

LISTING PARTICULARS DATED 5 DECEMBER 2012

BRITISH LAND (JERSEY) LIMITED

(a limited liability public company incorporated in Jersey with registered number 111346)

£400,000,000

1.50 per cent. Guaranteed Convertible Bonds due 2017

guaranteed by, and convertible into ordinary shares in

THE BRITISH LAND COMPANY PLC

(incorporated with limited liability in England and Wales with registered number 621920)

Issue Price: 100 per cent.

These Listing Particulars comprise listing particulars in compliance with the listing rules of the UK Listing Authority (the “**Listing Rules**”) made under Section 73A of the Financial Services and Markets Act 2000 (“**FSMA**”), as amended by the UK Listing Authority (the “**UKLA**”). Applications have been made for the £400,000,000 1.50 per cent. Guaranteed Convertible Bonds due 2017 (the “**Bonds**”) of British Land (Jersey) Limited (the “**Issuer**”) to be listed on the official list of the UKLA (the “**Official List**”) and to be admitted to trading on the Professional Securities Market of the London Stock Exchange plc (the “**London Stock Exchange**” or “**LSE**”) (the “**PSM**”). The London Stock Exchange’s PSM is an unregulated market for the purposes of the Markets in Financial Instruments Directive (“**Directive 2004/39/EC**”). The British Land Company PLC (“**British Land**”, the “**Company**” or the “**Parent Guarantor**”) intends to apply for any Ordinary Shares issued on conversion of the Bonds to be admitted to the premium segment of the Official List and admitted to trading on the EEA regulated market of the London Stock Exchange on or shortly following their date of issue. These Listing Particulars are to be read in conjunction with all the documents which are incorporated by reference herein (see “Documents Incorporated by Reference”).

Each of the Issuer and the Parent Guarantor accepts responsibility for the information contained in these Listing Particulars. The Issuer and the Parent Guarantor confirm that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

These Listing Particulars are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Parent Guarantor that any recipient of these Listing Particulars should purchase any of the Bonds. Each investor contemplating purchasing the Bonds should make its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the Parent Guarantor.

These Listing Particulars do not constitute an offer of, or an invitation by or on behalf of the Issuer or the Parent Guarantor to subscribe for or purchase any Bonds or Ordinary Shares. The distribution of these Listing Particulars and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Parent Guarantor to inform themselves about and to observe any such restrictions.

No person is authorised to give any information or to make any representation not contained in these Listing Particulars and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Parent Guarantor. Neither the delivery of these Listing Particulars, nor any sale made in connection herewith, shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Parent Guarantor since the date hereof or the date upon which these Listing Particulars have been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer or the Parent Guarantor since the date hereof or the date upon which these Listing Particulars have been most recently amended or supplemented, or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds and the Ordinary Shares have not been, and will not be, registered under the United States of America Securities Act of 1933, as amended (the “**Securities Act**”). The Bonds were offered outside the United States in accordance with Regulation S under the Securities Act (“**Regulation S**”) and, subject to certain exceptions, may not be offered or sold within the United States. The Ordinary Shares issuable upon conversion of the Bonds will be issued in reliance on Regulation S under the Securities Act and accordingly, a Bondholder exercising its conversion right must certify, among others, that it is located outside the United States. See “Terms and Conditions of the Bonds — Conversion of Bonds.”

The Bonds are in registered form (represented by a global bond (the “**Global Bond**”) and were issued on 10 September 2012 in the principal amount of £400,000,000, without interest coupons, which were deposited on the Closing Date with a common depositary for, and registered in the name of a common nominee of, Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). The Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Bonds in definitive form (the “**Definitive Bonds**”). See “Summary of Provisions Relating to the Bonds While in Global Form”.

Unless the source is otherwise stated, the market, economic and industry data in these Listing Particulars about the Issuer and the Parent Guarantor constitutes the Issuer’s and the Parent Guarantor’s estimates, respectively, using underlying data from various industry sources where appropriate. Market data and certain industry forecasts (where applicable) used throughout these Listing Particulars have

been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and the Issuer and the Parent Guarantor do not make any representation as to the accuracy of that information. Each of the Issuer and the Parent Guarantor hereby confirms that where the information in these Listing Particulars has been reproduced from third-party sources, it has been accurately reproduced and that, as far as the Issuer and the Parent Guarantor are aware, and able to ascertain from information published by the sources mentioned herein, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Bonds have been assigned a credit rating of A- by Fitch Ratings Ltd (“**Fitch**”). Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). A 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 agency.

The Jersey Financial Services Commission (the “**Commission**”) has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Bonds by the Issuer. The Commission has also given, and has not withdrawn, its consent under Article 1 of the Control of Borrowing (Jersey) Order 1958 to the Parent Guarantor raising monies in Jersey by the issue of the Bonds. The Commission is protected by the Control of Borrowing (Jersey) Law 1947 against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, the Commission takes no responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

Any individual intending to invest in any investment described in these Listing Particulars should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

It should be remembered that the price of the securities and the income from them can go down as well as up.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

These Listing Particulars contain “forward-looking statements” that are based on the Group’s current expectations, assumptions, estimates and projections about the Group and its industry. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “will”, “project”, “seek”, “should” and similar expressions. These statements include, among other things, the discussions of the Group’s business strategy and expectations concerning the Group’s market position, future operations, margins, profitability, liquidity and capital resources. The Group cautions you that reliance on any forward-looking statement involves risks and uncertainties, and that, although the Group believes that the assumptions on which the Group’s forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be materially incorrect.

Factors which could cause these assumptions to be incorrect are more fully discussed in “Risk Factors” and elsewhere in these Listing Particulars. In light of these and other uncertainties, you should not conclude that the Group will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, the Group does not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

TABLE OF CONTENTS

RISK FACTORS	5
DOCUMENTS INCORPORATED BY REFERENCE	16
TERMS AND CONDITIONS OF THE BONDS	17
USE OF PROCEEDS	65
BUSINESS	66
DESCRIPTION OF BRITISH LAND (JERSEY) LIMITED	73
SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM	75
DESCRIPTION OF THE ORDINARY SHARES	76
TAXATION	79
GENERAL INFORMATION	82
DEFINITIONS	84

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in these Listing Particulars prior to making any investment decision with respect to the Bonds. Each of the risks highlighted below could adversely affect the trading price of the Bonds or the Ordinary Shares or the rights of investors under the Bonds or the Ordinary Shares and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Issuer and the Parent Guarantor face. Each of the Issuer and the Parent Guarantor has described only those risks relating to its operations that it considers to be material. There may be additional risks that they currently consider not to be material or of which they are not currently aware, and any of these risks could have the effects set forth above.

Prospective investors should read the entire Listing Particulars, together with the documents incorporated by reference herein. Words and expressions defined in the “Terms and Conditions of the Bonds” below or elsewhere in these Listing Particulars have the same meanings in this section.

Investing in the Bonds involves certain risks. Prospective investors should consider, among other things, the following risks which may affect the Issuer’s and/or the Parent Guarantor’s ability to fulfil their respective obligations under the Bonds:

RISKS RELATING TO THE PARENT GUARANTOR AND THE ISSUER

1. Portfolio generally

Property investments are subject to varying degrees of risk. Rental revenues and property values are affected by changes in the general economic climate and local conditions such as an oversupply of space, a reduction in demand for commercial real estate in an area, competition from other available space, increased operating costs and the relative attractiveness to investors generally of property of that type as an investment. Property markets tend to be cyclical and related to the condition of the economy as a whole. British Land and its subsidiaries (together, the “**Group**”) have experienced in the past and expects to experience in the future, the negative impact of periods of economic slowdown or recession and corresponding declines in the demand for property in the markets in which it operates.

The Group’s decision to hold, buy or sell properties may not deliver the expected returns or may fail to meet value or performance expectations because of the Group’s failure to anticipate the market cycle correctly. Buying or selling at the wrong point in the property cycle or in the wrong location could lead to an underperformance of the Group’s portfolio.

Any decline in rental levels or market values may adversely affect the revenues and operations of the Group and accordingly the Parent Guarantor’s ability to meet its obligations under the Bonds.

2. Real Estate Risks

The Group is subject to risks generally affecting interests and investments in, and ownership of, real property, including: changes in general political and economic conditions or in specific industry segments; declines in property values; changes in valuation yields due to relative attractiveness of property as an asset class; variations in supply of and demand for office and retail space (or office and retail space of a particular type); obsolescence of properties; declines in rental or occupancy rates; increases in interest rates; changes in rental terms (including the tenants’ responsibility for operating expenses); fluctuations in the availability of financing for the acquisition of properties; changes in governmental rules, regulations and fiscal and other policies; war; terrorism and acts of God (where not covered by insurance); changes to the United Kingdom taxation regime in relation to property, in particular, but not limited to, stamp duty land tax; and other factors which are beyond the control of the Group, all of which may affect rental and/or valuation levels and may adversely impact the Parent Guarantor’s ability to meet its obligations under the Bonds.

3. Slowdown in general economic conditions, especially in certain business sectors or geographical regions, may adversely affect the Group’s income

The Group’s properties serve a broad range of occupiers. Therefore, the success of the business is dependent, to a significant degree, on the financial performance of a wide range of industries. Any prolonged economic downturn in the United Kingdom and continental Europe (or indeed in the sectors in which the Group’s tenants operate) could have a material adverse effect on the Group’s business,

results of operations, financial condition and prospects and could therefore adversely affect the Parent Guarantor's ability to fulfil its obligations under the Bonds.

Further, a substantial proportion of the Group's properties are located in the UK and many of these are in London. Consequently, any downturn in the UK's economy as a whole, or localised downturn in an area with significant assets, could materially adversely affect the Group's business, results of operations, financial condition and prospects particularly as the Group has only limited ability to offset such a downturn through alternative activities. As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

4. *Dependence on tenants*

The Parent Guarantor's ability to fulfil its obligations under the Bonds will depend on the Group continuing to receive a significant level of rent from its tenants. The Parent Guarantor's ability to fulfil such obligations could be affected if occupancy levels were to fall or if a significant number of tenants were unable to meet their obligations.

The Group derives a significant portion of its revenue directly or indirectly from rent received from its major retail tenants, including anchor tenants, and major office tenants. Major retail tenants and major office tenants generally pay a significant portion of the total rents at a property and, in some cases, contribute to the success of securing other tenants by attracting significant numbers of customers to the property. A downturn in business, bankruptcy or insolvency could force a major retail tenant or major office tenant to default on its rental obligations and/or vacate the premises. Such a default, in particular by one of the Group's top 20 tenants, could result in a loss of rental income, void costs, an increase in bad debts, and decrease the value of the property. Moreover, such a default may prevent the Group from increasing rents or result in lease terminations by, or reductions in rent for, other tenants under the conditions of their leases.

As existing leases terminate or become subject to tenant break options or space needs to be re-let for other reasons, there can be no assurance that such space will be re-let or, if re-let, that it will be re-let on terms (including rental levels) as favourable to the Group as those currently, or then, existing or that new tenants will be as creditworthy as existing tenants.

5. *Environmental risks*

Various laws may require current or previous owners or occupiers of property to investigate and/or clean-up hazardous or toxic substances. Owners or occupiers may also be obliged to pay for property damage and for investigation and clean-up costs incurred by others in connection with such substances. Such laws typically impose clean-up responsibility and liability having regard to whether such owners or occupiers knew of, or caused, the presence or escape of the substances. Even if more than one person may have been responsible or liable for the contamination, each person caught by the relevant environmental laws may be held responsible for all of the clean-up costs incurred.

In addition, third parties may bring legal proceedings against a current or previous owner, occupier or other party in control of property for damages and costs resulting from substances emanating from that property. These damages and costs may be substantial. The presence of substances on a property could also result in personal injury or similar claims by private claimants.

Failure to future-proof the Group's buildings against extreme weather occurrences or the impact of current and emerging legislation may result in reduced investor and occupier interest in the Group's buildings, disruption to income streams for the Group and its occupiers and additional costs for the Group and its occupiers to adapt buildings or meet new legislative requirements.

As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

6. *Development Risks*

The Group uses its development programme to create new properties that target incremental return on investment. The Group's development programme involves a higher degree of risk than its standing investment properties and requires that the Group accurately assess the development opportunity, including the return on investment, transport and other infrastructure attributes of the location, quality of specification, configuration and flexibility of accommodation, and timing and delivery of the completed property.

Inaccurate assessment of a development opportunity or a decrease in tenant demand due to competition from other commercial real estate properties or adverse market conditions could result in a substantial proportion of the development remaining vacant after completion and exert pressure on the Group to provide rental incentives to tenants.

Inaccurate assessment of a residential development opportunity or a decrease in occupier demand due to competition from other real estate properties or adverse market conditions could result in a substantial proportion of residential developments remaining unsold after completion.

The Group's strategy for development of prime commercial real estate requires that it hire skilled third party contractors to provide construction, engineering and various other services for the properties it is developing. The Group may hire a contractor that subsequently becomes insolvent, causing cost overruns, programme delays and the acceptance of riskier contractor covenants. The risk of such insolvency increases the risk of the Group being unable to recover costs in relation to any future latent defects subject to repair covenants given by the Group to tenants, to the extent that such costs are not otherwise covered by latent defect insurance.

The Group depends on skilled third party contractors for the timely construction of its developments in accordance with international standards of quality and safety. The process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents and defective building methods or materials. Any of these factors, alone or in combination, could delay or disrupt the construction process by halting the construction process or damaging materials or the development itself. In addition, the costs of construction depend primarily on the costs of materials and labour, which may be subject to significant unforeseen increases. The Group may not be able to recover for cost overruns under its insurance policies or from the responsible contractor or sub-contractor or may incur holding costs.

Construction delays may result in failure to meet certain conditions of pre-let agreements jeopardising future income streams provided for pursuant to those agreements.

The Group's development projects are subject to the hazards and risks normally associated with the construction and development of commercial real estate, including personal injury and property damage. The occurrence of any of these events could result in significant increased operating costs, reputational damage, fines, legal fees, or criminal prosecution of the Parent Guarantor, and its directors or management.

As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

7. Regulatory risk

In each of the jurisdictions in which the Group operates, it has to comply with laws, regulations and administrative policies which relate to, among other matters, listing regulations, tax, real estate investment trusts ("**REITs**"), financial accounting, planning, developing, building, land use, fire, health and safety, the environment and employment. These regulations often give broad discretion to the administering authorities. Each aspect of the regulatory environment in which the Group operates is subject to change, which may be retrospective, and changes in regulations could affect operational costs, costs of property ownership, the rate of building obsolescence and the value of properties. The Parent Guarantor's ability to fulfil its obligations under the Bonds may therefore be adversely affected.

8. REIT Related Risks

The group of companies of which the Parent Guarantor is the principal company (for the purposes of section 606 Corporation Tax Act 2010) converted to REIT status on 1 January 2007. Broadly, the effect of being a REIT is that the Parent Guarantor and certain of its subsidiaries (the "**BL REIT Group**") benefit from an exemption from UK corporation tax on income from its property rental business and on gains arising on disposal of investment properties that were used for the purposes of its property rental business.

Since 1 January 2007 the BL REIT Group has satisfied the conditions now set out in Part 12 of the Corporation Tax Act 2010 in each accounting period ended before the date of these Listing Particulars and has therefore maintained REIT status. Bondholders should be aware that a number of conditions will need to continue to be satisfied in order for REIT status to be maintained in respect of the BL REIT Group. These conditions may limit the Group's flexibility and are not fully under the Group's

control. In addition, certain tax liabilities may arise for the BL REIT Group under the UK REIT regime, for example:

- (i) in the event that the Parent Guarantor does not make sufficient distributions to its shareholders;
- (ii) in the event of a breach of the profit: financing-cost ratio as described in Section 543 of the Corporation Tax Act 2010; or
- (iii) if the Parent Guarantor makes a distribution to, or in respect of, a person who is a “holder of excessive rights” as defined in Section 553 of the Corporation Tax Act 2010.

Although the Parent Guarantor currently intends to maintain REIT status, there is no guarantee that this will remain the case and/or that liabilities arising under the UK REIT regime may not be incurred. Changes to the legislative provisions relating to REITs, or their interpretation, could also adversely affect the Group and the Parent Guarantor’s ability to fulfil its obligations under the Bonds.

9. Foreign exchange risk

The Parent Guarantor’s European investments are valued in euro. The Parent Guarantor reports its financial results in Sterling and must translate the valuations of its European properties from euro to Sterling. This exposure is hedged by matching the value of the foreign assets with borrowings in foreign currencies. The Group also engages overseas suppliers and contractors and purchases materials from overseas, particularly in relation to its development projects. If such contracts are denominated in foreign currencies and not hedged into Sterling, or if contracts for materials and services required are to be sourced overseas and have not yet been entered into, the Group could be exposed to fluctuations in foreign currency exchange rates. To the extent that the Group does not hedge its exposure to foreign currency exchange rate fluctuations, or to the extent that such hedging is inaccurate or otherwise ineffective, the Group could be exposed to fluctuations in foreign currency exchange rates and the Parent Guarantor’s ability to fulfil its obligations under the Bonds could be adversely affected.

10. Interest rate risk

The Group is exposed to interest-rate risks on the loans it has taken out to finance its investments. An increase in interest rates could have a negative impact on the Group’s results. Part of the Group’s exposure to variable rates is hedged through derivatives but these hedges could be insufficient to cover these risks. Moreover, changes in interest rates could have a negative impact on the Group’s results and/or its financial position. As a result, the Parent Guarantor’s ability to fulfil its obligations under the Bonds could be adversely affected.

