK Instruments will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom Official List (within the meaning of Part 6 of the Financial Services and Markets Act 2000) in accordance with the provisions of that Part and admitted to trading on the London Stock Exchange's Main Market.

In all cases falling outside the exemption described above, interest on the UK Instruments may fall to be paid under deduction of UK income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on UK Instruments with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect or intention of which is to render such Instruments part of a borrowing with a total term of a year or more.

#### **B. Payments by Guarantor**

If the Guarantor makes any payments in respect of interest on the UK Instruments (or in respect of other amounts due under the UK Instruments other than the repayment of amounts subscribed for the UK Instruments) such payments may be subject to UK withholding tax at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which

may apply. Where such a treaty relief is available, and the applicable conditions in the relevant treaty are satisfied, the relevant Holder should be entitled to a refund, or part refund, of tax withheld, provided it complies with the applicable formalities relating to such claim within the relevant limitation period. It may, however, not in practice be possible for the Guarantor to obtain a direction for the guarantee payments to be made free from withholding tax. Such payments by the Guarantor may not be eligible for the exemptions from UK withholding tax described in A above.

### **C. Payments under Deed of Covenant**

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from UK withholding tax described in A above.

### **D. Other rules relating to UK withholding tax**

1. UK Instruments may be issued at an issue price of less than 100% of their principal amount. Any payments in respect of the accrued discount element on any such Instruments will not generally be subject to any deductions for or on account of UK withholding tax pursuant to the provisions mentioned in A above as long as they do not constitute payments of interest.
2. Where UK Instruments are to be, or may fall to be, redeemed at a premium as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax as outlined above.
3. Where interest has been paid and has been subject to a deduction of UK income tax, Holders who are not resident for tax purposes in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to “**interest**” in this summary mean “interest” as understood in UK tax law. The statements in this summary do not take any account of any different definitions of “interest” which may prevail under any other law or which may be created by the Terms and Conditions of the UK Instruments or any related documentation.
5. The above description of the UK withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the UK and the Netherlands) have entered into intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. None of the Issuers are expected to be treated as a foreign financial institution for these purposes. In any event, under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. FATCA and any IGAs and local laws and regulations which implement FATCA can, however, be complicated. Holders should consult their own tax advisers regarding how these rules may apply to their investments in the Instruments if they are in any doubt.

### **DUTCH TAXATION**

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Instruments issued on or after the date of this Prospectus and does not purport to describe every aspect of taxation that may be relevant to a particular Holder. This summary does not describe any Dutch tax considerations or consequences arising from the Dutch Minimum Tax Act 2024 (the Dutch implementation of Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the EU). Tax matters are complex, and the tax consequences of the Issuance to a particular Holder of Instruments will depend in part on such Holder's circumstances. Accordingly, Holders are urged to consult their own tax advisor for a full understanding of the tax

consequences of the Issuance to them, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands.

Where this paragraph refers to "Instruments" or "Holder of Instruments", such reference includes Coupons or Holder of Coupons (as applicable).

This summary is based on the tax law of the Netherlands (excluding unpublished case law) as it stands at the date of this Prospectus. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary below does not address the Dutch tax consequences for a Holder of Instruments who:

- (i) is a person who may be deemed an owner of Instruments for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;
- (ii) is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from Instruments;
- (iii) is an investment institution as defined in the Dutch Corporation Tax Act 1969;
- (iv) is an entity that, although in principle subject to Dutch corporation tax, is fully or partly exempt from Dutch corporation tax;
- (v) owns Instruments in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;
- (vi) has a substantial interest in the Dutch Issuer or a deemed substantial interest in the Dutch Issuer for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5% or more of the shares or of any class of shares of the Dutch Issuer, or rights to acquire, directly or indirectly, such an interest in the shares of the Issuer or profit participating certificates relating to 5% or more of the annual profits or to 5% or more of the liquidation proceeds of the Issuer, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Issuer are held by the person following the application of a non-recognition provision; or
- (vii) is for Dutch tax purposes taxable as a corporate entity and resident of Aruba, Curaçao or Sint Maarten.