11. Key Personnel

The Group’s business model requires a relatively small staff of key skilled professionals to manage a relatively large property portfolio. The departure of key skilled professionals could cause disruption to the management structure and relationships, an increase in costs associated with staff replacement, lost business relationships or reputational damage, which could have a material adverse effect on the Group’s business, financial condition and results of operations and thus on the Parent Guarantor’s ability to fulfil its obligations under the Bonds.

12. Insurance

The Parent Guarantor does not have insurance coverage for certain types of catastrophic losses, which are not insurable or for which economically reasonable insurance is unavailable. In addition, there can be no guarantee that the Parent Guarantor’s current insurance coverage will not be cancelled or become unavailable on economically reasonable terms in the future. If the Parent Guarantor were to suffer damage to an asset for which it was uninsured, it may be forced to obtain additional financing, to repair or rebuild the damaged asset or lose the value of the damaged asset altogether. As a result, the Parent Guarantor’s ability to fulfil its obligations under the Bonds may be adversely affected.

13. Liquidity risks and capital resources

Liquidity risk is the possibility of being unable to meet all present and future financial obligations as they become due. To mitigate its liquidity risk and augment its capital resources, the Parent Guarantor currently relies on the following forms of financing: bank facilities (i.e., committed lines of credit from major banks) and public and private bond issuance. The current global economic downturn and serious dislocation of financial markets around the world have caused a number of the world’s largest financial and other institutions significant operational and financial difficulties. Such difficulties could inhibit

the ability of some banks that currently provide credit facilities to the Parent Guarantor to honour their respective pre-existing lending commitments in the longer term and could limit the Parent Guarantor's ability to access new funding over the longer term. If, in the longer term, the Parent Guarantor is unable to access funding available under its then existing credit facilities, or is unable to access funding through alternative arrangements, it may be unable to meet its financial obligations (including interest payments, loan repayments, operating expenses, development costs and dividends) when they fall due or to raise new funding needed to finance its operations.

Each of these sources of financing could also become unavailable to the Parent Guarantor, for example, if a reduction in its credit rating makes the cost of accessing the public and private debt markets prohibitive. Although the Parent Guarantor considers that the diversity of its financing helps to protect it from liquidity risk, it could find itself unable to access any or all of these sources of financing at reasonable rates or at all. Any failure by lenders to fulfil their obligations to the Parent Guarantor as well as the inability of the Parent Guarantor to access new funding in the longer term may impact the Parent Guarantor's cash flow and liquidity, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

14. *Counterparty risks*

A large number of major international financial institutions are counterparties to the interest rate derivatives and foreign exchange contracts or deposits and investments contracted by the Group. In the case of default by a counterparty, the Parent Guarantor could lose all or part of its deposits and investments or may lose the benefit from hedges signed with such counterparties. This could then result in an increase in interest rate or currency exposure and thus adversely affect the Parent Guarantor's ability to fulfil its obligations under the Bonds.

15. *Breach of Covenants*

The Parent Guarantor and the investment funds (including unit trusts) and joint ventures in which it has an interest have a substantial amount of outstanding secured and unsecured indebtedness. The secured debt consists primarily of securitisations, loan notes, credit facilities and debentures and its unsecured debt consists of revolving credit facilities, convertible bonds and bonds issued in private placements. The terms of the secured debt contain financial covenants that may limit the discretion of the Parent Guarantor and the investment funds and joint ventures through which it holds certain property interests in operating their respective businesses. The secured and unsecured indebtedness contain financial covenants in relation to income and asset coverage ratios as well as ratios on the amount of net unsecured indebtedness. If the Parent Guarantor or any investment funds or joint ventures in which it has an interest is unable to comply with applicable financial covenants, including as a result of events outside of its control, such as severe economic downturns or a change of control at the relevant borrower entity, it could lead to the acceleration of the related debt and the acceleration of debt under any other debt instruments containing cross-acceleration or cross-default provisions. If the debt owed by the Parent Guarantor or any investment funds or joint ventures in which it has an interest were to be accelerated or cross-accelerated, the Parent Guarantor may not be able to refinance or otherwise repay its indebtedness, which could have a material adverse effect on its business, financial condition, results of operations, future prospects. The Parent Guarantor's ability to fulfil its obligations under the Bonds could therefore be adversely affected.

16. *The Group may be affected by economic conditions generally*

The operating and financial performance of the Group is influenced by global macroeconomic conditions.

Following the liquidity crisis that beset financial institutions beginning in September 2008 and the global economic recession that followed, certain governments and central banks took measures to lower interest rates in an effort to ameliorate economic conditions. Despite the global economy showing signs of recovery since 2009, the UK re-entered a period of recession in 2012. The UK economy returned to growth in the quarter to the end of September 2012, but uncertainty remains as to the extent and timing of further recovery, coupled with the possibility of income growth of the Group being depressed. There can be no assurance that any further steps taken by national governments will improve general global economic conditions.

Further, more recent economic developments may have an adverse impact upon revenue levels of the Group. A number of countries who have adopted the euro ("**Eurozone Countries**"), such as Spain, Portugal, Greece and Italy, have been facing increasingly high yields on sovereign debt issues. This has heightened the possibility that one or more Eurozone Countries may exit the euro or that the euro may be restructured and/or replaced with an alternative currency. Dislocation to financial and property markets resulting from any alteration in the membership of the Eurozone Countries may have a negative impact on the Group and/or the value of its assets and accordingly, the financial condition of the Group and the value of the Bonds. These more recent factors have led to increased market volatility and uncertainty across asset classes, including (without limitation), stock markets, foreign exchange markets and fixed income markets.

As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

Prospective investors should ensure that they are aware of current global macroeconomic conditions and responses to the global financial crisis and should take these factors into account when evaluating the risks and merits of an investment in the Bonds.

17. *External factors affecting occupier demand*

The Group's portfolio focuses primarily on prime retail (60%, of which 82% is out of town) and Central London offices (35%) which attract high quality occupiers committed to long leases. The value of the Group's portfolio and its rental incomes may be adversely affected by external factors affecting occupier demand.

For the prime retail portfolio, this includes increasing use of the internet for shopping, rather than physical stores, which may adversely affect occupiers' demand for the Group's retail space

For the Central London office portfolio, this includes any developments which may damage or diminish London's status as a global financial and business centre, such as a reduction in London's attractiveness to skilled persons as a result of regulation, taxation or otherwise, an increase in costs or other adverse changes in the regulatory environment for financial services, acts of terrorism, economic recession or otherwise. If London's status as a global financial and business centre were damaged or diminished, occupier demand for commercial office space in London could decrease.

The increase in vacancies in the market resulting from the above factors could reduce the ability of the Group to let vacant space, reduce the rental values achievable in respect of commercial property and cause property values to decrease, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

18. *Shared ownership of properties*

Some of the Group's operations and developments are held within joint ventures or other shared ownership arrangements. By definition, control of joint ventures and other shared ownership arrangements is shared with the Group's joint venture partners and co-investors, and the directors of the companies within the Group will not be able exclusively to direct the strategy and operating decisions of these entities. In particular, material decisions relating to the joint ventures and co-investments are likely to require the consent of both joint venture partners, or a certain majority share of investors, which may restrict the ability to proceed with an operational change, acquisition, disposal or development, or the refinancing or repayment of debt. Joint ventures or other shared ownership arrangements may include provisions for one party to initiate a disposal of the joint venture's or other shared ownership arrangement's assets on the open market, subject to certain conditions. Conflict with joint venture partners or co-investors may lead to deadlock and result in the Group being unable to pursue its preferred strategy.

In addition, in the event of a joint venture partner or co-investor being unable to make financial commitments to the project, it may be difficult to proceed with the project or the Group may incur increased financial exposure in order to reach completion.

In addition, the bankruptcy, insolvency or severe financial distress of one of the Group's joint venture partners or co-investors could materially and adversely affect the relevant joint venture, co-investment or properties held within that entity. The Group may have a right to acquire the share of the joint venture or co-investment which it does not own or the relevant properties, but the Group may not wish

to do so, or may not have sufficient funds to do so, which could lead to a third party acquiring such interest, which may have uncertain outcomes for the Group and could have an adverse impact on the Group's business, reputation, financial condition and/or results of operations.

As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

19. *External events beyond the control of the Group*

External events such as civil emergencies, terrorist attacks, environmental disasters or extreme weather occurrences could result in damage to the Group's properties or otherwise inhibit or prevent access to the Group's properties adversely impacting the operations of the Group's occupiers. Such events could give rise to reduced occupier and investor demand for the Group's properties resulting in reduced property values and rental income.

As a result, both the Issuer's and the Parent Guarantor's ability to fulfil their respective obligations under the Bonds may be adversely affected.

20. *Risks relating to the Issuer*

The Issuer has no business other than in relation to the Bonds and has lent the proceeds of the issue of the Bonds to the Parent Guarantor. The Issuer is accordingly entirely dependent on the Parent Guarantor in respect of its ability to make interest and principal payments on the Bonds. The Issuer's ability to fulfil its obligations under the Bonds may therefore be adversely affected.

RISKS RELATING TO THE BONDS AND THE ORDINARY SHARES

21. *Structural subordination to subsidiary debt*

The Group's operations are principally conducted through subsidiaries of the Parent Guarantor. Accordingly, the Parent Guarantor is and will be dependent on its subsidiaries' operations to service the Issuer's payments obligations in respect of the Bonds. The Bonds will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Parent Guarantor's subsidiaries, and to all secured creditors of the Parent Guarantor and its subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Parent Guarantor, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Parent Guarantor. As a result, the Parent Guarantor's ability to fulfil its obligations under the Bonds may be adversely affected.

22. *European Monetary Union*

If the United Kingdom joins the European Monetary Union prior to the maturity of any Bonds, there is no assurance that this would not adversely affect investors in those Bonds issued in Sterling. It is possible that prior to the maturity of any Bonds the United Kingdom may become a participating Member State and that the Euro may become the lawful currency of the United Kingdom. In that event (i) all amounts payable in respect of the Bonds denominated in Sterling may become payable in Euro, and (ii) the law may allow or require such Bonds to be re-denominated into Euro and additional measures to be taken in respect of such Bonds. The introduction of the Euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Bonds.

23. *Tax consequences*

Potential investors should consider the tax consequences of investing in the Bonds and consult their own tax advisers in light of their personal situations.

24. *Inflation risk*

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Bonds will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Bonds.

25. *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Bonds in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "*Investor's Currency*") other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may

impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Sterling would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

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

26. *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Bonds. 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 Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

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

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

The Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in the Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. Neither the Issuer nor the Parent Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bond.

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

The Trust Deed (the "***Trust Deed***") constituting the Bonds contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The conditions of the Bonds also provide, among other things, that the Trustee may, without the consent of the Bondholders (i) agree to any modification, or any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions, which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders; (ii) determine without the consent of the Bondholders that any Event of Default or Potential Event of Default (each as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby; or (iii) agree to the substitution of any Subsidiary (as defined in "Terms and Conditions of the Bonds") of the Issuer as principal debtor under the Bonds in place of the Issuer, in the circumstances described in Condition 14 (see "Terms and Conditions of the Bonds — Meetings of Bondholders, Modification and Waiver, Substitution").

29. *Certificate of Material Prejudice for Event of Default*

Condition 10 contains the Events of Default. For an event to constitute an Event of Default, in a number of cases, the Trustee must first certify in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders. It may be difficult for the Trustee to determine that such is the case. The Trustee may seek outside professional advice before exercising its discretion in such circumstances. This may delay any action being taken and it may be that, although an Event of Default has occurred, the Trustee would be unable so to certify.

30. *EU Savings Directive*

Under Council Directive 2003/48/EC ("***EU Savings Directive***") on the taxation of savings income Member States are required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to or for an individual or certain limited types of entity established in that other Member State. However, for a transitional period Austria and Luxembourg are instead required (unless during such period they elect

otherwise) to operate a withholding tax in relation to such payments. The transitional period will end after agreement on exchange of information is reached between the European Union and certain non-European Union states. No withholding will be required where the bondholder authorises the person making the payment to report the payment or presents a certificate from the relevant tax authority establishing exemption therefrom. A number of third countries have adopted equivalent measures.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

31. *Bondholders have limited anti-dilution protection*

The Conversion Price at which the Bonds may be converted into Ordinary Shares will be adjusted, inter alia, in the event that there is a consolidation, reclassification or subdivision in relation to the Ordinary Shares, capitalisation of profits or reserves, the payment of any dividend or the making of a distribution by the Parent Guarantor, rights issue or grant of other subscription rights or other adjustment which affects the Ordinary Shares, but only in the situations and only to the extent provided under “Terms and Conditions of the Bonds — Conversion of Bonds”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Bonds.

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

At any point when the Bonds are outstanding, depending on the performance of the Ordinary Shares, the value of the Ordinary Shares may be substantially lower than when the Bonds were initially purchased. In addition, because there will be a delay between when Conversion Rights (as defined in Condition 6(a) of the Conditions) are exercised and when Ordinary Shares are delivered, the value of the Ordinary Shares to be delivered may vary substantially between the date on which Conversion Rights are exercised and the date on which such Ordinary Shares are delivered.

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

The Terms and Conditions of the Bonds (the “*Conditions*”) provide that the Bonds are redeemable at the Issuer’s option prior to their Final Maturity Date in certain limited circumstances and accordingly the Issuer may choose to redeem the outstanding Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that of the Bonds.

34. *Redemption prior to maturity for tax reasons*

If the Issuer (or the Parent Guarantor, as the case may be) were obliged under the Conditions to pay additional amounts in respect of the Bonds due to any change in or amendment to the laws or regulations of Jersey or the United Kingdom or any political subdivision or any authority therein or thereof having the power to tax, or any change in the general application or official interpretation of such laws and regulations, and such obligation cannot be avoided by the Issuer (or the Parent Guarantor, as the case may be) taking reasonable measures available to it, the Issuer may be entitled to redeem all outstanding Bonds in accordance with the Conditions. It may not be possible for an investor to reinvest the redemption proceeds at an effective rate of return as high as the return on the Bonds and reinvestment of the redemption proceeds may only be possible at a significantly lower rate.

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

A Bondholder will, subject as more fully described in “Terms and Conditions of the Bonds — Conversion of Bonds”, have the right to convert his or her Bonds into Ordinary Shares. Conversion Rights may be exercised (subject to the Conditions, any applicable fiscal or other laws or regulations) in the circumstances set out in Condition 6(a). If the Conversion Rights are not exercised by Bondholders during the relevant period, the Bonds will be redeemed at their principal amount on the Final Maturity Date unless they are previously purchased and cancelled, redeemed or converted in accordance with the Conditions.

36. *Interest rate risks*

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

37. *Legal investment consideration may restrict certain investment*

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

38. *Changes in law may adversely affect returns to holders of the Bonds*

The Conditions are based on English law and administrative practice in effect as at the date of these Listing Particulars. 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 these Listing Particulars. Any change in the Parent Guarantor's and/or the Issuer's tax status (or that of other members of the Group) or taxation legislation or practice could affect the Parent Guarantor's and/or the Issuer's ability to provide returns to the Bondholders or alter post tax returns to the Bondholders. Commentaries in these Listing Particulars concerning the taxation of investors in the Bonds are based on current United Kingdom tax law and practice which is subject to change, possibly with retrospective effect. The taxation of an investment in the Parent Guarantor depends on the individual circumstances of investors.

39. *Restricted remedy for non-payment when due*

The sole remedy against each of the Issuer and the Parent Guarantor available to the Trustee or (where the Trustee, having become bound to proceed against the Issuer or the Parent Guarantor, has failed to proceed against the Issuer or the Parent Guarantor as provided in the Conditions) any Bondholder for recovery of amounts which have become due in respect of the Bonds or the Guarantee will be the making of an application for a declaration that the property of the Issuer is *en désastre* and/or claiming in any *en désastre* proceedings against the Issuer and/or the institution of proceedings for the winding-up of the Parent Guarantor and/or proving in any winding-up or in any administration of the Issuer or the Parent Guarantor and/or claiming in the liquidation of the Parent Guarantor.

40. *No established trading market for the Bonds*

The Bonds are new securities which may not be widely distributed and for which there is currently no established trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Parent Guarantor's results of operations and the market price of the Ordinary Shares. Although applications have been made for the Bonds to be listed on the Official List and to be admitted to trading on the PSM, there is no assurance that such applications will be accepted or that an active trading market for the Bonds will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

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

In recent years, the securities markets have experienced a high level of price and volume volatility and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values of prospects of such companies. The market price of the Bonds is expected to be affected by fluctuations in the market price of the Ordinary Shares and it is impossible to predict whether the price of the Ordinary Shares will rise or fall. Trading prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Group, the results of operations, communication of the Group's performance and strategy and political, economic, financial and other factors. Any decline in the market price of the Ordinary Shares may have an adverse effect on the market price of the Bonds.

Future issues of, or disposals of the Ordinary Shares by substantial shareholders may significantly affect the trading price of the Bonds or the Ordinary Shares. Even the expectation that such issues or disposals may occur may significantly affect the trading price of the Bonds and the Ordinary Shares. The Parent Guarantor has agreed to certain restrictions on its ability to issue or dispose of Ordinary Shares or certain related securities for 60 days after the issue of the Bonds. Except for such restrictions and the undertakings of the Parent Guarantor described in Condition 11 (see "Terms and Conditions of the Bonds — Undertakings"), there is no restriction on the Parent Guarantor's ability to issue Ordinary Shares, and there can be no assurance that the Parent Guarantor will not issue Ordinary Shares or that

any substantial shareholder will not dispose of, encumber, or pledge its Ordinary Shares or related securities.

42. US and other non-UK holders of Ordinary Shares may be unable to exercise their pre-emptive rights.

In the case of an increase of the share capital of British Land for cash, existing Ordinary Shareholders are generally entitled to pre-emption rights pursuant to the Companies Act 2006 (the “***Companies Act***”), unless such rights are waived by a special resolution of the Ordinary Shareholders at a general meeting or in certain circumstances stated in the Articles of Association (the “***Articles***”) of British Land. To the extent that pre-emptive rights are granted, US and other non-UK holders of the Ordinary Shares may not be able to exercise pre-emptive rights for their Ordinary Shares unless British Land decides to comply with applicable local laws and regulations and, in the case of US holders, unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirement thereunder is available. British Land intends to evaluate at the time of any rights offering the costs and potential liabilities associated with any such compliance or registration statement. At such time, British Land also intends to evaluate the benefits to it of enabling the exercise by US and other non-UK holders of the Ordinary Shares of the pre-emptive rights for their Ordinary Shares and any other factors British Land considers appropriate at the time. On the basis of this evaluation, British Land will then make a decision as to how to proceed and whether to file such a registration statement or otherwise or any other steps necessary to extend the rights offering into the other jurisdictions (including complying with local law requirements in other jurisdictions). No assurance can be given that any steps will be taken in any jurisdiction or that any registration statement will be filed to enable the exercise of such holders’ pre-emptive rights.

DOCUMENTS INCORPORATED BY REFERENCE

These Listing Particulars should be read and construed in conjunction with the following information:

- (a) the auditors' report and audited consolidated annual financial statements of the Parent Guarantor for the financial year ended 31 March 2011 appearing on pages 133 to 180 of the annual report for the year ended 31 March 2011 (the "**2011 Annual Report**");
- (b) the auditors' report and audited consolidated annual financial statements of the Parent Guarantor for the financial year ended 31 March 2012 appearing on pages 99 to 147 of the annual report for the year ended 31 March 2012 (the "**2012 Annual Report**"); and
- (c) the unaudited condensed consolidated financial statements of the Parent Guarantor for the six months ended 30 September 2012 and the independent review report thereon appearing on pages 21 to 37 of the announcement of the Parent Guarantor's results for the six months ended 30 September 2012 (the "**Half Year Results to 30 September 2012**").

Copies of documents incorporated by reference in these Listing Particulars can be obtained from the registered office of the Company and on the Company's website at www.britishland.com. Other than that specified at (a) to (c) above, no information available on the Company's website is incorporated by reference in these Listing Particulars.

Where documents incorporated by reference themselves incorporate information by reference, such information does not form part of these Listing Particulars. The non-incorporated parts of the 2011 Annual Report, the 2012 Annual Report and the Half Year Results to 30 September 2012 are either not relevant for investors or are covered elsewhere in these Listing Particulars.

Investors in the Bonds shall be deemed to have notice of all information contained in, or incorporated by reference in, such documents as if all such information were included in these Listing Particulars. Investors who have not previously reviewed such information should do so in connection with their purchase of the Bonds.

TERMS AND CONDITIONS OF THE BONDS

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

The issue of the £400,000,000 1.50 per cent. Guaranteed Convertible Bonds due 2017 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any Further Bonds (as defined below)) was (save in respect of any Further Bonds) authorised by resolutions of the board of directors of British Land (Jersey) Limited (the “**Issuer**”) passed on 4 September 2012 and 7 September 2012. The giving of the guarantee by The British Land Company PLC (the “**Guarantor**”) in respect of the Bonds was authorised by a resolution of the board of directors of the Guarantor passed on 4 September 2012 and resolutions of a committee of the board of directors of the Guarantor passed on 4 September 2012. The Bonds are constituted by a trust deed dated 10 September 2012 (the “**Trust Deed**”) between the Issuer, the Guarantor and Capita Trust Company Limited (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 10 September 2012 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Guarantor, the Trustee and The Bank of New York Mellon (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as Principal Paying, Transfer and Conversion Agent under the Agency Agreement), the Agents for the time being (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as Agents under the Agency Agreement) and The Bank of New York Mellon (Luxembourg) S.A. in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement), the Articles of the Issuer (as defined below) and the deed poll (the “**Deed Poll**”) executed and delivered on 10 September 2012 by the Guarantor.

Copies of each of the Trust Deed, the Agency Agreement, the Articles of the Issuer and the Deed Poll are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at the Closing Date (as defined below) at 4th Floor, 40 Dukes Place, London, EC3N 7NH), and at the specified offices of the Paying, Transfer and Conversion Agents and the Registrar.

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

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

(a) Form and Denomination

The Bonds are in registered form, serially numbered, in principal amounts of £100,000 each.

(b) Title

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

(c) Status

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

(d) *Guarantee*

The Guarantor has, pursuant to the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual performance by the Issuer of all its payment and other obligations in respect of the Bonds (the “**Guarantee**”). The obligations of the Guarantor under the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

2 **Covenants**

The Guarantor shall procure that so long as any of the Bonds remains outstanding (as defined in the Trust Deed):

- (a) Net Borrowings shall not at any time exceed 175 per cent. of Adjusted Capital and Reserves; and
- (b) Net Unsecured Borrowings shall not at any time exceed 70 per cent. of Unencumbered Assets.

For the purpose of these Conditions:

“**Accounts Date**” means the date of the Latest Consolidated Accounts.

“**Adjusted Capital and Reserves**” means, at any time, the amount of the issued and paid up share capital of the Guarantor (for which purpose an issue or proposed issue of share capital for cash which has been unconditionally underwritten shall be deemed paid up to the extent that the underwriters are liable therefor but only if such capital will be paid up within six months from the date when such underwriting liability becomes unconditional) and the aggregate amount standing to the credit of the consolidated capital and revenue reserves of the Guarantor and its Subsidiaries (including any share premium account, capital redemption reserve, revaluation reserve, other reserves and the credit or debit balance on the profit and loss account) all as shown in the Latest Consolidated Accounts but:

- (i) adjusted as may be appropriate to take account of:
 - (A) any increase in or reduction of such share capital and such reserves (other than in respect of any unaudited profit or loss attributable to the ordinary course of trading) since the Accounts Date,
 - (B) the external valuation surplus arising in respect of any Assets stated in the Latest Consolidated Accounts,
 - (C) any increase in or reduction of such reserves arising as a result of a Revaluation,
 - (D) any distributions in cash or specie made (otherwise than to the Guarantor, or any Subsidiary of the Guarantor and attributable, directly or indirectly, to the Guarantor) from such reserves or profit and loss account since the Accounts Date and not provided for therein,
 - (E) any Subsidiary of the Guarantor not consolidated in the Latest Consolidated Accounts or any companies which since the Accounts Date have become or have ceased to be Subsidiaries of the Guarantor, and
 - (F) any other variation in the Guarantor’s interests in Subsidiaries of the Guarantor since the Accounts Date;
- (ii) after excluding any sums set aside for taxation (whether in respect of deferred tax or otherwise);
- (iii) after deducting all amounts (if any) attributable to goodwill or any other intangible assets unless such amounts were included in the Latest Consolidated Accounts (or, in the case of any company which has become a Subsidiary of the Guarantor since the Accounts Date, in the most recent audited accounts of such company);
- (iv) after excluding any amount attributable to outside interests in Subsidiaries;

- (v) after making such other adjustments (if any) as the auditors for the time being of the Guarantor may consider appropriate; and
- (vi) after excluding any increase or decrease in the amount of any reserve made (save in relation to any equity instrument) as a result of any requirement that any gain or loss arising from a change in the fair value of a financial asset or of a financial liability be recorded in reserves, whether by inclusion in the profit and loss account or otherwise. (For the purpose of this provision the terms “financial asset” and “financial liability” shall not include property assets or property liabilities).

“**Assets**” means, at any time, all

- (i) investment, development and trading properties;
- (ii) investments in joint ventures (provided that no joint venture investment shall be included in the calculation at a figure of less than zero);
- (iii) other investments; and
- (iv) such other assets (if any) the inclusion of which the auditors for the time being of the Guarantor may from time to time consider appropriate,

and “**Asset**” means any one of them.

“**Borrowings**” means, at any time

- (i) the principal amount of all moneys borrowed (with or without security) by any member of the Group;
- (ii) the nominal amount of the issued share capital (other than equity share capital which, as regards capital, has rights no more favourable than those attached to its ordinary share capital) of any Subsidiary of the Guarantor which is not beneficially owned by the Guarantor or another, wholly owned, Subsidiary of the Guarantor;
- (iii) the maximum amount for the time being outstanding for which any member of the Group has given security or is liable as guarantor or indemnifier or in any other like capacity in respect of:
 - (A) obligations for redemption of any share capital of any body corporate (other than share capital which is beneficially owned by any member of the Group); or
 - (B) the principal amount of borrowings, loan capital or other indebtedness of any person other than a member of the Group or, to the extent that it would not otherwise constitute Borrowings, any member of the Group;
- (iv) the principal amount raised by any member of the Group by acceptances (not being acceptances in relation to the purchase of goods or services in the ordinary course of trading which have been outstanding for 180 days or less) or under any acceptance credit opened on its behalf by a bank or accepting house;
- (v) the principal amount of any debenture (as defined by section 738 of the Companies Act) of any member of the Group, provided however that in the case of a debenture where (ignoring any amounts payable by way of interest) the issue price is less than the amount payable on final redemption, (i) the principal amount shall be the accreted value; and (ii) the accreted value shall not be lower than the issue price nor higher than the amount payable on final redemption;
- (vi) the principal amount outstanding by any member of the Group under a finance lease. For the avoidance of doubt, rents payable in respect of leaseholds of immovable property entered into in the ordinary course of business shall not be deemed to be finance leases for these purposes; and
- (vii) principal amounts outstanding which do not otherwise fall to be treated as Borrowings of any member of the Group under any other paragraph of this definition if they are treated as borrowings in the Latest Consolidated Accounts;

but shall not include:

- (viii) any amount included in a balance sheet of a member of the Group or in a consolidated balance sheet of the Group (save in relation to any equity instrument) as a result of any requirement that financial assets or financial liabilities be carried on such balance sheet at fair value. (For the purpose of this provision the terms “financial asset” and “financial liability” shall not include property assets or property liabilities);
- (ix) amounts which would otherwise be Borrowings which are intended to be applied within six months of being borrowed or raised in the repayment of Borrowings then outstanding pending their application for such purpose or the expiration of such period whichever shall be the earlier;
- (x) a proportion of the Borrowings of any partly-owned Subsidiary of the Guarantor (but only to the extent that an amount equivalent to such proportion exceeds Borrowings (if any) from such partly-owned Subsidiary of the Guarantor by another member of the Group) such proportion being that which the issued ordinary share capital of such partly-owned Subsidiary of the Guarantor which is not for the time being beneficially owned directly or indirectly by the Guarantor bears to the whole of the issued ordinary share capital of such partly-owned Subsidiary of the Guarantor; or
- (xi) any amount which would otherwise be a Borrowing but which is owed by one member of the Group to another member of the Group;

and so that:

- (xii) any company which it is proposed shall become or cease to be a Subsidiary of the Guarantor contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a Subsidiary of the Guarantor; and
- (xiii) for the avoidance of doubt, amounts prospectively payable for the hire or lease of movable or immovable property (other than under a finance lease as described in paragraph (vi) above) shall not be deemed to be Borrowings notwithstanding that a capital amount in respect of such amounts may be included as a liability in the Latest Consolidated Accounts.

“**Group**” means the Guarantor and its Subsidiaries from time to time.

“**Latest Consolidated Accounts**” means, at any date, the then latest consolidated financial statements of the Group (including the notes thereto) which have been audited and/or reported on by the auditors for the time being of the Guarantor and published and distributed to the shareholders generally of the Guarantor as the accounts of the Group.

“**Net Borrowings**” means, at any time, Borrowings less cash and deposits beneficially owned by any member of the Group.

“**Net Unsecured Borrowings**” means, at any time, Borrowings less

- (i) cash and deposits beneficially owned by any member of the Group which are not subject to a Security Interest;
- (ii) Secured Borrowings; and
- (iii) Non-Recourse Borrowings.

“**Non-Recourse Borrowings**” means, at any time, Borrowings (as identified in the Latest Consolidated Accounts or which, having arisen since the Accounts Date, the Guarantor intends will be identified in the next consolidated accounts) made by a ring fenced special purpose company such that the lender has recourse for repayment of those Borrowings only to that company or its assets and (if applicable) to other Non-Recourse Companies or their assets.

“**Non-Recourse Company**” means a member of the Group whose Borrowings are Non-Recourse Borrowings, or to whom or against whose assets the lender of Non-Recourse Borrowings has recourse for their repayment.

“**Revaluation**” means a valuation of all or any Assets carried out by external valuers on an open market basis.

“**Secured Borrowings**” means, at any time, Borrowings the discharge of which is secured by a Security Interest.

“Security Interest” means a mortgage, pledge, charge, assignment, hypothecation or other agreement conferring security.

“Subsidiary” means (i) a subsidiary as defined in section 1159 of the Companies Act and (ii) a subsidiary undertaking as defined in section 1162 of the Companies Act.

“Unencumbered Assets” means the aggregate Value of the Assets of the Group at the relevant date, as adjusted by deducting the Value of:

- (i) investments in joint ventures at such time included within Assets (save that a loan by a member of the Group to a joint venture which is made on commercial terms and fully secured by a first priority Security Interest but which is designated in the Latest Consolidated Accounts as an investment as required by accounting principles shall not be so deducted); and
- (ii) Assets over which a Security Interest has been granted and any other Assets to which a lender of Non-Recourse Borrowings has recourse for their repayment (each as identified in the Latest Consolidated Accounts or which, having arisen since the Accounts Date, the Guarantor intends will be identified in the next consolidated accounts).

“Value” means

- (i) the value attributed to any Asset in the Latest Consolidated Accounts including (without limitation) any external valuation surplus;
- (ii) in the case of an Asset acquired by a member of the Group since the Accounts Date, the acquisition cost of such Asset or, in the case of an Asset owned by a Subsidiary acquired since the Accounts Date, the fair value attributed to such Asset in the acquisition;
- (iii) in the case of an Asset the subject of a Revaluation since the Accounts Date, the open market value attributed to such Asset by the Revaluation.

The definitions set out in this Condition 2 shall be construed in a manner consistent with generally accepted accounting principles in the United Kingdom from time to time (Current GAAP), provided always that the covenants set out in this Condition 2 shall be deemed to be satisfied if at any time the Guarantor would be in compliance with their terms were the definitions to be construed in accordance with generally accepted accounting principles in the United Kingdom as at 31 March 2003, notwithstanding that it may be in breach were the definitions to be construed in accordance with Current GAAP.

In each of the calculations or adjustments made for the purpose of this Condition 2, no amount shall be taken into account more than once.

A certificate addressed to the Trustee by two directors of the Guarantor as to the amount of the Net Borrowings, Adjusted Capital and Reserves, Net Unsecured Borrowings or Unencumbered Assets or as to compliance or otherwise by the Guarantor with the covenants in this Condition 2 or as to any other defined term or figure required in connection with this Condition 2 (unless expressly stated otherwise) may, in the absence of manifest error, be relied upon by the Trustee (without liability to any person for so relying) and, if so relied upon, shall be conclusive and binding on the Issuer, the Guarantor and the Bondholders.

3 Definitions

In these Conditions, unless otherwise provided:

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

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

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

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

“Cash Alternative Amount” means, in respect of any exercise of Conversion Rights in respect of which the Guarantor shall have made a Cash Alternative Election, an amount in sterling calculated in accordance with the following formula and which shall be payable by the Guarantor

to a Bondholder in respect of the relevant Cash Settled Shares specified in the relevant Cash Alternative Election Notice:

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

where:

- CAA = the Cash Alternative Amount;
- S = the Cash Settled Shares;
- P_n = the Volume Weighted Average Price of an Ordinary Share on the nth dealing day of the Cash Alternative Calculation Period; and
- N = 20, being the number of dealing days in the Cash Alternative Calculation Period,

provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced, whether on or prior to or after the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date and if on any dealing day in the Cash Alternative Calculation Period the price determined as provided above is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Ordinary Share as at the date of the first public announcement of such Dividend or entitlement (or, if that is not a dealing day, the immediately preceding dealing day), determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

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

“Cash Alternative Election” has the meaning provided in Condition 6(n).

“Cash Election Date” has the meaning provided in Condition 6(n).

“Cash Settled Shares” means, in respect of the exercise of Conversion Rights by a Bondholder, such number of Ordinary Shares (which shall not exceed the number of Reference Shares in respect of such exercise) as is determined by the Guarantor and notified to the relevant Bondholder in the relevant Cash Alternative Election Notice in accordance with Condition 6(n).

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

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

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

“Change of Control Put Date” has the meaning provided in Condition 7(e).

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

“**Closing Date**” means 10 September 2012.