#### **A. Withholding tax**

All payments under the Instruments may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except that Dutch withholding tax may apply with respect to payments of interest made or deemed to be made by the Dutch Issuer if the interest payments are made or deemed to be made to a related party to it which, (a) is resident in a low-tax or non-cooperative jurisdiction as specifically listed in an annually updated Dutch regulation, (b) has a permanent establishment in any such jurisdiction to which the interest is attributable, (c) is neither resident in the Netherlands nor in a low-tax or non-cooperative jurisdiction, and is entitled to the interest with the main purpose or one of the main purposes to avoid taxation of another person, (d) is a hybrid entity, or (e) is not resident in any jurisdiction, within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## **B. Taxes on income and capital gains for non-resident Holders of Instruments**

### **Non-resident Holders of Instruments**

#### *Individuals*

If a Holder of Instruments is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax, the Holder will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Instruments, except if:

- (i) the Holder derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Instruments are attributable to such permanent establishment or permanent representative;
- (ii) the Holder derives benefits or are deemed to derive benefits from or in connection with Instruments that are taxable as benefits from miscellaneous activities performed in the Netherlands; or
- (iii) the Holder derives profits pursuant to the entitlement to a share in the profits of an enterprise, other than as a holder of securities, which is effectively managed in the Netherlands and to which enterprise his Instruments are attributable.

#### *Corporate entities*

If a Holder of Instruments is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporation tax, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with Instruments, except if:

- (i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative its Instruments are attributable; or
- (ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Instruments are attributable.

#### *General*

A Holder of Instruments will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of Instruments or the performance by the Issuer of its obligations under such documents or under the Instruments.

If a Holder of Instruments is neither resident nor deemed to be resident in the Netherlands, such Holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Instruments or the performance by the Issuer of its obligations under such documents or under the Instruments.

## **C. Gift and inheritance taxes for non-resident Holders of Instruments**

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Instruments by way of gift by, or upon the death of, a Holder of Instruments who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the Holder of Instruments becomes a resident or a deemed resident in the Netherlands and

dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Instruments made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

**D. Registration taxes and duties**

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Instruments, the performance by the Issuer of its obligations under such documents or under Instruments, or the transfer of Instruments.

## SUBSCRIPTION AND SALE

Instruments may be issued from time to time by an Issuer to any one or more of Banco Santander, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs Bank Europe SE, HSBC Bank plc, HSBC Continental Europe, Merrill Lynch International, Morgan Stanley Europe SE, Morgan Stanley & Co. International plc, NatWest Markets Plc, RBC Europe Limited, Standard Chartered Bank and UBS AG London Branch and/or any other Dealer appointed from time to time by the Issuers and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Instruments as described below (the “**Dealers**”). The arrangements under which Instruments may from time to time be agreed to be issued by the Issuers to, and subscribed by, Dealers are set out in a dealership agreement dated 16 August 2024 (as further amended, supplemented or replaced from time to time, the “**Dealership Agreement**”) and to be made between the Issuers, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be subscribed by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such subscription. The Dealership Agreement makes provision for the resignation or termination of appointment or renewal of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments. The Issuers may issue Instruments from time to time to persons or institutions who are not Dealers.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Instruments under or pursuant to the Dealership Agreement prior to the closing of the issue of such Instruments, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Instruments. In this situation, the issuance of such Instruments may not be completed. Investors will have no rights against the relevant Issuer, the Guarantor or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

### United States of America

Each Dealer has confirmed that it understands that the Instruments and any guarantee thereof have not been and will not be registered under the Securities Act (as defined below) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and the securities laws of the applicable state or jurisdiction of the United States.

Each Dealer has represented and agreed that it has offered and sold Instruments and will offer and sell Instruments (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Tranche of which such Instruments are a part, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither the Dealers, their affiliates (if any) nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to Instruments, and the Dealers, their affiliates (if any) and any person acting on their behalf have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has agreed that, at or prior to confirmation of sale of Instruments, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Instruments from it or through it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Instruments of which such Instruments are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Terms used in the above paragraph have the meanings given to them by Regulation S.