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

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

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

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

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

“**Current Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Ordinary Shares to be issued and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or
- (b) if the Ordinary Shares to be issued and delivered do rank for the Dividend or entitlement in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend (or entitlement), in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or transferred and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

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

“**Dividend**” means any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and

including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where: (1) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, as the case may be, the Fair Market Value of such other property or assets as at the date of the first public announcement of such Dividend or capitalisation (or in any such case, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or transferred and delivered is determined), save that where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares where the number of Ordinary Shares to be issued or delivered is to be determined during a period following such announcement and is to be determined by reference to the closing price or volume weighted average price without any discount, then such Dividend shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount; or (2) there shall be any issue of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation, or in any such case, if later, the date on which the number of Ordinary Shares to be issued and delivered is determined;
- (b) any issue of Ordinary Shares falling within Condition 6(b)(ii) above shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Guarantor by or on behalf of the Guarantor or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Guarantor or any of its Subsidiaries, the weighted average price per Ordinary Share (before expenses) on any one day (a “**Specified Share Day**”) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the average of the closing price of the Ordinary Shares on the Relevant Stock Exchange (as published or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by the Guarantor or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Ordinary Share determined

as aforesaid and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;

- (d) if the Guarantor or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined by an Independent Financial Adviser; and
- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Guarantor for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Guarantor, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Guarantor, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly,

and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

“EEA Regulated Market” means a market as defined by Article 4.1 (14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

“Effective Date relating to such Dividend or entitlement” means, unless otherwise defined herein, the first day on which the Ordinary Shares are traded ex- the relevant Dividend or other entitlement on the Relevant Stock Exchange.

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

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

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

“Fair Market Value” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Adviser provided that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Financial Adviser), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities, Spin-Off Securities, options, warrants or other rights during the period of five dealing days on the relevant stock exchange or securities or other market commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded; (iv) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities or other market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined in good faith by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (i) above, be translated into the Relevant Currency (if such Cash Dividend is declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be

determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

“Final Maturity Date” means 10 September 2017.

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

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

“Independent Financial Adviser” means an independent financial institution of international repute appointed by the Issuer or Guarantor at its own expense and approved in writing by the Trustee or, if the Issuer and the Guarantor fail to make such appointment and such failure continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee (without liability for so doing) following notification thereof to the Issuer and the Guarantor.

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

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

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

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

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

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

“Ordinary Shares” means fully paid ordinary shares in the capital of the Guarantor with, on the Closing Date, a par value of £0.25 each.

“Parity Value” means, in respect of any dealing day, the sterling amount calculated as follows:

PV = N x VWAP

where

PV = the Parity Value

N = the number of Ordinary Shares determined by dividing £100,000 by the Exchange Price in effect on such dealing day rounded down, if necessary, to the nearest whole number of Ordinary Shares.

VWAP = the Volume Weighted Average Price of an Ordinary Share on such dealing day (provided that if on any such dealing day the Ordinary Shares shall have been quoted cum-Dividend or cum-any other entitlement, the Volume Weighted Average Price of an Ordinary Share on such dealing day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement).

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

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

“**Prevailing Rate**” means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (London time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (London time) on the immediately preceding day on which such rate can be so determined or if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as an Independent Financial Adviser shall consider appropriate.

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

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

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

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

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

“**Reference Shares**” means, in respect of the exercise of Conversion Rights by a Bondholder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of the Bonds the subject of the relevant exercise of Conversion rights by the Exchange Price in effect on the relevant Conversion Date.

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

“**Relevant Currency**” means sterling or, if at the relevant time or for the purposes of the relevant calculation or determination, the London Stock Exchange is not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

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

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

“Relevant Page” means the relevant page on Bloomberg or such other information service provider that displays the relevant information.

“Relevant Stock Exchange” means the London Stock Exchange or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the London Stock Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or dealt in.

“Retroactive Adjustment” has the meaning provided in Condition 6(c).

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

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

“Shareholders” means the holders of Ordinary Shares.

“Spin-Off” means:

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

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

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

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

“UK Listing Authority” means the Financial Services Authority in its capacity as competent authority for the purposes of the Financial Services and Markets Act 2000.

“Volume Weighted Average Price” means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the volumeweight average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page BLND LN Equity HP (setting Weighted Average) or (in the case of a Security (other than an Ordinary Share) or Spin-Off Security) from the principal stock exchange or securities market on which such Security or Spin-Off Security is then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day and translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined, or as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

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

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

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

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

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

Any determination by an Independent Financial Adviser appointed by the Issuer or Guarantor or, as the case may be, the Trustee in any of the circumstances contemplated in these Conditions shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the Trustee and the Bondholders.

For the purpose of Condition 6 (a), (b), (c), (g) and (h) and Condition 11, (i) references to the “**issue**” of Ordinary Shares or Ordinary Shares being “**issued**” shall include the delivery of Ordinary Shares, whether newly issued and allotted or previously existing and held by or on behalf of the Guarantor or any of its Subsidiaries, and (ii) Ordinary Shares held by or on behalf of the Guarantor or any of its Subsidiaries (and which, in the case of Condition 6(b)(iv) and (b)(vi), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “**in issue**” or “**issued**” or entitled to receive the relevant Dividend, right or other entitlement.

In relation to the Bonds, references in these Conditions to listing on the London Stock Exchange (or like or similar references) shall be construed as admission to the Official List of the UK Listing Authority and admission to trading on the Professional Securities Market of the London Stock Exchange.

In relation to the Ordinary Shares, references in these Conditions to listing on the London Stock Exchange (or like or similar references) shall be construed as admission to the Official List of the UK Listing Authority and admission to trading on the EEA Regulated Market of the London Stock Exchange and references to “**EEA Regulated Market**” means a market as defined by Article 4.1 (14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

4 Registration and Transfer of Bonds

(a) Registration

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

(b) Transfer

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

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

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

uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) *Formalities Free of Charge*

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

(d) *Closed Periods*

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

5 Interest

(a) *Interest Rate*

The Bonds bear interest from (and including) the Closing Date at the rate of 1.50 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments on 10 March and 10 September in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 10 March 2013.

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

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

(b) *Accrual of Interest*

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(j)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5(a) (both before and after judgment) until the Relevant Date.

6 Conversion of Bonds

(a) *Conversion Right*

Subject as provided in these Conditions, each Bond shall entitle the holder to convert each £100,000 principal amount of a Bond into 100 fully paid Preference Shares, with each such Preference Share being allotted at a price equal to the Paid-Up Value (a “**Conversion Right**”).

Conversion Rights may only be exercised in the following circumstances:

- (i) at any time from (and including) 22 October 2012 (the “**Conversion Commencement Date**”) up to (but excluding) the First Call Date if the Conversion Date falls during a particular Quarter, if the arithmetic mean of the Volume Weighted Average Price of an Ordinary Share during any period of 20 consecutive dealing days in the period of 30 consecutive dealing days ending on (and including) the dealing day immediately preceding the final dealing day of the immediately preceding Quarter, is greater than 130 per cent. of the Exchange Price in effect on the final dealing day of such Quarter; or
- (ii) where the Conversion Date falls at any time from (and including) the First Call Date to (but excluding) the 20th dealing day prior to the Final Maturity Date; or
- (iii) at any time:
 - (a) in case of early redemption of all the outstanding Bonds at the option of the Issuer pursuant to Condition 7(b) or 7(c), provided that the Conversion Date falls in the period from (and including) the date on which the relevant notice of redemption is given up to (but excluding) the 20th dealing day preceding the date of early redemption unless there shall be a default in making payment in respect of such Bond on any such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given to Bondholders in accordance with Condition 17 or, if earlier, the Final Maturity Date or, if the Final Maturity Date is not a London business day, the immediately preceding London business day; or
 - (b) in the case of a distribution to Shareholders of cash, assets, securities or other property where the Fair Market Value of such distribution per Ordinary Share is greater than 20 per cent. of the arithmetic mean of the Volume Weighted Average Price of an Ordinary Share during the 20 dealing day period ending on (and including) the dealing day immediately preceding the date on which such distribution was first publicly announced by the Guarantor, provided that the Conversion Date falls in the period from (and including) the date of first public announcement of such distribution up to (but excluding) the ex- date in respect of such distribution; or
 - (c) in the case of a Change of Control of the Guarantor, provided that the Conversion Date falls during the Change of Control Period; or
 - (d) in case of an Event of Default, provided that the Conversion Date falls in the period from (and including) the occurrence of the Event of Default up to (but excluding) the date the Bonds are declared due and payable pursuant to Condition 10; or
 - (e) where the Conversion Date falls during a period of 5 dealing days immediately following any period of 10 consecutive dealing days during which on each such dealing day the price per £100,000 principal amount of the Bonds (being the median price per £100,000 principal amount of Bonds as derived from Bloomberg Page XS0827594762 Corp ALLQ as at the close of business on such dealing day (or, if such page is not available, as derived from any substitute Bloomberg page or from any successor to Bloomberg or derived from any other public source providing substantially similar data to such Bloomberg Page, or failing which from such other source displaying trading prices in respect of the Bonds provided by leading institutions as an Independent Financial Adviser shall consider appropriate)), is less than the Adjusted Parity Value in effect on each such dealing day, provided that if for any period of 10 consecutive dealing days no such price is available from Bloomberg Page XS0827594762 Corp ALLQ, or such other source as aforesaid (a “Bond Price Unavailability Period”), then within 5 dealing days following the end of such Bond Price Unavailability Period the Guarantor shall appoint an Independent Financial

Adviser to determine the market price per £100,000 principal amount of the Bonds as at the Bond Price Determination Date and if, as at the Bond Price Determination Date, the price per £100,000 principal amount of the Bonds, as determined by the Independent Financial Adviser, is less than the Adjusted Parity Value then Bondholders will be entitled to exercise Conversion Rights at any time so that the Conversion Date falls during a period of 30 dealing days following the later of the Bond Price Determination Date and the giving of notice by the Guarantor to Bondholders as provided below,

provided that, in each case, if the final date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

The entitlement of Bondholders to exercise Conversion Rights pursuant to the above proviso shall be without prejudice to the right of Bondholders to exercise Conversion Rights pursuant to any provision of paragraphs (i), (ii) or (iii) (including the preceding provisions of sub-paragraph (e)).

“Adjusted Parity Value” means, at any date, 97 per cent. of the product of:

- (x) the Volume Weighted Average Price of an Ordinary Share on such date (as derived from Bloomberg Page BLND LN Equity HP) (setting Weighted Average); and
- (y) the number of Ordinary Shares (rounded down to the nearest whole number) determined by dividing £100,000 principal amount of the Bonds by the Exchange Price in effect on such date

“Bond Price Determination Date” means the fifth dealing day following any Bond Price Unavailability Period.

The Guarantor shall as soon as reasonably practicable give notice to Bondholders of any determination by an Independent Financial Adviser as provided in paragraph (iii) (e). Such notice shall specify the market price per £100,000 principal amount of the bonds, as determined by the Independent Financial Adviser, as at the relevant Bond Price Determination Date and the Adjusted Parity Value as at the relevant Bond Price Determination Date.

Conversion Rights may not be exercised (i) following the giving of notice by the Trustee pursuant to Condition 10 or (ii) in respect of a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to Condition 7(e).

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

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond, together with a duly completed Conversion Notice, to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(b).

If a Conversion Right is exercised prior to the Conversion Commencement Date, Bondholders exercising the Conversion Right prior to the Conversion Commencement Date shall be required to certify in the Conversion Notice, among other things, that it or, if it is a broker-dealer acting on behalf of a customer, such customer:

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

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

All Preference Shares issued on conversion of the Bonds shall (without any further action being required to be taken by, and without any cost or expense to, the relevant Bondholder or the Trustee) automatically be transferred on and as at the relevant Conversion Date from the relevant Bondholder to the Guarantor and in consideration therefor the Guarantor shall:

- (i) (if a Cash Alternative Election is not made by the Guarantor in respect of the relevant exercise of Conversion Rights) issue or transfer and deliver to the relevant Bondholder such number of Ordinary Shares as is determined by dividing the aggregate Paid Up Value in respect of such Preference Shares by the Exchange Price in effect on the relevant Conversion Date (and, where necessary, rounding down to the nearest whole number of Ordinary Shares); or
- (ii) (where a Cash Alternative Election is made by the Guarantor in respect of the relevant exercise of Conversion Rights) make payment to the relevant Bondholder of the relevant Cash Alternative Amount and, where the number of Cash Settled Shares is less than that the number of Reference Shares in respect of such exercise of Conversion Rights, issue or transfer and deliver to the relevant Bondholder a number of Ordinary Shares as is equal to the Reference Shares minus the Cash Settled Shares.

The initial exchange price (the “**Exchange Price**”) is £6.9307 per Ordinary Share. The Exchange Price is subject to adjustment in the circumstances described in Condition 6(b).

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

Where a Cash Alternative Election is made by the Guarantor in respect of an exercise of Conversion Rights, the Guarantor shall pay the relevant Cash Alternative Amount by not later than the fifth dealing day following the end of the Cash Alternative Calculation Period (or, if that is not a London business day, the next following London business day) by transfer to the sterling account of the payee with a bank in London specified in the relevant Conversion Notice.

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

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

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

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

and which are to be exchanged for Ordinary Shares, and rounded down to the nearest whole number of Ordinary Shares.

(b) *Adjustment of Exchange Price*

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

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

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

where:

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

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

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Guarantor shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Ordinary Shares or (3) where any such Ordinary Shares are or are expressed to be issued in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue by the following fraction:

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

where:

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

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

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

(iii)

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

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

where:

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

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

“**Effective Date**” means, in respect of this paragraph (b)(iii)(A), the first date on which the Ordinary Shares are traded ex-the relevant Capital Distribution on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares, the date on which such purchase, redemption or buy back is made or, in the case of a Spin-Off, the first date on which the Ordinary Shares are traded ex- the relevant Spin-Off on the Relevant Stock Exchange.

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

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

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

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

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

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend; and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Period exceeds an amount equal to the aggregate of the Fair Market Values of any previous Cash Dividends per Ordinary Share paid or made in such Relevant Period (where C shall be zero if such previous Cash Dividends per Ordinary Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Period).

For the avoidance of doubt “C” shall equal the Threshold Amount in respect of the Relevant Period where no previous Cash Dividends per Ordinary Share have been paid or made in respect of such Relevant Period.

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined.

“**Effective Date**” means, in respect of this sub-paragraph (b)(iii)(B), the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange.

“**Ex-Date**” means in respect of any Cash Dividend the first date on which the Ordinary Shares are traded ex-the relevant Cash Dividend on the Relevant Stock Exchange.

“**Extraordinary Dividend**” means any Cash Dividend (the “**Relevant Dividend**”) in respect of which the Ex- Date falls in any Relevant Period (and whether or not such Cash Dividend is paid in such Relevant Period), if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) the Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Fair Market Values of any other Cash Dividend or Cash Dividends per Ordinary Share in respect of which the Ex- Date falls in such Relevant Period, exceeds the Threshold Amount in respect of such Relevant Period, and in that case the Extraordinary Dividend shall be the Relevant Dividend.

“**Relevant Period**” means the period of 12 months commencing on, and including, the Closing Date and ending on, but excluding, the date falling 12 months after the Closing Date, and each successive period commencing on, and including, the last day of the preceding Relevant Period and ending on, but excluding, the date falling 12 months thereafter, provided that the final Relevant Period shall commence on (and include) the fourth anniversary of the Closing Date and end on, but exclude, the Final Maturity Date.

“**Threshold Amount**” means, in respect of any Relevant Period, 26.4 pence per Ordinary Share (adjusted pro rata for any adjustments to the Exchange Price, including pursuant to this paragraph (b)(iii)).

On any adjustment to the Threshold Amount, the resultant Threshold Amount, if not an integral multiple of 0.1 pence, shall be rounded down to the nearest whole multiple of 0.1 pence. No adjustment shall be made to the Threshold Amount where such adjustment (rounded down if applicable) would be less than one per cent. of the Threshold Amount then in effect. Any adjustment not required to be made and/or any amount by which the Threshold Amount has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

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

- (C) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) be determined as at the Effective Date.
- (D) In making any calculations for the purposes of this paragraph (b)(iii), such adjustments (if any) shall be made as an Independent Financial Adviser may determine in good faith to be appropriate to reflect any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of

capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue in relation to the Relevant Period in question.

- (iv) If and whenever the Guarantor shall issue Ordinary Shares to Shareholders as a class by way of rights, or the Guarantor or any of the Guarantor's Subsidiaries or (at the direction or request or pursuant to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to acquire any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

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

provided that if at the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange (as used in this paragraph (b)(iv), the **Specified Date**) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (b)(iv), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this paragraph (b)(iv), the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- (v) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity shall issue any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares or Securities which by their terms carry (directly or indirectly) rights of conversion into, or

exchange or subscription for, or rights to otherwise acquire, Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase or otherwise acquire Ordinary Shares or Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Ordinary Shares), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(v), the first date on which the Ordinary Shares are traded ex- the relevant Securities or ex-rights, ex-option or ex-warrants on the Relevant Stock Exchange.

- (vi) If and whenever the Guarantor shall issue (otherwise than as mentioned in paragraph (b)(iv) above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on exchange for the Preference Shares or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or right to otherwise acquire Ordinary Shares and other than (1) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Ordinary Shares or (3) where any such Ordinary Shares are or are expressed to be issued in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise)) or if and whenever the Guarantor or any of the Guarantor's Subsidiaries or (at the direction or request or pursuance to any arrangements with the Guarantor or any of the Guarantor's Subsidiaries) any other company, person or entity shall issue or grant (otherwise than as mentioned in sub-paragraph (b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made

available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share on the Effective Date; and

- C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

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

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this sub-paragraph (b)(vi), the date of issue of such Ordinary Shares or, as the case may be, the grant of such options, warrants or rights.

- (vii) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request of or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity (otherwise than as mentioned in paragraphs (b)(iv), (b)(v) or (b)(vi) above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds, which term shall for this purpose exclude any Further Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription, purchase, acquisition or reclassification is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

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

where:

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

per Ordinary Share; and

- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such reclassification,

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

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this sub-paragraph (b)(vii), the date of issue of such Securities or, as the case may be, the grant of such rights.

- (viii) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) as are mentioned in sub-paragraph (b)(vii) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such modification by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue on the dealing day immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Guarantor or any Subsidiary of the Guarantor (or at the direction or request or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share on the date of such first public announcement or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase

or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this sub-paragraph (b)(viii) or sub-paragraph (b)(vii) above,

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

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this sub-paragraph (b)(viii), the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- (ix) If and whenever the Guarantor or any Subsidiary of the Guarantor or (at the direction or request of or pursuant to any arrangements with the Guarantor or any Subsidiary of the Guarantor) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Exchange Price falls to be adjusted under paragraphs (b)(ii), (b)(iii), (b)(iv), (b)(v), (b)(vi) or (b)(vii) above or (b)(x) below (or, where applicable, would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant dealing day)), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this sub-paragraph (b)(ix), the first date on which the Ordinary Shares are traded ex-rights on the Relevant Stock Exchange.

- (x) If a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls during the Change of Control Period, the Exchange Price (the “**Change of Control Exchange Price**”) shall be determined as set out below:

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

where:

- COCEP = means the Change of Control Exchange Price
OEP = means the Exchange Price in effect on the relevant Conversion Date
EP = means 31.25 per cent. (expressed as fraction)
c = means the number of days from and including the date the

Change of Control occurs to but excluding the Final Maturity Date

t = means the number of days from and including the Closing Date to but excluding the Final Maturity Date.

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

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this paragraph (b) have already resulted or will result in an adjustment to the Exchange Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Exchange Price or where more than one event which gives rise to an adjustment to the Exchange Price occurs within such a short period of time that, in the opinion of the Guarantor, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result; and
- (b) such modification shall be made to the operation of these provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Exchange Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once.

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

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Guarantor to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date referred to in paragraph (b)(iv), (b)(vi), (b)(vii) or (b)(viii), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of

such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date;
- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Guarantor or another entity.

(c) *Retroactive Adjustments*

Subject as provided in Condition 6(n), if the Conversion Date in relation to any Bond shall be after the record date in respect of any consolidation, reclassification or sub-division as is mentioned in paragraph (b)(i) above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in paragraph (b)(ii), (b)(iii), (b)(iv), (b)(v) or (b)(ix) above, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in paragraph (b)(vi) and (b)(vii) above or of the terms of any such modification as is mentioned in paragraph (b)(viii) above, but before the relevant adjustment to the Exchange Price becomes effective under paragraph (b) above (such adjustment, a “**Retroactive Adjustment**”) in circumstances where a Cash Alternative Election is not made in respect of the relevant exercise of Conversion Rights, then the Guarantor shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued and delivered to the relevant Bondholder, in accordance with the instructions contained in the relevant Conversion Notice, such additional number of Ordinary Shares (if any) (the “**Additional Ordinary Shares**”) as, together with the Ordinary Shares issued or transferred and delivered on exchange of the relevant Preference Shares (together with any fraction of an Ordinary Share not so issued or transferred and delivered), is equal to the number of Ordinary Shares which would have been required to be issued or transferred and delivered on such exchange if the relevant adjustment to the Exchange Price had been made and become effective immediately prior to the relevant Conversion Date.

(d) *Decision of an Independent Financial Adviser*

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

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

No adjustment will be made to the Exchange Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted (i) to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of

the Guarantor or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme or (ii) pursuant to any dividend reinvestment plan or similar plan or scheme.

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

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

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

The Exchange Price shall not in any event be reduced to below the nominal value of the Ordinary Shares.

(g) *Procedure for exercise of Conversion Rights*

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

If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for these Conditions to have been made on the next following such business day, provided that for the purposes of paragraph (ii) of Condition 6(a), Conversion Rights shall be deemed to be exercised on the day of actual delivery of the relevant Conversion Notice as aforesaid notwithstanding that such day is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent.

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

Conversion Rights may only be exercised in respect of the whole of the principal amount of a Bond.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be the business day in London immediately following the date of the delivery of the relevant Bond and the Conversion Notice as provided in this Condition 6(g) (and for this purpose the proviso to the second paragraph of this Condition 6(g) shall be disregarded).

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any capital, stamp, issue, registration and transfer taxes and duties arising on conversion (other than any capital, stamp, issue, registration, transfer or similar taxes and duties (excluding for the avoidance of doubt, capital gains tax or similar taxes on gains or profits levied on the relevant Bondholder) payable in Jersey or the United Kingdom, or in any other jurisdiction in which the Issuer and/or the Guarantor may be domiciled or resident or

to whose taxing jurisdiction it may be generally subject, in respect of the allotment and issue of Preference Shares on exercise of Conversion Rights or on transfer of any Preference Shares to the Guarantor pursuant to these Conditions or in respect of the allotment, issue or transfer and delivery of any Ordinary Shares on exchange of the Preference Shares (including any Additional Ordinary Shares) (the “**Specified Taxes**”). Save for any United Kingdom stamp duty in respect of the transfer of any Preference Shares to the Guarantor pursuant to these Conditions (which shall be paid by the Guarantor if actually required to be paid), the Specified Taxes shall be paid by the Issuer or, failing whom, the Guarantor. If the Issuer (failing whom the Guarantor) shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer (failing whom the Guarantor) as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

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

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

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

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

(h) *Ordinary Shares*

- (i) Ordinary Shares (including any Additional Ordinary Shares) issued or transferred and delivered upon exchange of Preference Shares will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments where the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

- (ii) Save as provided in Condition 6(j), no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(i) *Preference Shares*

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

(j) *Interest on Conversion*

If any notice requiring the redemption of the Bonds is given pursuant to Condition 7(b) on or after the fifteenth dealing day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 21 dealing days after the Record Date in respect of the Interest Payment Date next following such record date, interest shall accrue at the rate provided in Condition 5(a) on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Record Date in respect of the Interest Payment Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Conversion Date by transfer to a sterling account with a bank in London in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

(k) *Purchase or Redemption of Ordinary Shares*

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

(l) *No Duty to Monitor*

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Exchange Price and will not be responsible or liable to any person for any loss arising from any failure by it to do so, nor shall the Trustee be responsible or liable to any person for any determination of whether or not an adjustment to the Exchange Price is required or should be made nor as to the determination or calculation of any such adjustment.

(m) *Change of Control*

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

The Change of Control Notice shall also specify:

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

- (ii) the Exchange Price immediately prior to the occurrence of the Change of Control and the Change of Control Exchange Price applicable during the Change of Control Period on the basis of the Exchange Price in effect immediately prior to the occurrence of the Change of Control;
- (iii) the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;
- (iv) the last day of the Change of Control Period;
- (v) the Change of Control Put Date; and
- (vi) such other information relating to the Change of Control as the Trustee may require.

The Trustee shall not be required to take any steps to monitor or ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

(n) *Cash Alternative Election*

- (i) Upon exercise of a Conversion Right, the Guarantor may make an election (a “**Cash Alternative Election**”) by giving notice (a “**Cash Alternative Election Notice**”) to the relevant Bondholder by not later than the date (the “**Cash Election Date**”) falling four dealing days following the relevant Conversion Date to the address (or, if a fax number or email address is provided in the relevant Conversion Notice to such fax number or email address). The Cash Alternative Election Notice shall specify:

- (1) the number of Preference Shares to be issued by the Issuer in respect of the relevant exercise of Conversion Rights and which are to be transferred from the relevant Bondholder to the Guarantor as provided in these Conditions, the aggregate Paid Up Value of such Preference Shares, the Exchange Price in effect on the relevant Conversion Date and the number of Reference Shares in respect of such exercise of Conversion Rights;
- (2) the number of Cash Settled Shares in respect of the relevant exercise of Conversion Rights and by reference to which the Cash Alternative Amount is to be calculated; and
- (3) if the number of Cash Settled Shares is less than the number of Reference Shares in respect of the relevant Exercise of Conversion Rights, the number of Ordinary Shares to be issued or transferred to and delivered by the Guarantor to the relevant Bondholder in respect of such exercise,

and so that the aggregate of the number of Cash Settled Shares and the number of Ordinary Shares to be issued and transferred by the Guarantor to the relevant Bondholder in respect of any such exercise of Conversion Rights shall be equal to the number of Reference Shares in respect of such exercise.

- (ii) If there is a Retroactive Adjustment to the Exchange Price following the exercise of Conversion Rights by a Bondholder, in circumstances where a Cash Alternative Election is or was made in respect of such exercise, the Guarantor shall pay to the relevant Bondholder an additional amount (the “**Additional Cash Alternative Amount**”) equal to the Market Price of such number of Ordinary Shares as is equal to the number of Additional Ordinary Shares that would have been required to be issued or transferred and delivered to the relevant Bondholder had a Cash Alternative Election not been made in respect of the relevant exercise of Conversion Rights.

The Issuer will pay the Additional Cash Alternative Amount not later than 5 London business days following the relevant Reference Date by transfer to a

sterling account of the payee with a bank in London specified in the relevant Conversion Notice.

7 Redemption and Purchase

(a) *Final Redemption*

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

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

On giving not less than 45 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and to the Bondholders in accordance with Condition 17, the Issuer may redeem all but not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest up to (but excluding) the Optional Redemption Date:

- (i) at any time on or after 25 September 2015 (the "**First Call Date**"), if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending not more than fourteen days prior to the giving of the relevant Optional Redemption Notice, shall have equalled or exceeded £130,000; or
- (ii) at any time if, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

(c) *Redemption for Taxation Reasons*

Provided the Bonds have been (even if they no longer remain) admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Professional Securities Market or the EEA Regulated Market of the London Stock Exchange (or any other recognised stock exchange (as such term is defined in Section 1005 of the Income Tax Act 2007)) the Issuer may, at any time, having given not less than 45 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the "**Tax Redemption Date**") specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest up to (but excluding) the Tax Redemption Date, if (i) the Issuer satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that the Issuer (or, if the guarantee were called, the Guarantor) has or will become obliged to pay additional amounts pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of Jersey or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 4 September 2012, and (ii) such obligation cannot be avoided by the Issuer or (if the Guarantee were called) the Guarantor taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or (if the Guarantee were called) the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Bonds or, as the case may be, the Guarantee then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer or (if the Guarantee were called) the Guarantor stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Issuer or (if the Guarantee were called) the Guarantor taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer or (if the Guarantee were called) the Guarantor has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept without any liability for so doing such certificate and

opinion as sufficient evidence of the matters set out in (i) and (ii) above in which event such certificate shall be conclusive and binding on the Bondholders.

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

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

References in this Condition 7(c) to Jersey and the United Kingdom shall be deemed also to refer to any jurisdiction in respect of which any undertaking or covenant equivalent to that in Condition 9 is given pursuant to the Trust Deed, (except that as regards such jurisdiction the words “becomes effective on or after the 4 September 2012” at paragraph 7(c)(i) above shall be replaced with the words “becomes effective after, and has not been announced on or before, the date on which any undertaking or covenant equivalent to that in Condition 9 was given pursuant to the Trust Deed”) and references in this Condition 7(c) to additional amounts payable under Condition 9 shall be deemed also to refer to additional amounts payable under any such undertaking or covenant.

(d) *Optional Redemption and Tax Redemption Notices*

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

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

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

(e) *Redemption at the Option of Bondholders Upon a Change of Control*

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

Control Put Exercise Notice”), at any time during the Change of Control Period. The **“Change of Control Put Date”** shall be the fourteenth London business day after the expiry of the Change of Control Period.

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

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

(f) *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or the Guarantor or any Subsidiary of the Guarantor may at any time purchase any Bonds in the open market or otherwise at any price. Such Bonds may be held, resold or reissued or at the option of the Issuer or the Guarantor surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation.

(g) *Cancellation*

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

(h) *Multiple Notices*

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

8 **Payments**

(a) *Principal*

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

(b) *Other amounts*

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

(c) *Record Date*

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

(d) *Payments*

Each payment in respect of the Bonds pursuant to Conditions 8(a) and (b) will be made by transfer to a sterling account maintained by the payee with a bank in London.

(e) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to Condition 9.

(f) *Delay in payment*

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

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

The Issuer and the Guarantor reserve the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any

Paying, Transfer and Conversion Agent or Registrar and appoint additional or other Paying, Transfer and Conversion Agents or another Registrar, provided that they will (i) maintain a Principal Paying, Transfer and Conversion Agent, (ii) maintain a Paying, Transfer and Conversion Agent (which may be the Principal Paying, Transfer and Conversion Agent) with a specified office in a European Union (if any) member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (iii) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

(h) *No charges*

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

(i) *Fractions*

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

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

9 **Taxation**

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

- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Jersey or, as the case may be, the United Kingdom otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

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

The provisions of this Condition 9 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 7(c).

Where a withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, the exclusions in Condition 9(a) will only apply if the Bonds have been (even if they no longer remain) admitted to the Official List of the UK Listing Authority and admitting to trading on the London Stock Exchange's Professional Securities Market or the EEA Regulated Market of the London Stock Exchange (or any other recognised stock exchange (as such term is defined in Section 1005 of the Income Tax Act 2007)).

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events mentioned in sub-paragraphs (b), (c), (d), (e) (other than the winding up or dissolution of the Issuer or the Guarantor) or (f) below only if the Trustee has certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice to the Issuer that the Bonds are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest (if any) to the date of payment, if any of the following events (each an “**Event of Default**”) occurs:

- (a) the Issuer or the Guarantor fails to pay within five London business days of the due date any sum due from it under the Bonds (including, in the case of the Guarantor, any Cash Alternative Amount or Additional Cash Alternative Amount) or to issue and deliver Preference Shares and/or Ordinary Shares as provided in these Conditions following any exercise of Conversion Rights and, in any such case, such failure continues for five London business days; or
- (b) the Issuer or the Guarantor fails to observe or perform any of its other obligations under the Bonds or the Trust Deed and, in the case of a failure capable of being remedied, that failure is not remedied within 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) any Indebtedness of the Issuer or the Guarantor or any Principal Subsidiary:
 - (i) is not paid when due or within any applicable grace period granted in any agreement or instrument relating to that Indebtedness or, if the obligation to make payment of that Indebtedness is being challenged in good faith and by appropriate action in a manner consistent with legal advice, is not paid within three London business days of the Issuer or the Guarantor or Principal Subsidiary ceasing to challenge that such obligation is due; or
 - (ii) becomes due and payable before its normal maturity by reason of a default or an event of default, however described;

provided that:

- (A) no such event as aforesaid shall constitute an Event of Default if the relevant Indebtedness is a Non-Recourse Borrowing;
- (B) no such event as aforesaid shall constitute an Event of Default unless the amount of the Indebtedness in question (either alone or when aggregated with other Indebtedness in respect of which the circumstances specified in either (a) or (b) shall concurrently be subsisting) shall equal or exceed £20,000,000 (twenty million pounds sterling) or 0.5 per cent. of the Adjusted Capital and Reserves, whichever is higher; and
- (C) for the purpose of determining whether the criterion set out in proviso (B) is satisfied, if the Indebtedness referred to in proviso (B) above (or any such) is not denominated in sterling, the relevant Indebtedness shall be deemed to have

been converted into sterling on the date when such Indebtedness became due and payable in accordance with its terms (the “**Due Date**”) at the spot rate of exchange for the purchase in the London foreign exchange market of the appropriate amount of the currency in which the relevant Indebtedness is denominated with sterling at or about 11:00 hours two London business days before such Due Date; or

- (d) the Issuer, the Guarantor or any Principal Subsidiary (not being a Non-Recourse Company) is deemed, pursuant to the provisions of section 123(1)(e) or (2) of the Insolvency Act 1986, to be unable to pay its debts, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or
- (e) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor or any Principal Subsidiary or a receiver, administrative receiver, trustee, administrator or similar officer is appointed in respect of the Issuer or the Guarantor or any Principal Subsidiary or over all or any material part of the revenues or assets of the Issuer or the Guarantor or any Principal Subsidiary save, in any such case as aforesaid:
 - (i) in circumstances and on terms which have first been approved by the Trustee in writing or by an Extraordinary Resolution of the Bondholders, such approval not to be unreasonably withheld or delayed; or
 - (ii) for the voluntary solvent winding-up of a Principal Subsidiary; or
 - (iii) for any winding-up (previously notified in writing by the Issuer to the Trustee) of a Principal Subsidiary which does not have creditors who are not members of the Group, in circumstances where the relevant winding up will not have a material adverse effect on the business or financial condition of the Group, taken as a whole, or on the ability of the Issuer to comply with its obligations under the Bonds; or
 - (iv) when the event or events specified occur(s) in respect of a Non-Recourse Company; or
- (f) any execution or distress is levied against any asset of the Issuer or the Guarantor or any Principal Subsidiary (not being a Non-Recourse Company) where such asset is a material asset of the Group and is not satisfied or discharged within 30 days or such longer period as the Trustee may permit or if the execution or distress is being challenged in good faith and by appropriate action in a manner consistent with legal advice, is not satisfied or discharged within 14 days of the Issuer or the Guarantor or Principal Subsidiary ceasing to challenge such execution or distress; or
- (g) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

For the purpose of this Condition:

“**Indebtedness**” means any indebtedness of a party for or in respect of:

- (i) moneys borrowed or raised by whatever means (including by means of acceptances, deposits and finance leases and any liability evidenced by bonds, debentures or similar instruments); or
- (ii) the purchase price of assets or services on terms which are deferred for a period in excess of 180 days from receipt of such assets or services; or
- (iii) interest rate and/or currency exchange agreements, interest rate caps, collars and floors, future rate agreements, option agreements and other hedging agreements (each a “**Hedging Agreement**”) after deducting therefrom the indebtedness of the counterparty under the Hedging Agreement to the first party (to the extent authorised and required by the netting provisions set out in the relevant Hedging Agreement and the law by which such Hedging Agreement is governed).