*Instruments will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “D Rules”), unless the relevant Final Terms specify that Instruments will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the “C Rules”).*

In addition, in respect of Instruments issued in accordance with the D Rules each Dealer has represented and agreed that:

- (A) except to the extent permitted under the D Rules, (i) it has not offered or sold, and during the restricted period will not offer or sell, Instruments in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Instruments in bearer form that are sold during the restricted period;
- (B) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Instruments in bearer form are aware that such Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (C) if such Dealer is a United States person, it represents that it is acquiring the Instruments in bearer form for purposes of resale in connection with their original issuance and, if such Dealer retains Instruments in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6); and
- (D) with respect to each affiliate (if any) that acquires from such Dealer Instruments in bearer form for the purposes of offering or selling such Instruments during the restricted period, such Dealer either (i) hereby represents and agrees on behalf of such affiliate (if any) to the effect set forth in sub-paragraphs (A), (B) and (C) of this paragraph or (ii) agrees that it will obtain from such affiliate (if any) for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (A), (B) and (C) of this paragraph.

Terms used in the above paragraph have the meanings given to them by the United States Internal Revenue Code and Regulations thereunder, including the D Rules.

In addition, where the C Rules are specified in the relevant Final Terms as being applicable in relation to any Tranche of Instruments, Instruments in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Instruments in bearer form within the United States or its possessions in connection with the original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Instruments in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Instruments in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

Each Dealer has agreed that it has not entered and will not enter into any contractual arrangements with respect to the distribution or delivery of Instruments into the United States except with its affiliates (if any) or with the prior written consent of the relevant Issuer.

#### **Public Offer Selling Restriction under the EU Prospectus Regulation**

If the Final Terms in respect of any Instruments specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Instruments to the public in that Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Instruments referred to in (i) to (iii) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

### **Public Offer Selling Restriction under the UK Prospectus Regulation**

If the Final Terms in respect of any Instruments specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Instruments to the public in the UK:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Instruments referred to in (i) to (iii) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

### **Prohibition of sales to EEA Retail Investors**

Unless the Final Terms in respect of any Instruments specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

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



### **Prohibition of Sales to UK Retail Investors**

Unless the Final Terms in respect of any Instruments specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail “client” as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or
- (ii) a “customer” within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA.

### **Selling restrictions addressing additional UK securities laws**

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

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

### **Selling restrictions addressing securities laws of other Member States and Others**

## **The Netherlands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with the requirement under the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) that bearer zero coupon Instruments and other Instruments which qualify as savings certificates as defined in the Dutch Savings Certificates Act may only be transferred and accepted through the intermediary of either the relevant Issuer of those Instruments or a member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act (including registration requirements). However, no such intermediary services are required in respect of (i) the transfer and acceptance of rights representing an interest in a zero coupon Instrument in global form, (ii) the initial issue of such Instruments to the first holders thereof, (iii) any transfer and acceptance by individuals who do not act in the conduct of a profession or trade, and (iv) any transfer or acceptance of such Instruments, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

## **France**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, any Instruments to the public in France and that offers and sales of Instruments in France will be made only to qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, as referred to in Article L.411-2° of the French Code monétaire et financier and defined in Article 2(e) of Regulation (EU) 2017/1129.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Prospectus, any relevant Final Terms or any other offering material relating to the Instruments other than to such qualified investors.

## **Japan**

The Instruments issued under the Programme have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “FIEA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Instruments or caused Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Instruments, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **Switzerland**

The offering of the Instruments in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“**FinSA**”) because the Instruments will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Instruments.

## **General**

Other than with respect to the listing of the Instruments on such stock exchange as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by any Obligor or the Dealers that would permit a public offering of the Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus or any Final Terms comes are required by the Obligors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date thereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this paragraph headed “*General*”.

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification not relevant only to a particular Tranche of Instruments will be set out in a supplement to this Prospectus.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Instruments 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 Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2016/97/EU, 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 Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any tender, the offers to the public contemplated in this [Prospectus], or to whom the Instruments are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with [each Dealer and] the Issuer that it and any person on whose behalf it acquires Instruments is not a “retail investor” (as defined above).]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Instruments 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 United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ( “**FSMA**”) and any rules or regulations made under FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients as defined in Regulation (EU) No 600/2014, as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (“**UK MiFIR**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either

adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (“SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Instruments are capital markets products other than “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]<sup>5</sup>

Final Terms dated [ • ]

**DIAGEO plc**

**Legal Entity Identifier (LEI): 213800ZVIELEA55JMJ32**

*(Incorporated with limited liability in England and Wales with registered number 23307)  
as Issuer and Guarantor*

**DIAGEO FINANCE plc**

**Legal Entity Identifier (LEI): BPF79TJMIH3DK8XCKI50**

*(Incorporated with limited liability in England and Wales with registered number 213393)  
as Issuer*

**DIAGEO CAPITAL B.V.**

**Legal Entity Identifier (LEI): 213800YHFC48VOL6JY40**

*(Incorporated with limited liability under the laws of the Netherlands registered with the Dutch trade register under number 78747929 and having its official seat (statutaire zetel) in Amsterdam, the Netherlands)  
as Issuer*

Programme for the  
Issuance of Debt Instruments

---

Series No: [ • ]

Guaranteed by DIAGEO plc  
under the **Programme for Issuance of Debt Instruments**

---

<sup>5</sup> To be included where Instruments are not “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 16 August 2024 [and the supplemental Prospectus[es] dated [●] [and [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**EUWA**”) (the “**UK Prospectus Regulation**”). This document constitutes the Final Terms of the Instruments described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 16 August 2024 [and the supplemental Prospectus[es] dated [●][and [●]]. This document constitutes the Final Terms of the Instruments described herein for the purposes of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**EUWA**”) (the “**UK Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus[es] dated [●][and [●]], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Prospectus dated [current date] and are incorporated by reference in the Prospectus dated [current date]. The Prospectus [and the supplemental Prospectuses] are available for viewing at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

- |    |  |   |
|----|--|---|
| 1. | [(i)] Issuer:  | [●]   |
|    | [[ (ii)] Guarantor:  | [●]]  |
| 2. | [(i)] Series Number:   | [●]   |
|    | [(ii)] Tranche Number:   | [●]   |
|    | [(iii)] Date on which the Instruments will be consolidated and form a single Series: | The Instruments will be consolidated and form a single Series with [●] on [the Issue Date/exchange of Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [●]] [Not Applicable] |
| 3. | Specified Currency or Currencies:  | [●]   |
| 4. | Aggregate Nominal Amount of Instruments:   | [●]   |
|    | [(i)] Series:  | [●]   |
|    | [(ii)] Tranche:  | [●]   |
| 5. | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued Interest from [●]   |
| 6. | (i) Specified Denominations:   | [[●] and integral multiples of [●] in excess thereof [up to and including ●.] No Instruments in definitive form will be issued with a denomination above [●].]  |

- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
8. Maturity Date: [●]
9. Interest Basis: [[●] per cent. Fixed Rate]
- [EURIBOR/SONIA] +/- [●] per cent.  
Floating Rate]
- [Zero Coupon]
- (further particulars specified below in paragraph(s) [14/15/16])*
10. Redemption/Payment Basis: [Redemption at par]  
[Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at [●] per cent. of the nominal amount]
11. Change of Interest or Redemption Payment Basis: [●]/[Not Applicable]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Not Applicable]
13. [Date of [Board/Chief Financial Officer/General Counsel and Company Secretary] of approval for issuance of Instruments [and Guarantee] obtained: [[●] and [●] respectively]]

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

14. **Fixed Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] *in arrear*] on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [●]/*not adjusted*]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual – ICMA]  
[Actual/Actual – ISDA]  
[Actual/365 (Fixed)]  
[Actual/360][30/360][30E/360]