“Principal Subsidiary” means at any time a Subsidiary of the Guarantor:

- (i) the book value of whose tangible assets attributable to the Guarantor (consolidated, in the case of a Subsidiary which itself has subsidiaries) represents (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated accounts of the Guarantor and the Subsidiaries relate, is equal to) not less than 5 per cent. of the book value of the tangible assets of the Guarantor and the Subsidiaries taken as a whole attributable to the shareholders of the Guarantor, all as calculated respectively by reference to the then latest audited accounts (consolidated or unconsolidated, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Guarantor and the Subsidiaries provided that:
 - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated accounts relate, the reference to the then latest audited consolidated accounts for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the auditors for the time being of the Guarantor (the “**Auditors**”); and
 - (B) if, in the case of a Subsidiary which itself has subsidiaries, no consolidated accounts are prepared and audited, the book value of the tangible assets of such Subsidiary and its subsidiaries attributable to the Guarantor shall be determined on the basis of pro forma consolidated accounts of the relevant Subsidiary and its subsidiaries prepared by the Guarantor and (if requested by the Trustee) audited for this purpose by the Auditors or the auditors for the time being of the relevant Subsidiary; or
- (ii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this sub-paragraph (ii) on the date on which the consolidated accounts of the Guarantor and the Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after such date by virtue of the provisions of sub-paragraph (i) above or before, on or at any time after such date by virtue of the provisions of sub-paragraph (iii) below; or
- (iii) to which is transferred assets or an undertaking which, taken together with the assets or undertaking of the transferee Subsidiary represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest relevant audited consolidated accounts of the Guarantor and the Subsidiaries relate, are equal to) not less than 5 per cent. of the book value of the tangible assets of the Guarantor and the Subsidiaries taken as a whole attributable to the shareholders of the Guarantor, all as calculated as referred to in sub-paragraph (i) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer the book value of the tangible assets of such transferor Subsidiary attributable to the Guarantor represents (or, in the case aforesaid, is equal to) not less than 5 per cent. of the book value of the tangible assets of the Guarantor and the Subsidiaries taken as a whole attributable to the shareholders of the Guarantor, all as calculated as referred to in sub-paragraph (i) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this sub-paragraph (iii) on the date on which the consolidated accounts of the Guarantor and the Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after such date by virtue of the provisions of sub-paragraph (i) above or before, on or at any time after such date by virtue of the provisions of sub-paragraph (ii) above.

For the purposes of this definition if there shall at any time not be any relevant audited consolidated accounts of the Guarantor and the Subsidiaries, references thereto herein shall be deemed to refer to a consolidation by the Auditors of the relevant audited accounts of the Guarantor and the Subsidiaries.

A certificate signed by two Directors of the Guarantor that, in their opinion, a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of a manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Bondholders.

11 Undertakings

(a) Deed Poll

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

(b) Undertakings of the Guarantor

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

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

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

- of Control, will give) rise (or would, but for the provisions of these Conditions relating to roundings, minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price or is (or, in the case of any issue or payment up of Securities in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made;
- (ii) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(b)(ii) shall prevent:
- (1) the issue of any equity share capital to employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) whether of the Guarantor or any of the Guarantor's Subsidiaries or associated companies by virtue of their office or employment pursuant to any scheme or plan approved by the Guarantor or which is established pursuant to such a scheme or plan which is or has been so approved; or
 - (2) any consolidation, reclassification or subdivision of the Ordinary Shares; or
 - (3) any modification of such rights which is not, in the opinion of an Independent Financial Adviser, materially prejudicial to the interests of the holders of the Bonds upon which opinion the Trustee shall be entitled to rely absolutely without liability to any person; or
 - (4) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments or, where comprising Ordinary Shares, the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Exchange Price; or
 - (5) without prejudice to any rule of law or legislation (including regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act or any other provision of that or any other legislation), the conversion of Ordinary Shares into, or the issue of any Ordinary Shares in, uncertificated form (or the conversion of Ordinary Shares in uncertificated form to certificated form) or the amendment of the Articles of Association of the Guarantor to enable title to Securities (including Ordinary Shares) to be evidenced and transferred without a written instrument or any other alteration to the Articles of Association of the Guarantor made in connection with the matters described in this Condition 11(b)(ii) or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
 - (6) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Guarantor shall have instructed an Independent Financial Adviser to determine in good faith what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such Independent Financial Adviser shall have determined in good faith either that no adjustment is required or that an adjustment resulting in a decrease in the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or

- (7) any alteration to the articles of association of the Guarantor made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
 - (8) the amendment of the articles of association of the Guarantor following a Change of Control to ensure that any Bondholder exercising its Conversion Right where the Conversion Date falls on or after the occurrence of a Change of Control will receive the same consideration in respect of any Ordinary Shares required to be issued or transferred and delivered to it in exchange for Preference Shares issued to such Bondholder in respect of such exercise as it would have received in respect of such Ordinary Shares had such Ordinary Shares been entitled to participate in the relevant Scheme of Arrangement or tendered in the relevant offer;
- (iii) except as part of any employee, director or executive share or option or incentive scheme, procure that no Securities (whether issued by the Guarantor or any Subsidiary of the Guarantor or procured by the Guarantor or any Subsidiary of the Guarantor to be issued or issued by any other person pursuant to any arrangement with the Guarantor or any Subsidiary of the Guarantor) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of these Conditions relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (iv) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, following the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid in exchange for Preference Shares pursuant to these Conditions;
- (v) not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - (1) pursuant to the terms of issue of the relevant share capital; or
 - (2) by means of a purchase or redemption of share capital of the Guarantor to the extent permitted by applicable law; or
 - (3) as permitted by Section 610 (2) and (3) of the Companies Act; or
 - (4) where the reduction does not involve any distribution of assets to Shareholders; or
 - (5) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed; or
 - (6) a reduction of its share premium account to facilitate the writing off of goodwill arising on consolidation which requires the confirmation of the High Court and which does not involve the return, either directly or indirectly, of an amount standing to the credit of the share premium account of the Guarantor and in respect of which the Guarantor shall have tendered to the High Court such undertaking as it may require prohibiting, so long as any of the Bonds remains outstanding, the distribution (except by way of capitalisation issue) of any reserve which may arise in the books of the Guarantor as a result of such reduction; or

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

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

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

- (2) such amendments are made to these Conditions, the Trust Deed and the Deed Poll as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged (whether by the exchange for preference shares or otherwise) for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions, and the Trust Deed and the Conditions provide at least the same protections and benefits to the Trustee and the Bondholders following the implementation of such Scheme of Arrangement as they provided to the Trustee and the Bondholders prior to the implementation of the Scheme of Arrangement, *mutatis mutandis*;
 - (3) the ordinary shares or units or equivalent of Newco are (A) admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's EEA Regulated Market or (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market.
 - (viii) use all reasonable endeavours to ensure that the Ordinary Shares issued on exchange of Preference Shares pursuant to these Conditions will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in;
 - (ix) use all reasonable endeavours to ensure, at its own cost, that its issued and outstanding Ordinary Shares are (A) admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's EEA Regulated Market or (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market (but so that this undertaking shall not be considered as being breach as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Guarantor) that causes or gives rise to whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Guarantor as a result of the Change of Control a de-listing of the Ordinary Shares;
 - (x) at all times keep available for issue free from pre-emptive rights out of its authorised but unissued capital a sufficient number of Ordinary Shares to enable the Preference Shares to be issued on exercise of Conversion Rights to be exchanged for Ordinary Shares, and all other rights of subscription and exchange for Ordinary Shares, to be satisfied in full at the current subscription prices or exchange prices;
 - (xi) in accordance with its obligations under the Deed Poll, undertake to procure the performance by the Issuer of all the Issuer's obligations with respect to the Preference Shares; and
 - (xii) be the beneficial owner of all of the ordinary share capital of the Issuer.
- (c) *Undertakings of the Issuer and the Guarantor*

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

- (i) comply with the obligations assumed by it under the Articles of the Issuer and not make any amendment to the Articles of the Issuer which would vary, abrogate or modify the rights appertaining to the Preference Shares;
- (ii) at all times, keep available for issue, free from pre-emptive rights out of its authorised but unissued capital, such number of Preference Shares as would enable all the unexercised Conversion Rights and any other rights of conversion into, subscription for and exchange into Preference Shares to be satisfied in full;

- (iii) not issue any other share capital with rights which are more favourable than the rights attaching to the Preference Shares in respect of dividends or payment of the Paid-up Value thereof or on a return of capital or otherwise;
- (iv) not cause the Paid-up Value of the Preference Shares to be altered (whether by consolidation or sub-division of the Preference Shares or otherwise); and
- (v) except with the prior written consent of the Trustee pursuant to the Trust Deed, not alter those provisions of the Trust Deed which are expressed to be binding only as between the Issuer and the Guarantor and not directly enforceable by Bondholders,

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

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

12 Prescription

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

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

13 Replacement of Bonds

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

14 Meetings of Bondholders, Modification and Waiver, Substitution

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Deed Poll or the Articles of the Issuer (in the case of the Articles of the Issuer, which would vary, abrogate or modify the rights appertaining to the Preference Shares). Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date or the First Call Date (other than deferring the First Call Date) or the dates on which interest is payable in respect of the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 7(b), (c) or (e), (iii) to reduce or cancel the principal amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the basis for

calculating the interest payable in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights or the rights of Bondholders to receive Ordinary Shares and/or the Cash Alternative Amount on exchange of the Preference Shares issued on the exercise of Conversion Rights pursuant to these Conditions, (other than pursuant to or as a result of any amendments to these Conditions and the Trust Deed made pursuant to and in accordance with the provisions of Condition 11(b)(vii) following (or as part of) a Newco Scheme (“**Newco Scheme Modification**”) and other than a reduction to the Exchange Price or an increase in the number of Preference Shares to be issued to Bondholders on exercise of Conversion Rights), (vi) to increase the Exchange Price (other than in accordance with these Conditions or pursuant to a Newco Scheme Modification) or to reduce the number of Preference Shares to be issued to Bondholders on exercise of Conversion Rights, (vii) to change the currency of the Bonds or any payment in respect of the Bonds, (viii) to change the governing law of the Bonds, the Trust Deed, the Deed Poll or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)), (ix) to modify the Articles of the Issuer so as to vary, abrogate or modify the rights appertaining to the Preference Shares or (x) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed by the Bondholders shall be binding on all of the Bondholders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).

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

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

(b) Modification and Waiver

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

(c) *Substitution*

The Trustee shall, without the consent of the Bondholders, agree any substitution as provided in, and for the purposes of, Condition 11(b)(vii) following (or as part of) a Newco Scheme. In addition, the Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Bondholders, to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Guarantor subject to (a) the obligations of the Guarantor under the Trust Deed applying *mutatis mutandis* to the Bonds and under the Deed Poll applying *mutatis mutandis* to such Preference Shares, and (b) the Bonds continuing to be convertible *mutatis mutandis* as provided in these Conditions, into preference shares in the capital of the substituted company with like rights, *mutatis mutandis*, to the Preference Shares and to such preference shares being immediately exchangeable for cash and/or Ordinary Shares *mutatis mutandis* as provided in the Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified to the Bondholders promptly in accordance with Condition 17.

(d) *Entitlement of the Trustee*

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

15 Enforcement

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

16 The Trustee

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

- (i) provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction; and
- (ii) provisions limiting or excluding its liability in certain circumstances. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Guarantor without accounting for any profit. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given

to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

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

17 Notices

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

18 Further Issues

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

19 Contracts (Rights of Third Parties) Act 1999

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

20 Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds (and any non-contractual obligations arising out of or in connection with them) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds (“**Proceedings**”) may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts and have waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take

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

(c) *Agent for Service of Process*

The Issuer has irrevocably appointed the Guarantor at its registered office for the time being, currently at 45 Seymour Street, London W1H 7LX as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

British Land intends to use the net proceeds of the offering of the Bonds to fund the recently announced acquisition of the Clarges Estate, repay existing borrowings relating to recent acquisitions and to support development spending.

BUSINESS

The legal and commercial name of British Land is The British Land Company PLC. British Land was registered and incorporated in England and Wales on 26 February 1959 under registration number 621920 and operates under the Companies Act as a public limited company. British Land's registered office is located at York House, 45 Seymour Street, London W1H 7LX and the telephone number is +44 (0)207 486 4466.

British Land is the parent company of the Group. As the parent company of the Group, British Land is in part dependent on receiving dividends and revenues from its subsidiaries.

Activities of the Group

British Land is a major UK REIT based in London and listed on the London Stock Exchange. The Group's key business areas include office and retail property investment, third-party capital fund management and property development.

The Group invests in high quality prime, modern properties in sectors with the potential for long-term growth, principally UK retail and central London offices. As at 30 September 2012 British Land's total properties owned or under management were valued at £16.3 billion¹ of which its share was £10.4 billion and includes directly held properties, properties held through investment funds and properties held through joint ventures, which allow the Company access to a greater range of assets whilst mitigating its risks.

The Group's portfolio focuses primarily on prime retail (60%, of which 82% is out of town), and Central London offices (35%) which attract high quality occupiers committed to long leases. The rest of the portfolio primarily comprises investments such as residential and leisure properties which leverage British Land's property and financial expertise to enhance returns. 98% of the assets are located in the UK with the balance in Continental Europe (all figures are as at 30 September 2012). The Group focuses on areas of competitive advantage. There is a bias towards high quality enduring buildings and long lease profiles complemented by an efficient capital structure.

British Land became a REIT in the UK on 1 January 2007, broadly allowing British Land and certain of its subsidiaries exemption from UK corporation tax on income from its property rental business and gains arising on disposal of investment properties that were used for the purposes of its property rental business and significantly increased flexibility for asset management.

To the knowledge of British Land, it is not directly or indirectly controlled by any single shareholding group.

Objectives and Strategy

The Group's primary objective is to deliver superior total shareholder returns from its chosen real estate activities and their financing by achieving consistent outperformance over time. Progress against this objective is measured in two key ways: the first is relative to total property returns as measured by Investment Property Databank Ltd, the most commonly used property benchmarking service in the UK; the second is to look, on an absolute basis, at the total returns generated on the capital invested by shareholders in terms of the income paid out as dividends and the increase in Net Asset Value – the accounting return.

The Group's strategy is based on five key priorities:

Creating sustainable and growing property income

The Group's core business consists of high-quality assets capable of generating secure and growing income streams. Its long-term investment strategy is focused on those sectors of the property market where it expects demand from occupiers will be the strongest over the medium to longer term: well located prime retail in the UK and Europe and Central London offices. Assets in these sectors will provide the core rental cash flows enabling British Land to meet its interest costs and fund the business and its growth through competitively priced equity and debt finance.

¹ Throughout these Listing Particulars, financial and portfolio data include British Land's share of funds and joint ventures, unless otherwise stated.

Investing in assets which protect and grow the capital value over the medium to long term

As well as investing in strong rental income streams, the Group seeks to ensure it both protects and grows the value of the underlying assets. The Group needs to renew and upgrade its portfolio continually to retain its quality, the security of its income and its attraction to investors. Its portfolio is focused on well located retail units where consumers and retailers increasingly want to be. The Group's office buildings are modern work environments that provide the quality and flexibility occupiers want and which meet their increasing technology and sustainability needs.

Creating incremental value through developing, repositioning assets and exploiting market anomalies

Where the Group sees the right opportunity, it will invest a proportion of its capital in assets with the objective of creating incremental value. The Group seeks to implement its strategy through new development in areas with high demand for quality properties to create more value. A recent example is the office market in Central London where a shortage of high-quality space coupled with a lack of development debt finance is expected to underpin strong development returns

Controlling costs to maximize profit generation

Controlling its operating costs to maximize the amount of profit generated will continue to be a key focus of the Group's business. Based on the percentage of net operating costs relative to gross property rental income, the Company is one of the most efficient listed property companies in the UK. The Group is able to keep operating costs low through a combination of having a small and efficient Head Office, an efficient out-sourcing model, maintaining high levels of occupancy across its portfolio and owning efficient modern properties in sectors with low overall maintenance and landlord costs.

Exploiting the Group's scale and financial strength

The Group's scale, knowledge and expertise in UK property make it a natural partner of choice for major investors. It has an established track record of working with major institutions with complementary expertise and interests to its own, including Blackstone Group, Norges Bank Investment Management, Oxford Properties (global property investor), Sainsbury's and Tesco (the two leading food retailers in the country) and Universities Superannuation Scheme.