	[30E/360 (ISDA)]
(vi) [Determination Dates:	[[●] in each year][Not Applicable]]
[(vii) Relevant Currency:	[Not Applicable/[●]]
<b>15. Floating Rate Instrument Provisions</b>	[Applicable/Not Applicable]
(i) Interest Period(s):	[●]
(ii) Specified Interest Payment Dates:	[●]
(iii) First Interest Payment Date:	[●]
(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(v) Relevant Financial Centre(s):	[●]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
(viii) Screen Rate Determination:	[Applicable/Not Applicable]
– Reference Rate:	[[●] month [●] EURIBOR/ SONIA]
– Observation Method:	[Lag / Observation Shift]
– Lag Period:	[[●]London Banking Days / Not Applicable]
– Observation Shift Period:	[[●]London Banking Days / Not Applicable]
	<i>(NB: A minimum of 5 business days should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)</i>
– Interest Determination Date(s):	[●]
– Index Determination:	[Applicable/Not Applicable]
– Relevant Decimal Place:	[●]/[5]
– Relevant Time:	[●]
– Relevant Screen Page:	[●]



– Relevant Number:	[•]/[5]
(ix) ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
– ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions]
– Floating Rate Option:	[•]
– Designated Maturity:	[•]/[Not Applicable]
– Reset Date:	[•]
– Compounding:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
[– Compounding Method:	[Compounding with Lookback Lookback: [•] Applicable Business Days [Compounding with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•] / [Not Applicable]] [Compounding with Lockout Lockout: [•] Lockout Period Business Days Lockout Period Business Days: [•]/[Applicable Business Days]]
– Averaging:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
[– Averaging Method:	[Averaging with Lookback Lookback: [•] Applicable Business Days [Averaging with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•]/[Not Applicable]] [Averaging with Lockout Lockout: [•] Lockout Period Business Days

	Lockout Period Business Days: [•]/[Applicable Business Days]]
– Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
[- Index Method:	Compounded Index Method with Observation Period Shift  Observation Period Shift: [•] Observation Period Shift Business days  Observation Period Shift Additional Business Days: [•] / [Not Applicable]]
(x) Margin(s):	[+/-][•] per cent per annum
(xi) Minimum Rate of Interest:	[•] per cent. per annum
(xii) Maximum Rate of Interest:	[•] per cent. per annum
(xiii) Day Count Fraction:	[•]
<b>16. Zero Coupon Instrument Provisions</b>	[Applicable/Not Applicable]
(i) Amortisation Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
(iii) Day Count Fraction:	[•]
<b>PROVISIONS RELATING TO REDEMPTION</b>	
<b>17. Call Option</b>	[Applicable/Not Applicable]
(i) Call Option Date(s):	[[•] or any [Interest Payment Date] thereafter] and/or [any [Business Day] from and including [•] (the “ <b>Par Call Commencement Date</b> ”) up to but excluding [•] (together the “ <b>Par Call Period</b> ”)] and/or [a Business Day falling within the Call Option Period as defined in Condition 7.04(C)]
(ii) Early Redemption Amount(s) (Call) of each Instrument and method, if any, of calculation of such amount(s):	[[•] per Calculation Amount] [(in the case of the Call Option Date falling in the Par Call Period)] and/or [the Make Whole Redemption Amount] [(in the case of all other Call Option Dates)] and/or [Spens Amount] and/or [Other]
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[•] per Calculation Amount
(b) Maximum Redemption Amount:	[•] per Calculation Amount
(iv) Notice period:	Minimum period: [10] [•] days

	Maximum period: [30] [●] days
18. <b>[Make Whole Redemption/Spens]</b>	[Applicable/Not Applicable]
(i) Quotation Time:	[[●]]/Not Applicable]
(ii) Reference Bond:	[[●]]/Not Applicable]
(iii) Redemption Margin:	[[●]]/Not Applicable]
19. <b>Put Option</b>	[Applicable/Not Applicable]
(i) Put Date(s):	[●]
(ii) Early Redemption Amount(s) (Put) of each Instrument:	[●] per Calculation Amount
20. <b>Clean-up Call Option</b>	[Applicable/Not Applicable]
(i) Early Redemption Amount(s) (Clean-up Call) of each Instrument:	[●]
(ii) Notice period (if other than as set out in the Conditions)	[[●]]/Not Applicable]
21. <b>Final Redemption Amount of each Instrument</b>	[●] per Calculation Amount
22. <b>Early Redemption Amount</b>	
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[●]
<b>GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS</b>	
23. <b>Form of Instruments</b>	<b>[Bearer Instruments]</b>
	[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument] [Temporary Global Instrument exchangeable for Definitive Instruments] [Permanent Global Instrument exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument]
	<b>[Registered Instruments]</b>
24. New Global Note:	[Yes]/[No]
25. Financial Centre(s) or other special provisions relating to	[Not Applicable/[●]]

payment dates:

26. Calculation Agent: [Not Applicable/[•]]

27. Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature): [Yes/No]

28. Exchange Date: [•]

## **DISTRIBUTION**

29. U.S. Selling Restrictions: [Reg.S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]

30. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

31. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

## **THIRD PARTY INFORMATION**

[•] has been extracted from [•]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [name of the Issuer]:

Signed on behalf of [name of the Guarantor]:

By:.....  
Duly authorised

By:.....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange plc's Main Market with effect from [●].)]  
[(Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange plc's Main Market with effect from [●].)]
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings:
- The Instruments to be issued [have been rated] / [are expected to be assigned the following ratings]:  
[S&P:[●]]  
[Moody's: [●]]  
[Not applicable]
- [Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- [Moody's is established in the UK and registered under Regulation (EU) No 1060/2009, as it forms part of the domestic law of the UK by virtue of the EUWA (the "UK CRA Regulation").]
- [S&P is established in the UK and registered under the UK CRA Regulation]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to [the] [●] [("Managers")]/[Dealers], so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.

The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and their affiliates in the ordinary course of business.]

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

[(i)] Reasons for the offer:	<p>[•]</p> <p>[See [“Use of Proceeds”] wording in [Base] Prospectus – if reasons for offer different from what is disclosed in the [Base] Prospectus, give details here.]</p>
[(ii)] Estimated net proceeds:	[•]
[(iii)] Estimated total expenses:	[•]
<p>5. <b>[Fixed Rate Instruments only – YIELD]</b></p> <p>Indication of yield:</p>	<p>[•]</p> <p>[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]</p>
6. <b>OPERATIONAL INFORMATION</b>	
ISIN Code:	[•]
Common Code:	[•]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/[•]]
Delivery:	Delivery [against/free of] payment [•]
Names and addresses of additional Paying Agent(s) (if any):	[•]
Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] <i>[include this text for Registered Instruments which are to be held under the NSS]</i> and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such</p>

that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Instruments]*. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## GENERAL INFORMATION

1. The trading of the Instruments on the Market will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Instruments intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Market will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange of the relevant Final Terms and any other information required by the FCA and the London Stock Exchange, subject to the issue of the relevant Instruments. Prior to official listing dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

However, Instruments may be issued pursuant to the Programme which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuers, the Guarantor and the relevant Dealer(s) may agree.

2. The Issuers and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments. The update of the Programme was authorised by a resolution of the Board of Directors of Diageo passed on 29 July 2024, by resolutions of a duly authorised Committee of the Board of Directors of Diageo passed on 18 July 2024, by a resolution of the Board of Directors of Diageo Finance plc passed on 5 August 2024 and by a resolution of the Board of Directors of Diageo Capital B.V. passed on 5 August 2024.
3. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.
4. Bearer Instruments and any Coupon appertaining thereto will bear a legend substantially to the following effect: “Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”. The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
5. The listing of the Programme on the Official List of the FCA and the admission for trading on the Market are both expected to take effect on or around 21 August 2024.
6. Save as disclosed on pages 210 to 212 of the 2024 Financial Statements (as the same is incorporated by reference into the Prospectus), none of Diageo, Diageo Finance plc, Diageo Capital B.V. and the Diageo group subsidiaries are or have been, involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Diageo, Diageo Finance plc or Diageo Capital B.V., as the case may be, are aware) which may have, or have had in the 12 months preceding the date of this document a significant effect on the financial position of Diageo, Diageo Finance plc, Diageo Capital B.V. or any Diageo group subsidiary.
7. There has been no significant change in the financial position of Diageo and its respective subsidiaries since 30 June 2024, there has been no significant change in the financial performance of Diageo and its respective subsidiaries since 30 June 2024 and, there has been no material adverse change in the prospects of Diageo and its respective subsidiaries since 30 June 2024.