The scale and security of the Group's rental income streams enables it to finance its business on competitive terms and maintain substantial credit facilities to support current and future investment needs.

The Group engages in financial management, partnerships and investment transactions to complement its property-based strategies and capture and translate property returns most efficiently for its shareholders.

Portfolio

The Group directly owns and manages around half of its properties, with the balance held through investment funds and joint ventures. As at 30 September 2012, the Group's property portfolio, including its share of properties held through investment funds and joint ventures, includes 60% in retail properties, 36% in office properties and 4% in other properties.

The Group's portfolio focuses primarily on out-of-town retail properties and Central London offices which offer attractive risk-adjusted growth prospects. As at 30 September 2012, the Group has invested 60% in retail properties, over 82% of which are located at prime out-of-town sites. The retail portfolio comprises 82 retail parks, 92 superstores and 13 shopping centres and 9 department stores. A further 35% was invested in Central London offices and office developments.

As at 30 September 2012, the European Public Real Estate Association (the "**EPRA**") topped up net initial yield including rent contracted from expiry of rent free periods was 5.7% and the portfolio had a passing net rent roll of £533m (excluding the value of rent free periods).

An analysis of the Group's portfolio valuation by sector as at 30 September 2012 is set forth below.

As at 30 September 2012	Group	Funds & JVs ¹	Total	Portfolio	EPRA Topped up Net Initial Yield	Net Equivalent Yield
	£m	£m	£m	%	%	%
Retail Parks	1,848	803	2,651	25.5	5.7	5.9
Superstores	135	1,175	1,310	12.6	5.1	5.1
Shopping Centres	470	1,086	1,556	15.0	5.6	5.8
Department Stores	430	-	430	4.1	5.9	6.6
UK Retail	2,883	3,064	5,947	57.2	5.6	5.7
Europe	-	247	247	2.4	6.7	8.0
All Retail²	2,883	3,311	6,194	59.6	5.6	5.8
City	542	1,603	2,145	20.7	6.0	5.7
West End	1,527	-	1,527	14.7	5.4	5.6
Provincial	84	4	88	0.8	7.2	6.5
All Offices³	2,153	1,607	3,760	36.2	5.8	5.7
Other	429	5	434	4.2	7.6	8.5
Total	5,465	4,923	10,388	100.0	5.7	5.9

¹ Group's share of properties in Joint Ventures & Funds

² Including committed and prospective developments of £35m

³ Including committed and prospective developments of £734m

Sector and Asset Selection

British Land regularly reviews the prospects and expected performance of each asset in its portfolio in the context of current market conditions as part of its ongoing strategy of concentrating on markets, sectors and properties with positive medium-term supply demand characteristics in order to capture trends in customer demand and rental growth and dispose of lower growth or riskier assets.

British Land recycles capital within selected markets to refine its focus on assets with greater potential rental growth and opportunities to improve rental growth through asset management. British Land generally considers selling assets for which it can no longer significantly improve rental growth.

Funds and Joint Ventures

Around half of the Group's property assets are held in joint ventures and funds, allowing the Group to broaden its access to properties and spread risk. The investment funds in which British Land has interests provide it with exposure to properties in its key sectors. British Land also acts as property adviser to the funds and receives performance and management fees in that capacity.

British Land's joint ventures with other commercial real estate developers, investors and occupiers provide British Land with access to desirable properties and enable British Land to create further opportunities to deliver capital value. Separate entities are formed for this purpose, controlled on a 50/50 voting basis by a board carrying equal representation from each partner. The joint ventures have been able to raise finance on the strength of their assets thereby significantly lowering the initial equity investments and enhancing returns on capital. The enterprise is shared by the partners, over a specific agreed lifetime for the venture.

Development Programme

As part of the British Land's strategy, the Group develops properties under its development programme. As development involves higher risk than standing investment properties, British Land analyses the potential risks and rewards of each development project prior to making a commitment.

The Group takes into account relevant business cycles and how they may affect the project, as well as the potential ways in which the project may further British Land's strategic objectives. Important elements of development projects that are taken into account include the transport and other infrastructure attributes of the location, quality of specification, configuration and flexibility of accommodation, and timing of delivery into market demand. Emphasis is also placed on working with talented architects and design teams to create well-designed, flexible and sustainable buildings that enhance their location and that offer the best opportunity to realise premium rents, sustained rental growth and enhanced investment returns.

Retail Portfolio

The Group's retail portfolio had a total value of £6,194m as at 30 September 2012 with properties positioned to reflect customer demand, allocated 82% to out-of-town locations and 18% to in-town locations. The Group's retail portfolio had occupancy of 97.6% and an average lease length of 11.4 years unexpired to break (12.6 years to expiry).

The Group has good relationships with many of the larger UK retailers and aims to provide them with the right space in the locations they prefer. The Group continues to reshape its retail portfolio and recycles capital into assets with the best prospects to enhance retailer mix and drive rental growth.

The Group's two largest retail customers, Tesco and Sainsbury's, accounted for approximately 7% and 6% respectively of the Company's total rental income (including the Company's share of properties held through investment funds and joint ventures) as at 30 September 2012.

Office portfolio

The Group's office portfolio had a total value of £3,760m as at 30 September 2012. The Group's offices portfolio comprises properties located in London, with a concentration on prime assets in the City and West End of London.

The Group's customer focus is on providing the right accommodation to meet the requirements of London's financial and business services sector. The Group builds on this by offering high-quality property management, from estate services through to development of new accommodation. The Company's proactive asset management aims to tailor its offerings to customers' changing needs.

As at 30 September 2012, British Land's office portfolio:

- included investments 96.6% occupied;
- a weighted average lease term of 8.9 years to first break (10.9 years to expiry);
- was valued on the basis of a net equivalent yield of 5.7%;
- provided an average office contracted rent of £44.30 per square foot, against an average headline ERV of £43.50 per square foot; and

The Group's two largest office tenants are UBS and HM Government, accounting for approximately 4% and 2%, respectively, of the Company's total rental income (including the Company's share of properties held through investment funds and joint ventures) as at 30 September 2012.

Development programme

The Group's development programme consists of committed projects where construction is underway and development prospects. Committed developments are set out below:

As at 30 September 2012 ¹	BL Share	Sq ft '000	PC Calendar Year	Current Value	Cost to Complete	Notional Interest	ERV	Pre-let	Residential End Value
	%			£m	£m ²	£m ^{2,3}	£m ⁴	£m	£m ⁵
5 Broadgate	50	700	Q4 2014	139	123	22	19.2	19.2	-
The Leadenhall Building	50	610	Q2 2014	121	104	17	18.6	5.6	-
NEQ, Regent's Place ⁶	100	500	Q2 2013	288	68	8	19.6	9.4	113
10 Portman Square ⁷	100	134	Q2 2013	101	25	2	9.0	-	-
Marble Arch House ⁸	100	86	Q4 2013	33	27	3	3.9	-	15
39 Victoria Street	100	92	Q3 2013	42	23	3	4.9	-	-
Total Offices		2,122		724	370	55	75.2	34.2	128
Whitely Village, Fareham	50	317	Q2 2013	16	16	2	2.4	1.9	-
Glasgow Fort (Leisure)	41	46	Q3 2013	3	3	-	0.5	0.5	-
Total Retail		363		19	19	2	2.9	2.4	-
Total Residential		62		49	22	4	-	-	91
Total Committed		2,547		792	411	61	78.1	36.6	219

Data includes Group's share of properties in Joint Ventures & Funds (except area which is shown at 100%)

¹ All values contained in this table have been generated by the Company

² from 1 October 2012 to practical completion (PC)

³ based on a notional cost of finance of 6%

⁴ estimated headline rental value net of rent payable under head leases (excluding tenant incentives)

⁵ parts of residential development expected to be sold, no rent allocated - of which £97 million completed or exchanged

⁶ includes 126,000 sq ft of residential

⁷ excludes 25,000 sq ft of off-site residential and retail (95-99 Baker Street), which was sold in the previous financial year

⁸ includes 10,000 sq ft of residential

Prospective developments are set out below:

As at 30 September 2012	BL Share %	Sq ft '000	Sector	Planning
Colmore Row, Birmingham	100	284	Office	Detailed planning consent
Glasgow Fort	41	170	Retail	Detailed planning consent
Surrey Quays	50	100	Retail	Detailed planning consent
Fort Kinnaid, Edinburgh	21	110	Retail	Planning submitted
Broughton Park, Chester	41	55	Retail	Planning submitted
Meadowhall Surrounding Land	50	47	Retail	Planning submitted
Power Court, Luton	100	200	Retail	Planning pending
Superstores extensions	50	31	Retail	Planning pending
The Clarges Estate ¹	100	191	Mixed use	Feasibility
Total Prospective		1,188		

¹ Acquisition exchanged in July 2012 and completed in November 2012

Portfolio Statistics

The Group's property portfolio is characterised by high occupancy rates and long leases as shown in the following table, which sets forth the average occupancy rates and remaining lease length by sector:

Excluding Developments At 30 September 2012	Average Lease Length (yrs)		Occupancy (overall)¹
	To Expiry	To Break	
Retail Parks	10.3	9.4	98.3
Superstores	15.7	15.7	100.0
Shopping Centres	9.9	9.3	96.7
Department Stores	29.1	25.5	100.0
UK Retail	12.7	11.8	98.3
Europe	10.5	4.3	87.2
All Retail	12.6	11.4	97.6
City	11.2	9.3	95.9
West End	10.3	8.0	97.6
Provincial	9.8	9.4	100.0
All Offices	10.9	8.9	96.6
Other	21.8	21.8	99.0
Total	12.4	11.1	97.3

¹ Including accommodation under offer subject to asset management

British Land believes that the Group's broad customer base provides diversification of risk. As at 30 September 2012, the largest customer (including customers of joint ventures) accounted for approximately 7% of the total passing rent roll.

In recent years the Group has been focussed on de-risking its development pipeline. The Group's office development programme was 45% pre-let (by estimated rental value) across the portfolio as at 30 September 2012.

Directors and Senior Management of the Company

The directors of The British Land Company PLC, their position and principal activities outside the Group, where those are significant, are as follows:

Name	Position	Outside Directorships/Activities
Dr Chris Gibson-Smith ²	Non-executive Chairman	Chairman of the London Stock Exchange Governor of London Business School
Chris Grigg	Chief Executive	Member of the Executive Board of the European Public Real Estate Association. President of the British Property Federation
Lucinda Bell	Finance Director	
Tim Roberts	Head of Offices	Trustee and Board Member of LandAid, the property industry charity
Stephen Smith ³	Chief Investment Officer	
Charles Maudsley	Head of Retail	

² The Parent Guarantor announced on 20 November 2012 that Dr Chris Gibson-Smith will be standing down from the Board on 31 December 2012 to be succeeded by John Gildersleeve with effect from 1 January 2013.

³ The Parent Guarantor announced on 19 October 2012 that Stephen Smith will be standing down from the Board on 31 March 2013 and leave the Parent Guarantor on 30 June 2013.

John Gildersleeve ⁴	Senior Independent Director	Deputy Chairman of Carphone Warehouse Group PLC Non-executive Director of TalkTalk Telecom Group PLC
Lord Turnbull	Non-executive Director	Non-Executive Director of Prudential PLC and Frontier Economics Ltd. Chairman of BH Global Limited Entered the House of Lords in 2005 as a Crossbench Life Peer
Aubrey Adams	Non-executive Director	Head of Property within RBS's Global Restructuring Group Non-executive Chairman of Max Property Group PLC. Non-executive Director of Unitech Corporate Parks PLC, which is a business focused on Indian Real Estate Investment Chairman of the Board of Trustees of Wigmore Hall.
Dido Harding	Non-executive Director	Chief Executive Officer of TalkTalk Telecom Group PLC Sits on the Board of Cheltenham Racecourse
Richard Pym	Non-executive Director	Chairman of UK Asset Resolution Ltd, the holding company established to manage the 'run off of the Government owned closed mortgage books of Bradford & Bingley plc and Northern Rock (Asset Management) plc Non-executive Chairman of BrightHouse Group Ltd and Nordax Finans AB
Simon Borrows	Non-executive Director	Chief Executive of 3i Group plc Non-executive Director of Inchcape plc.
William Jackson	Non-executive Director	Managing Partner of Bridgepoint, a leading private equity firm. Serves on a number of Bridgepoint portfolio Boards including as Chairman of Pret a Manger and as Chairman of Dorna Sports SL, holder of the commercial rights of the Moto GP World Championship.
Anthony Braine	Group Secretary	

The business address of the directors is c/o The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.

Conflicts of Interests

Lucinda Bell and Stephen Smith⁵ are both directors of the Issuer. Potential conflicts of interests may arise between the duties owed by such directors to the Company and their duties to the Issuer.

Save for the interests disclosed above, there are no conflicts of interests between the duties to the Company of the directors and their private interests and/or other duties.

⁴ The Parent Guarantor announced on 20 November 2012 that John Gildersleeve will succeed Dr Chris Gibson-Smith as Chairman of the Board with effect from 1 January 2013.

⁵ The Parent Guarantor announced on 19 October 2012 that Stephen Smith will be standing down from the Board on 31 March 2013 and leave the Parent Guarantor on 30 June 2013.

DESCRIPTION OF BRITISH LAND (JERSEY) LIMITED

Introduction

The Issuer was incorporated in Jersey, Channel Islands (registered number 111346) on 31 August 2012 as a public company limited by shares under the Companies (Jersey) Law 1991, as amended, with its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands, telephone number +44 (0)1534 835600.

Business of the Issuer

The Issuer is a wholly-owned subsidiary of the Parent Guarantor and its sole business is the issue and maintenance of the Bonds and the loan of the proceeds of the issue of the Bonds to the Parent Guarantor. Since the date of its incorporation, other than entering into contracts in connection with the matters described above, the Issuer has not commenced business nor has it incurred any liabilities.

Share Capital of the Issuer

The Issuer has no subsidiaries. The Issuer is authorised to issue 1,000 limited liability shares with a par value of £100 per share each designated as Founders' Shares and 100,000,000 limited liability shares with a par value of £0.01 per share each designated as Preference Shares.

As of the date of these Listing Particulars, the Issuer had issued two Founders' Shares at an agreed price of £100.00 each.

Corporate Administration

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

Management and Employees

The Issuer has no employees other than those directors listed below in the section entitled “—Directors and Secretary”.

Directors and Secretary

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

Name	Function
Sarah Barzycki	Director
Lucinda Bell	Director
Simon Carter	Director
Christopher Forshaw	Director
Stephen Smith ⁶	Director

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

The business address of the directors is at York House, 45 Seymour Street, London W1H 7LX.

Lucinda Bell is the Finance Director of British Land and Stephen Smith⁷ is the Chief Investment Officer of British Land. Potential conflicts of interests may, therefore, arise between the duties these directors owe to the Issuer and their duties to British Land. In addition, the other directors of the Issuer are employees of the Parent Guarantor.

⁶ The Parent Guarantor announced on 19 October 2012 that Stephen Smith will be standing down from the Board on 31 March 2013 and leave the Parent Guarantor on 30 June 2013.

⁷ The Parent Guarantor announced on 19 October 2012 that Stephen Smith will be standing down from the Board on 31 March 2013 and leave the Parent Guarantor on 30 June 2013.

There are no other conflicts of interests between any duties owed to the Issuer by its directors and their private interests and/or other duties.

Financial Statements

On an annual basis, the Issuer will prepare and publish audited financial statements, which will be filed in accordance with Jersey law. The Issuer only intends to prepare audited annual financial statements. As of the date hereof, the Issuer has not yet prepared any financial statements.

It is anticipated that the Issuer will have an accounting reference date of 31 March with its first fiscal year ending 31 March 2013.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

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

Exchange

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

Notices

So long as the Global Bond is held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, notices required to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by notification as required by the Conditions in which case such notices shall be deemed to have been given to Bondholders on the date of delivery to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System.

Meetings

The holder of the Global Bond shall (unless the Global Bond represents only one Bond) be treated as one person for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each £100,000 principal amount of Bonds for which the Global Bond may be exchanged.

Purchase and Cancellation

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

Conversion

For so long as the Global Bond is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System, Conversion Rights may be exercised as against the Issuer at any time during the Conversion Period by the presentation to or to the order of the Principal Paying, Transfer and Conversion Agent of the Global Bond for appropriate notation, together with one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest.

Redemption at the Option of Bondholders

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

Transfer of the Global Bond

The Bonds have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred under the Securities Act except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

DESCRIPTION OF THE ORDINARY SHARES

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

Share rights

Subject to the provisions of the Companies Act, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as British Land may by ordinary resolution determine or, subject to and in default of such determination, as the Board of Directors (the “**Board**”) shall determine.

Subject to the provisions of the Companies Act and without prejudice to any rights attached to any existing shares or class of shares, the Board may issue shares which are to be redeemed or are liable to be redeemed at the option of British Land or the holder. Subject to the Articles and to the Companies Act, all the shares for the time being in the capital are at the disposal of the Board.

Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

No member shall be entitled to vote at any general meeting unless all moneys presently payable by him in respect of shares in British Land have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Companies Act and is in default for the prescribed period in supplying to British Land the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

Dividends and other distributions

Subject to the provisions of the Companies Act, British Land may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of calls shall be treated for these purposes as paid on the share.