There has been no significant change in the financial position of Diageo Finance plc since 30 June 2023, there has been no significant change in the financial performance of Diageo Finance plc since 30 June 2023 and, there has been no material adverse change in the prospects of Diageo Finance plc since 30 June 2023.



There has been no significant change in the financial position of Diageo Capital B.V. since 30 June 2023, there has been no significant change in the financial performance of Diageo Capital B.V. since 30 June 2023 and, there has been no material adverse change in the prospects of Diageo Capital B.V. since 30 June 2023.

8. Diageo and Diageo Finance plc have an accounting year end of 30 June. PricewaterhouseCoopers LLP have been appointed as sole independent auditors of Diageo and Diageo Finance plc. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants of England and Wales. The address of PricewaterhouseCoopers LLP is One Embankment Place, London, WC2N 6RH United Kingdom.

The consolidated financial statements of Diageo as of and for each of the financial years ended 30 June 2024 and 30 June 2023 were audited, by PricewaterhouseCoopers LLP. The consolidated financial statements of Diageo as of 30 June 2024 and 30 June 2023 and for each of the years ended 30 June 2024, 30 June 2023 and 30 June 2022 were audited, by PricewaterhouseCoopers LLP, an independent registered public accounting firm. The financial statements of Diageo Finance plc as of and for each of the years ended 30 June 2023 and 30 June 2022 were audited by PricewaterhouseCoopers LLP.

Diageo Capital B.V. has an accounting year end of 30 June. PricewaterhouseCoopers Accountants N.V. have been appointed as sole independent auditors of Diageo Capital B.V. The address of PricewaterhouseCoopers Accountants N.V. is Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands. The financial statements of Diageo Capital B.V. as of and for the financial years ended 30 June 2023 and 30 June 2022 were audited by PricewaterhouseCoopers Accountants N.V. The auditor signing the auditor's reports on behalf of PricewaterhouseCoopers Accountants N.V. is a member of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

The Diageo group accounts are consolidated and prepared in accordance with applicable law and IFRS.

The statutory accounts of Diageo Finance plc are prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The statutory accounts of Diageo Capital B.V. are prepared in accordance with IFRS as adopted by the European Union and as issued by the IASB and with Part 9 of Book 2 of the Dutch Civil Code.

9. For a period of 12 months following the date of this Prospectus the following documents may be inspected on the website set out next to their description below:
- (a) the up to date memorandum and articles of association of each of the Obligors (with the exception of Diageo Capital B.V.) at <https://www.gov.uk/get-information-about-a-company> and for Diageo Capital B.V. at <https://www.kvk.nl/zoeken/>;
  - (b) this Prospectus together with any supplements and/or amendments at <https://www.londonstockexchange.com/>;
  - (c) any Final Terms relating to Instruments which are listed on any stock exchange at <https://www.londonstockexchange.com/>;
  - (d) the Guarantee at <https://www.diageo.com/>;
  - (e) the audited annual financial statements (on a consolidated basis and including the independent auditor's report thereon and notes thereto) of Diageo in respect of each of the financial years ended 30 June 2024 and 30 June 2023 at <https://www.diageo.com/>;
  - (f) the audited annual financial statements (on an entity basis and including the independent auditor's report thereon and notes thereto) of Diageo Finance plc as of and for each of the

financial years ended 30 June 2023 and 30 June 2022 at <https://www.diageo.com/en/our-business/corporate-governance/subsidiary-governance>;

- (g) the audited annual financial statements (on a consolidated basis and including the report of the independent registered public accounting firm thereon and notes thereto) of Diageo as of 30 June 2024 and 30 June 2023 and for each of the three years in the period ended 30 June 2024 (as set out at pages 230 to 310 of the Annual Report (on a consolidated basis) on Form 20-F of Diageo in respect of the financial year ended 30 June 2024) at <https://www.diageo.com/>;
  - (h) the audited financial statements (on an entity basis and including the independent auditor's report thereon and notes thereto) of Diageo Capital B.V. as of and for the financial years ended 30 June 2023 and 30 June 2022 at <https://www.gov.uk/get-information-about-a-company>; and
  - (i) all other reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in this Prospectus at <https://www.diageo.com/>.
10. The price and amount of Instruments to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.
11. Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Obligors and their affiliates in the ordinary course of business. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Instruments issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their respective 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 Obligors or the Obligors' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Obligors routinely hedge their credit exposure to the Obligors or the Obligors' affiliates consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates 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 securities, including potentially the Instruments issued under the Programme. Any such positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and their respective 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.
12. The Legal Entity Identifier (LEI) Code of Diageo is 213800ZVIELEA55JM32, Diageo Finance plc is BPF79TJMIH3DK8XCKI50 and Diageo Capital B.V. is 213800YHFC48VOL6JY40.

## REGISTERED OFFICES OF THE ISSUERS AND GUARANTOR

**Diageo plc**  
16 Great Marlborough Street  
London  
W1F 7HS

**Diageo Capital B.V.**  
Molenwerf 12, 1014 BG,  
Amsterdam

**Diageo Finance plc**  
16 Great Marlborough Street  
London  
W1F 7HS

## DEALERS

**Banco Santander, S.A.**  
Ciudad Grupo Santander  
Edificio Encinar  
Avenida de Cantabria  
28660, Boadilla del Monte  
Madrid, Spain

**Barclays Bank Ireland PLC**  
One Molesworth Street  
Dublin 2  
D02 RF29  
Ireland

**Barclays Bank PLC**  
1 Churchill Place  
London  
E14 5HP

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**BofA Securities Europe SA**  
51 rue La Boétie  
75008 Paris France

**Citigroup Global Markets Europe AG**  
Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**Deutsche Bank AG, London Branch**  
21 Moorfields  
London EC2Y 9DB

**Goldman Sachs Bank Europe SE**  
Marienurm  
Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

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

**HSBC Continental Europe**  
38, avenue Kléber  
75116 Paris  
France

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

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA

**Morgan Stanley Europe SE**  
Grosse Gallusstrasse 18  
60312 Frankfurt-am-Main  
Germany

**NatWest Markets Plc**  
250 Bishopsgate  
London EC2M 4AA

**RBC Europe Limited**  
100 Bishopsgate  
London EC2N 4AA

**Standard Chartered Bank**  
1 Basinghall Avenue  
London EC2V 5DD

**UBS AG London Branch**  
5 Broadgate  
London EC2M 2QS

**INDEPENDENT AUDITORS OF DIAGEO PLC AND DIAGEO FINANCE PLC**

**PricewaterhouseCoopers LLP**  
One Embankment Place  
London WC2N 6RH

**INDEPENDENT AUDITORS OF DIAGEO CAPITAL B.V.**

**PricewaterhouseCoopers Accountants N.V.**  
Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
The Netherlands

**ISSUE AND PAYING AGENT and REGISTRAR**

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**PAYING AGENT**

**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 Dealers as to English law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ

*To the Issuers as to English law*

**Slaughter and May**  
One Bunhill Row  
London EC1Y 8YY

*To the Issuers as to Dutch law*

**Loyens & Loeff N.V.**  
P.O. Box 71170, 1008 BD AMSTERDAM  
Parnassusweg 300, 1081 LC AMSTERDAM  
The Netherlands