Subject to the provisions of the Companies Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of British Land available for distribution.

The Board may also pay, at intervals determined by it, any dividend at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against British Land unless otherwise provided by the rights attached to the share.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Companies Act and is in default for the prescribed period in supplying to British Land the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter serve a direction notice on such member and withhold payment from such member of any dividend otherwise payable, if the relevant shares represent at least a 0.25 per cent. interest in the Company's shares or any class thereof.

Except as otherwise provided by the rights and restrictions attached to any class of shares, all dividends will be declared and paid according to the amounts paid-up on the shares during any portion of the period in respect of which the dividend is paid.

The Board may, if authorised by an ordinary resolution of British Land (which authorisation may be for a period of up to five years following the date of such authorisation), offer any holder of shares the right to elect to receive shares by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend. The Board may exclude from any offer any holders of shares where the Board believes the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by British Land.

A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of British Land and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

Variation of rights

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

Lien and forfeiture

British Land shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to it (whether presently or not) in respect of that share. British Land may sell any share on which it has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

The Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to British Land the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by British Land by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

Transfer of shares

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- (a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of one class of share only; and
- (c) is in favour of not more than four persons.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with British Land.

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

Subject to the provisions of the Uncertificated Securities Regulations 2001 (including any modification or re-enactment of them for the time being in force), the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

Performance and volatility of shares

Information about the past and the further performance of the Ordinary Shares and their volatility can be found on the London Stock Exchange's website at <http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary.html?fourWayKey=GB0001367019GBGBXSET1>.

TAXATION

The following is a general description of Jersey and United Kingdom withholding and stamp taxes considerations relating to the Bonds. It does not constitute legal or tax advice and does not purport to be a complete analysis of all tax considerations relating to the Bonds whether in Jersey, the United Kingdom or elsewhere and relates only to persons who are the absolute beneficial owners of their Bonds. Prospective acquirers of Bonds should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Jersey and the United Kingdom of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds or in respect of an exercise of Conversion Rights. The following is based upon the law and the Company's and the Issuer's understanding of published revenue authority practice as in effect on the date of these Listing Particulars and is subject to any change in law or practice that may take effect after such date (possibly with retrospective effect). The information below is a summary only and may not apply to certain categories of Bondholder.

Jersey Taxation

The following is a summary of the Company's and the Issuer's understanding of Jersey tax law and practice, subject to the disclaimer above, relating to the withholding tax treatment of interest paid on the Bonds and the Jersey stamp duty implications of the acquisition, disposal or conversion of the Bonds.

Jersey Withholding tax

The Issuer is not regarded as resident for tax purposes in Jersey. Payments in respect of the Bonds may be paid by the Issuer without withholding or deduction for or on account of Jersey income tax (however, please see the section below entitled “Retention Tax in Jersey” in relation to payments made by a paying agent established in Jersey).

Stamp duty

In Jersey, no stamp duty is levied on the issue or transfer of the Bonds except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Bonds on the death of a holder of such Bonds. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situate in respect of a holder of Bonds domiciled in Jersey, or situate in Jersey in respect of a holder of Bonds domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. of such estate.

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

Retention Tax in Jersey

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey has introduced a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in a Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in a Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Department of the States of Jersey (being the predecessor to the Chief Minister's Department of the States of Jersey). Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, the Issuer would not be obliged to levy retention tax in Jersey under these provisions in respect of interest payments made by it to a paying agent established outside Jersey.

United Kingdom Taxation

The following is a summary of the Company's and the Issuer's understanding of UK law and HM Revenue & Customs practice, subject to the disclaimer above, relating to the withholding tax treatment

of interest paid on the Bonds and the UK stamp duty and stamp duty reserve tax implications of the acquisition, disposal or conversion of the Bonds.

UK Withholding Tax

The Issuer should be treated as resident in the UK for UK tax purposes. However, the Bonds will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 (the “**Income Tax Act**”) as long as they are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act. In the case of Bonds to be traded on the London Stock Exchange, which is a recognised stock exchange, this condition will be satisfied if the Bonds are listed on the Official List of the UK Listing Authority and admitted to trading on the PSM. HM Revenue & Customs have confirmed that securities that are admitted to trading on the Professional Securities Markets satisfy the condition of being admitted to trading on the London Stock Exchange. Accordingly payments of interest on the Bonds may be made without withholding on account of UK income tax provided the Bonds remain so listed at the time of payment.

In all other cases an amount must be withheld on account of income tax at the basic rate (currently 20%), subject to any direction to the contrary by HM Revenue & Customs under an applicable double taxation treaty, and except that the withholding obligation is disapplied in respect of payments to Bondholders whom the Issuer reasonably believes are either a UK resident company or a non UK resident company carrying on a trade in the UK through a permanent establishment which is within the charge to corporation tax, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HM Revenue & Customs direct otherwise).

Interest on the Bonds is expected to constitute UK source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding. However, interest with a UK source received without deduction or withholding on account of UK tax will not be chargeable to UK tax in the hands of a Bondholder who is not resident for tax purposes in the UK unless that Bondholder: (i) carries on a trade, profession or vocation in the UK through a UK branch or agency or for holders who are companies through a UK permanent establishment, in connection with which the interest is received or to which the Bonds are attributable; or (ii) is a trustee of a trust with a UK beneficiary. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers).

The provisions relating to additional payments referred to in Condition 9 would not apply if HM Revenue & Customs sought to assess the person entitled to the relevant amount directly to UK income tax. However, exemption from or reduction of such UK tax liability might be available under an applicable double taxation treaty.

Depending on the correct legal analysis of payments made by the Parent Guarantor as a matter of UK tax law, it is possible that payments by the Parent Guarantor would be subject to withholding on account of United Kingdom tax, subject to any claim which could be made under applicable double tax treaties and except that any withholding would be disapplied in respect of payments to recipients who the Parent Guarantor reasonably believes are either a UK resident company or a non resident company carrying on a trade through a permanent establishment which is within the charge to corporation tax, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HM Revenue & Customs direct otherwise).

Any paying agent or other person through whom interest is paid to, or by whom interest is received on behalf of, an individual (whether resident in the UK or elsewhere) may be required to provide information in relation to the payment and the individual concerned to HM Revenue & Customs. HM Revenue & Customs may communicate information to the tax authorities of other jurisdictions.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income Member States are required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to or for an individual or certain limited types of entity established in that other Member State. However, for a transitional period Austria and Luxembourg are instead required (unless during such period they elect otherwise) to operate a withholding tax in relation to such payments. The transitional period will end after agreement on exchange of information is reached between the European Union and certain non-European Union states. No withholding will be required where the bondholder authorises the person making the payment to report the payment or

presents a certificate from the relevant tax authority establishing exemption therefrom. A number of third countries have adopted equivalent measures.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or SDRT should be payable on the issue of the Bonds.

As the Issuer is not incorporated in the United Kingdom and the Bonds are not registered in a register kept in the United Kingdom by or on behalf of the Issuer, it is considered that no SDRT should be payable on the transfer of, or an agreement to transfer, the Bonds. No UK stamp duty will be payable on the transfer of the Bonds provided that this does not involve a written instrument of transfer. Stamp duty, generally at the rate of 0.5 per cent. of the amount or value of the consideration for the transfer, could arise only in respect of a written instrument effecting the transfer of the Bonds.

No UK stamp duty or SDRT will be payable on the issue of the Preference Shares.

No UK stamp duty or SDRT will be payable by the Bondholders on an issue of Ordinary Shares to them (or their nominee on their behalf) on a conversion of the Bonds.

Special rules apply in relation to Ordinary Shares issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent.. Following litigation HM Revenue & Customs has accepted that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement, on the basis that the charge is not compatible with EU law.

IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION, YOU SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISER WITHOUT DELAY.

IN PARTICULAR THIS SUMMARY DOES NOT ADDRESS THE TAX CONSEQUENCES OF A CONVERSION OR DISPOSAL OF THE BONDS OR A DISPOSAL OF ANY ORDINARY SHARES TO WHICH THE BONDS MAY CONVERT. IN ADDITION, EXCEPT AS SET OUT ABOVE, IT DOES NOT DISCUSS THE TAX CONSEQUENCES RELEVANT TO RETURNS ON THE BONDS OR ORDINARY SHARES OR TO ANY CASH AMOUNTS RECEIVED ON A CONVERSION.

GENERAL INFORMATION

1. Listing

Application has been made to the UKLA for the Bonds to be listed on the Official List. Application has also been made for the Bonds to be admitted to trading on the PSM. It is expected that the listing on the Bonds to the Official List and the admission to trading of the Bonds on the PSM will take place and that dealings in the Bonds will commence at 8 a.m. on 10 December 2012.

The listing of the Bonds on the Official List will be expressed in Sterling as a percentage of their principal amount (exclusive of accrued interest). Transactions will normally be effected for settlement in Sterling for delivery on the third business day in London after the date of the transaction.

2. Authorisation

The Issuer and the Parent Guarantor have each obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds. The creation and issue of the Bonds has been authorised by resolutions of the board of directors of the Issuer dated 4 September 2012 and 7 September 2012. The giving of the Guarantee has been authorised by the resolution of the Board of the Parent Guarantor passed on 4 September 2012 and by resolutions of a committee of the Board of the Parent Guarantor passed on 4 September 2012.

3. Clearing

The Bonds have been accepted for clearance through the Clearstream, Luxembourg and Euroclear systems. The Common Code for the Bonds is 082759476. The International Securities Identification Number for the Bonds is XS0827594762. The address of Euroclear is 1 Boulevard du Roi Albert I, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg.

4. Governmental, Legal or Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer or the Parent Guarantor is aware, nor have there been such proceedings in the 12 months preceding the date of this document, which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Parent Guarantor and/or the Group taken as a whole.

5. Financial and Trading Position

There has been no material adverse change in the prospects of the Parent Guarantor since 31 March 2012, the date of its last published audited financial statements, which are contained in the 2012 Annual Report.

There has been no significant change in the financial or trading position of the Group taken as a whole since 30 September 2012.

There has been no material adverse change in the prospects of the Issuer since 31 August 2012, its date of incorporation.

There has been no significant change in the financial or trading position of the Issuer since 31 August 2012, its date of incorporation.

6. Financial Information

The auditors of the Company and the Issuer are Deloitte LLP, Chartered Accountants, of 2 New Street Square, London EC4A 3BZ, United Kingdom, who have audited the Company's consolidated accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the two financial years ended on 31st March, 2011 and 31st March, 2012. Deloitte LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.

7. Effect of issue of the Bonds

As at the date of these Listing Particulars, assuming that all the Bonds are converted into Preference Shares and those Preference Shares are exchanged into Ordinary Shares at £6.9307 per Ordinary Share, 57,714,228 new Ordinary Shares will be issued, representing approximately 6.37% of the outstanding ordinary share capital of the Parent Guarantor.

8. Expenses

The total expenses related to the admission to trading of the Bonds are expected to be £7.05 million.

9. Material Contracts

The following contracts directly concerning the issue of the Bonds have been entered into by the Parent Guarantor and the Issuer immediately preceding the publication of these Listing Particulars and are, or may be, material:

- (i) the Trust Deed dated 10 September 2012 between the Issuer, the Parent Guarantor and the Trustee, constituting the Bonds and appointing the Trustee to act as trustee and under which such commission in respect of the service of the Trustee as shall be agreed between the Issuer, the Parent Guarantor and the Trustee shall be paid;
- (ii) a Paying, Transfer and Conversion Agency Agreement dated 10 September 2012 between the Issuer, the Parent Guarantor, the Trustee, the Principal Paying, Transfer and Conversion Agent and the Registrar setting out, inter alia, the terms of appointment and duties of the Principal Paying, Transfer and Conversion Agent and the Registrar and under which such commissions in respect of the services of the agents as shall be agreed between them and the Issuer and the Parent Guarantor are to be paid; and
- (iii) a loan agreement dated 10 September 2012 between the Parent Guarantor and the Issuer under which the Issuer has agreed, in accordance with the arrangements for the issue of the Bonds and the use of the proceeds of the Bonds and subject to certain conditions, to lend to the Parent Guarantor the aggregate principal amount of £400,000,000 or, following any partial repayment, the amount thereof outstanding from time to time.

10. Documents on Display

Copies of the following documents may be inspected during normal business hours at the offices of the Parent Guarantor during the 12 months starting on the date on which these Listing Particulars are made available to the public:

- (i) the Memorandum of Association and the Articles of Association of the Issuer;
- (ii) the Articles of Association of the Parent Guarantor; and
- (iii) the consolidated audited financial statements of the Parent Guarantor in respect of the two financial years ended 31st March, 2011 and 2012 together with the audit reports prepared in connection therewith.

In addition, these Listing Particulars are also available at the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com.

11. Yield

The yield to maturity of the Bonds is 1.50 per cent. per annum, payable semi-annually in equal instalments in arrear. The yield is calculated as at the issue date of the Bonds and on the basis of the issue price of the Bonds.

12. Rating

The Bonds have been assigned a credit rating of A- by Fitch. Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). A 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 agency.

DEFINITIONS

Definitions

Except in “Terms and Conditions of the Bonds”, the following definitions apply throughout this document unless the context requires otherwise:

“Alternative Clearing System”	as defined on page 75
“Articles”	Articles of Association
“BL REIT Group”	the Parent Guarantor and certain of its subsidiaries
“Board”	the Board of Directors of British Land
“Bondholder”	in relation to a Bond, the person in whose name a Bond is registered in the Register (as defined in Condition 4(a) of the Terms and Conditions section in these Listing Particulars)
“Bonds”	£400,000,000 1.50 per cent. Guaranteed Convertible Bonds due 2017
“British Land”	The British Land Company PLC
“Clearstream, Luxembourg”	Clearstream Banking, société anonyme
“Closing Date”	10 September 2012
“Commission”	The Jersey Financial Services Commission
“Company”	The British Land Company PLC
“Companies Act”	the Companies Act 2006
“Conversion Notice”	has the meaning provided in Condition 6(g) of the Terms and Conditions section of these Listing Particulars
“Conversion Right”	has the meaning provided in Condition 6(a) from the Terms and Conditions section within these Listing Particulars
“Corporate Services Provider”	Dominion Corporate Services Limited
“Definitive Bonds”	Bonds in definitive form
“Directive 2004/39/EC”	Markets in Financial Instruments Directive
“British Land”	The British Land Company PLC
“EPRA”	European Public Real Estate Association
“ERV”	Estimated rental value
“European Commission”	The executive body of the European Union
“European Parliament”	The Parliament of the European Union
“EU” or “European Union”	the European Union as established by the Treaty on European Union
“EU Savings Directive”	Council Directive 2003/48/EC
“Euroclear”	Euroclear Bank S.A./N.V.
“Eurozone Countries”	Countries which have adopted the euro
“Exchange Date”	a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System

“Final Maturity Date”	10 September 2017
“Founders’ Shares”	founders’ shares of £100.00 each in the capital of the Issuer
“FSA”	Financial Services Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Global Bond”	a Bond in global form representing £400,000,000 in aggregate principal amount of the Bonds
“Group”	The British Land Company PLC and its subsidiaries
“Guarantee”	the unconditional and irrevocable guarantee provided by the Parent Guarantor pursuant to the Trust Deed regarding the Issuer’s obligations in respect of the Bonds
“Income Tax Act”	the Income Tax Act 2007
“Issuer”	British Land (Jersey) Limited
“Listing Rules”	the listing rules of the UK Listing Authority
“LSE” or “London Stock Exchange”	London Stock Exchange plc
“Member State”	Member state of the EU
“Official List”	the official list maintained by the UKLA for the purposes of Part VI of the FSMA
“Ordinary Shares”	ordinary shares of £0.25 each in the Company, which have an ISIN number of GB0001367019 and a SEDOL number of 0136701 and have been admitted to the premium segment of the Official List of the FSA and to trading on the LSE’s EEA regulated market.
“Parent Guarantor”	The British Land Company PLC
“Principal Paying, Transfer and Conversion Agent”	The Bank of New York Mellon
“PSM”	Professional Securities Market of the London Stock Exchange plc
“Register”	has the meaning provided in Condition 4(a) of the Terms and Conditions
“Registrar”	The Bank of New York Mellon (Luxembourg) S.A.
“Regulation S”	Regulation S under the Securities Act
“REITs”	Real Estate Investment Trusts
“Securities Act”	United States Securities Act of 1933, as amended
“SDRT”	UK Stamp Duty and Stamp Duty Reserve Tax
“Term Sheet”	the term sheet dated 4 September 2012 in relation to the Bonds
“Trust Deed”	the trust deed dated 10 September 2012 between the Issuer, the Parent Guarantor and the Trustee
“Trustee”	Capita Trust Company Limited
“UK Listing Authority” or “UKLA”	the FSA acting in its capacity as the competent authority for the purpose of Part VI of the FSMA
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

REGISTERED OFFICE OF THE ISSUER

British Land (Jersey) Limited
47 Esplanade
St Helier
Jersey JE1 0BD

REGISTERED OFFICE OF THE PARENT GUARANTOR

The British Land Company PLC
York House
45 Seymour Street
London W1H 7LX

TRUSTEE

Capita Trust Company Limited
4th Floor
40 Dukes Place
London EC3A 7NH

PRINCIPAL PAYING AGENT

The Bank of New York Mellon
One Canada Square
Canary Wharf
London E14 5AL

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

AUDITORS

Deloitte LLP
2 New Street Square
London EC4A 3BZ